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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 January 31, 2025

or

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

For the transition period from to

Commission file numbers: 001-11331, 000-50182, 333-06693-02 and 000-50183

Ferrellgas Partners, L.P.
Ferrellgas, L.P.
Ferrellgas Partners Finance Corp.
Ferrellgas Finance Corp.

(Exact name of registrants as specified in their charters)

Delaware	43-1698480
Delaware	43-1698481
Delaware	43-1742520
Delaware	14-1866671
(States or other jurisdictions of incorporation or organization)	(I.R.S. Employer Identification Nos.)
One Liberty Plaza, Liberty, Missouri	64068
(Address of principal executive office)	(Zip Code)

Registrants' telephone number, including area code: (816) 792-1600

Indicate by check mark whether the registrants (1) have 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 registrants were required to file such reports), and (2) have been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrants have 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 registrants were required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "Large Accelerated Filer," "Accelerated Filer," "Smaller Reporting Company," and "Emerging Growth Company" in Rule 12b-2 of the Exchange Act.

Ferrellgas Partners, L.P.:

Large Accelerated Filer ☐	Accelerated Filer ☐	Non-accelerated Filer ☒	Smaller Reporting Company ☒ Emerging Growth Company ☐

Ferrellgas, L.P., Ferrellgas Partners Finance Corp. and Ferrellgas Finance Corp.:

Large Accelerated Filer ☐	Accelerated Filer ☐	Non-accelerated Filer ☒	Smaller Reporting Company ☒ Emerging Growth Company ☐

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

Ferrellgas Partners, L.P. and Ferrellgas, L.P. ☐

Ferrellgas Partners Finance Corp. and Ferrellgas Finance Corp. ☐

Indicate by check mark whether the registrants are shell companies (as defined in Rule 12b-2 of the Exchange Act).

Ferrellgas Partners, L.P. and Ferrellgas, L.P. Yes ☐ No ☒

Ferrellgas Partners Finance Corp. and Ferrellgas Finance Corp. Yes ☒ No ☐

Indicate by check mark whether the registrants have filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Ferrellgas Partners, L.P. and Ferrellgas Partners Finance Corp. Yes ☒ No ☐

Ferrellgas, L.P. and Ferrellgas Finance Corp. N/A

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

Title of each class:	**Trading Symbol**	**Name of each exchange on which registered:**
N/A	N/A	N/A

At February 28, 2025, the registrants had Class A Units, Class B Units or shares of common stock outstanding as follows:

Ferrellgas Partners, L.P.	4,857,605	Class A Units
	1,300,000	Class B Units
Ferrellgas, L.P.	n/a	n/a
Ferrellgas Partners Finance Corp.	1,000	Common Stock
Ferrellgas Finance Corp.	1,000	Common Stock

Documents Incorporated by Reference: None

EACH OF FERRELLGAS PARTNERS FINANCE CORP. AND FERRELLGAS FINANCE CORP. MEET THE CONDITIONS SET FORTH IN GENERAL INSTRUCTION H(1)(A) AND (B) OF FORM 10-Q AND ARE THEREFORE, WITH RESPECT TO EACH SUCH REGISTRANT, FILING THIS FORM 10-Q WITH THE REDUCED DISCLOSURE FORMAT.

EXPLANATORY NOTE

This report combines the quarterly reports on Form 10-Q for the quarter ended January 31, 2025 of Ferrellgas Partners, L.P. together with its consolidated subsidiaries, including Ferrellgas, L.P., Ferrellgas Partners Finance Corp., and Ferrellgas Finance Corp. Unless stated otherwise or the context otherwise requires, references to “Ferrellgas Partners” refers to Ferrellgas Partners, L.P. itself, with its consolidated subsidiaries. References to the “operating partnership” mean Ferrellgas, L.P., together (except where the context indicates otherwise) with its consolidated subsidiaries, including Ferrellgas Finance Corp. The terms “us,” “we,” “our,” “ours,” “consolidated,” the “Company” or “Ferrellgas” refer to Ferrellgas Partners, L.P. together with its consolidated subsidiaries, including Ferrellgas, L.P., Ferrellgas Partners Finance Corp. and Ferrellgas Finance Corp., except when used in connection with “Class A Units” or “Class B Units,” in which case these terms refer to Ferrellgas Partners, L.P. without its consolidated subsidiaries.

Ferrellgas Partners is a publicly traded Delaware limited partnership formed in 1994 and is primarily engaged in the retail distribution of propane and related equipment sales. Our Class A Units are traded on the OTC Pink Market under the symbol “FGPR.” The operating partnership was formed on April 22, 1994, and accounts for substantially all of our consolidated assets, sales and operating earnings.

Ferrellgas Partners is a holding entity that conducts no operations and has two direct subsidiaries, the operating partnership and Ferrellgas Partners Finance Corp. Our activities are primarily conducted through the operating partnership. Ferrellgas Partners and the Preferred Unitholders are the only limited partners of the operating partnership. Ferrellgas, Inc. is the sole general partner of Ferrellgas Partners and the operating partnership and, excluding the economic interests attributable to the Class B Units and the Preferred Units, owns an approximate 1% general partner economic interest in each, and, therefore, an effective 2% general partner economic interest in the operating partnership. Excluding the economic interests attributable to the Preferred Units, Ferrellgas Partners owns an approximate 99% limited partner interest in the operating partnership.

Our general partner performs all management functions for us. The parent company of our general partner, Ferrell Companies, currently beneficially owns approximately 23.4% of our outstanding Class A Units. Ferrell Companies is owned 100% by an employee stock ownership trust.

We believe that combining the quarterly reports on Form 10-Q for these entities provides the following benefits:

- enhances investors’ understanding of Ferrellgas Partners and the operating partnership by enabling investors to view the business as a whole in the same manner that management views and operates the business;
- eliminates duplicative disclosure and provides a more streamlined and readable presentation, since a substantial portion of the disclosure applies to both Ferrellgas Partners and the operating partnership; and
- creates time and cost efficiencies through the preparation of a combined presentation.

To help investors understand the differences between Ferrellgas Partners and the operating partnership, this report provides separate condensed consolidated financial statements for Ferrellgas Partners and the operating partnership. Noncontrolling interests, Class A Units, Class B Units, shareholders' equity (deficit) and partners' deficit are the main areas of difference between the condensed consolidated financial statements of Ferrellgas Partners and those of the operating partnership. A single set of notes to condensed consolidated financial statements is presented that includes separate discussions for Ferrellgas Partners and the operating partnership, when applicable. A combined Management's Discussion and Analysis of Financial Condition and Results of Operations section is also included that presents combined information and discrete information related to each entity, as applicable.

In order to highlight the differences between Ferrellgas Partners and the operating partnership, this report includes the following sections that provide separate financial information for Ferrellgas Partners and the operating partnership:

- condensed consolidated financial statements; and
- certain accompanying notes to condensed consolidated financial statements, which denote “Ferrellgas Partners” and “The operating partnership” in sections where applicable.

FERRELLGAS PARTNERS, L.P.
FERRELLGAS, L.P.
FERRELLGAS PARTNERS FINANCE CORP.
FERRELLGAS FINANCE CORP.

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS (unaudited)

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except unit data)
(unaudited)

	January 31, 2025	July 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents (including $10,678 of restricted cash at July 31, 2024)	$ 39,406	$ 124,160
Accounts and notes receivable, net	254,695	120,627
Inventories	104,613	96,032
Prepaid expenses and other current assets	40,863	34,383
Total current assets	439,577	375,202
Property, plant and equipment, net	603,453	604,954
Goodwill, net	257,155	257,006
Intangible assets (net of accumulated amortization of $363,056 and $358,895 at January 31, 2025 and July 31, 2024, respectively)	110,211	112,155
Operating lease right-of-use assets	38,281	47,620
Other assets, net	70,288	61,813
Total assets	$ 1,518,965	$ 1,458,750
LIABILITIES, MEZZANINE AND EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 77,744	$ 33,829
Current portion of long-term debt	2,382	2,510
Current operating lease liabilities	17,619	22,448
Other current liabilities	265,551	184,021
Total current liabilities	363,296	242,808
Long-term debt	1,462,839	1,461,008
Operating lease liabilities	21,825	26,006
Other liabilities	41,305	27,267
Contingencies and commitments (Note L)		
Mezzanine equity:		
Senior preferred units, net of issue discount and offering costs (700,000 units outstanding at January 31, 2025 and July 31, 2024)	651,349	651,349
Equity (Deficit):		
Limited partner unitholders		
Class A (4,857,605 units outstanding at January 31, 2025 and July 31, 2024)	(1,334,906)	(1,256,946)
Class B (1,300,000 units outstanding at January 31, 2025 and July 31, 2024)	383,012	383,012
General partner unitholder (49,496 units outstanding at January 31, 2025 and July 31, 2024)	(70,868)	(70,080)
Accumulated other comprehensive income	9,538	2,025
Total Ferrellgas Partners, L.P. deficit	(1,013,224)	(941,989)
Noncontrolling interest	(8,425)	(7,699)
Total deficit	(1,021,649)	(949,688)
Total liabilities, mezzanine and deficit	$ 1,518,965	$ 1,458,750

See notes to condensed consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per unit data)
(unaudited)

	For the three months ended January 31,		For the six months ended January 31,	
	2025	2024	2025	2024
Revenues:				
Propane and other gas liquids sales	$ 637,027	$ 584,209	$ 973,825	$ 923,143
Other	32,749	25,668	60,036	57,747
Total revenues	669,776	609,877	1,033,861	980,890
Costs and expenses:				
Cost of sales - propane and other gas liquids sales	318,706	277,838	483,062	450,018
Cost of sales - other	3,665	3,730	8,111	8,171
Operating expense - personnel, vehicle, plant and other	170,740	159,638	318,914	304,284
Operating expense - equipment lease expense	4,996	5,343	10,500	10,719
Depreciation and amortization expense	24,345	24,435	48,670	48,839
General and administrative expense	16,714	17,191	154,640	30,016
Non-cash employee stock ownership plan compensation charge	703	900	1,556	1,620
Loss on asset sales and disposals	2,264	382	3,691	1,717
Operating income	127,643	120,420	4,717	125,506
Interest expense	(27,893)	(24,359)	(53,974)	(48,520)
Other income, net	321	849	1,178	2,185
Earnings (loss) before income taxes	100,071	96,910	(48,079)	79,171
Income tax expense	385	309	565	471
Net earnings (loss)	99,686	96,601	(48,644)	78,700
Net earnings (loss) attributable to noncontrolling interest	843	812	(819)	467
Net earnings (loss) attributable to Ferrellgas Partners, L.P.	$ 98,843	$ 95,789	$ (47,825)	$ 78,233
Class A unitholders' interest in net earnings (loss) (Note M)	$ 11,660	$ 11,226	$ (79,810)	$ 6,421
Basic and diluted net earnings (loss) per Class A Unit (Note M)	$ 2.40	$ 2.31	$ (16.43)	$ 1.32

See notes to condensed consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)
(unaudited)

	For the three months ended January 31,		For the six months ended January 31,	
	2025	2024	2025	2024
Net earnings (loss)	$ 99,686	$ 96,601	$ (48,644)	$ 78,700
Other comprehensive income:				
Change in value of risk management derivatives	5,565	14,536	9,755	1,064
Reclassification of (gains) losses on derivatives to earnings, net	(2,852)	2,070	(2,165)	5,254
Other comprehensive income:	2,713	16,606	7,590	6,318
Comprehensive income	102,399	113,207	(41,054)	85,018
Comprehensive (income) loss attributable to noncontrolling interest	(871)	(980)	742	(531)
Comprehensive income (loss) attributable to Ferrellgas Partners, L.P.	$ 101,528	$ 112,227	$ (40,312)	$ 84,487

See notes to condensed consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF DEFICIT
(in thousands)
(unaudited)

	Number of units									
	Class A unitholders	**Class B unitholders**	**General partner unitholder**	**Class A unitholders**	**Class B unitholders**	**General partner unitholder**	**Accumulated other comprehensive income**	**Total Ferrellgas Partners, L.P. partners' deficit**	**Non-controlling interest**	**Total deficit**
Balance at July 31, 2024	4,857.6	1,300.0	49.5	$ (1,256,946)	$ 383,012	$ (70,080)	$ 2,025	$ (941,989)	$ (7,699)	$ (949,688)
Contributions in connection with non-cash ESOP compensation charges	—	—	—	836	—	8	—	844	9	853
Net earnings allocated to preferred units	—	—	—	(16,070)	—	(162)	—	(16,232)	—	(16,232)
Net loss	—	—	—	(145,201)	—	(1,467)	—	(146,668)	(1,662)	(148,330)
Other comprehensive income	—	—	—	—	—	—	4,828	4,828	49	4,877
Balance at October 31, 2024	4,857.6	1,300.0	49.5	(1,417,381)	383,012	(71,701)	6,853	(1,099,217)	(9,303)	(1,108,520)
Contributions in connection with non-cash ESOP compensation charges	—	—	—	689	—	7	—	696	7	703
Net earnings allocated to preferred units	—	—	—	(16,068)	—	(163)	—	(16,231)	—	(16,231)
Net earnings	—	—	—	97,854	—	989	—	98,843	843	99,686
Other comprehensive income	—	—	—	—	—	—	2,685	2,685	28	2,713
Balance at January 31, 2025	4,857.6	1,300.0	49.5	$ (1,334,906)	$ 383,012	$ (70,868)	$ 9,538	$ (1,013,224)	$ (8,425)	$ (1,021,649)

	Number of units									
	Class A unitholders	**Class B unitholders**	**General partner unitholder**	**Class A unitholders**	**Class B unitholders**	**General partner unitholder**	**Accumulated other comprehensive income (loss)**	**Total Ferrellgas Partners, L.P. partners' deficit**	**Non-controlling interest**	**Total deficit**
Balance at July 31, 2023	4,857.6	1,300.0	49.5	$ (1,205,103)	$ 383,012	$ (70,566)	$ 1,059	$ (891,598)	$ (7,193)	$ (898,791)
Contributions in connection with non-cash ESOP compensation charges	—	—	—	706	—	7	—	713	7	720
Net earnings allocated to preferred units	—	—	—	(16,088)	—	(163)	—	(16,251)	—	(16,251)
Net loss	—	—	—	(17,381)	—	(175)	—	(17,556)	(345)	(17,901)
Other comprehensive loss	—	—	—	—	—	—	(10,184)	(10,184)	(104)	(10,288)
Balance at October 31, 2023	4,857.6	1,300.0	49.5	(1,237,866)	383,012	(70,897)	(9,125)	(934,876)	(7,635)	(942,511)
Contributions in connection with non-cash ESOP compensation charges	—	—	—	882	—	9	—	891	9	900
Net earnings allocated to preferred units	—		—	(16,088)	—	(162)	—	(16,250)	—	(16,250)
Net earnings	—	—	—	94,831	—	958	—	95,789	812	96,601
Other comprehensive income	—	—	—	—	—	—	16,438	16,438	168	16,606
Balance at January 31, 2024	4,857.6	1,300.0	49.5	$ (1,158,241)	$ 383,012	$ (70,092)	$ 7,313	$ (838,008)	$ (6,646)	$ (844,654)

See notes to condensed consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	For the six months ended January 31, 2025	2024
Cash flows from operating activities:		
Net (loss) earnings	$ (48,644)	$ 78,700
Reconciliation of net (loss) earnings to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	48,670	48,839
Non-cash employee stock ownership plan compensation charge	1,556	1,620
Loss on asset sales and disposals	3,691	1,717
Provision for expected credit losses	1,304	1,184
Other	6,773	3,908
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Accounts and notes receivable	(135,372)	(68,725)
Inventories	(8,581)	(2,149)
Prepaid expenses and other current assets	922	(4,594)
Accounts payable	44,740	32,022
Accrued interest expense	(872)	(863)
Other current liabilities	72,979	6,223
Other assets and liabilities	11,475	2,665
Net cash (used in) provided by operating activities	(1,359)	100,547
Cash flows from investing activities:		
Business acquisitions, net of cash acquired	(3,756)	(16,499)
Capital expenditures	(41,724)	(47,374)
Proceeds from sale of assets	1,211	1,380
Net cash used in investing activities	(44,269)	(62,493)
Cash flows from financing activities:		
Preferred unit distributions	(31,171)	(31,150)
Proceeds from short-term borrowings	10,000	—
Repayments of short-term borrowings	(10,000)	—
Payments on long-term debt	(1,905)	(1,516)
Cash paid for financing costs	(5,822)	—
Cash payments for principal portion of lease liability	(4,776)	(3,581)
Other, net	4,548	—
Net cash used in financing activities	(39,126)	(36,247)
Net change in cash, cash equivalents and restricted cash	(84,754)	1,807
Cash, cash equivalents and restricted cash - beginning of period	124,160	137,347
Cash, cash equivalents and restricted cash - end of period	$ 39,406	$ 139,154

See notes to condensed consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	January 31, 2025	July 31, 2024
ASSETS		
Current assets:		
Cash and cash equivalents (including $10,678 of restricted cash at July 31, 2024)	$ 38,970	$ 123,732
Accounts and notes receivable, net	254,695	120,627
Inventories	104,613	96,032
Prepaid expenses and other current assets	40,842	34,363
Total current assets	439,120	374,754
Property, plant and equipment, net	603,453	604,954
Goodwill, net	257,155	257,006
Intangible assets (net of accumulated amortization of $363,056 and $358,895 at January 31, 2025 and July 31, 2024, respectively)	110,211	112,155
Operating lease right-of-use assets	38,281	47,620
Other assets, net	70,288	61,813
Total assets	$ 1,518,508	$ 1,458,302
LIABILITIES, MEZZANINE AND DEFICIT		
Current liabilities:		
Accounts payable	$ 77,744	$ 33,829
Current portion of long-term debt	2,382	2,510
Current operating lease liabilities	17,619	22,448
Other current liabilities	265,426	183,896
Total current liabilities	363,171	242,683
Long-term debt	1,462,839	1,461,008
Operating lease liabilities	21,825	26,006
Other liabilities	41,305	27,267
Contingencies and commitments (Note L)		
Mezzanine equity:		
Senior preferred units, net of issue discount and offering costs (700,000 units outstanding at January 31, 2025 and July 31, 2024)	651,349	651,349
Deficit:		
Limited partners	(1,023,094)	(944,337)
General partner	(8,536)	(7,733)
Accumulated other comprehensive income	9,649	2,059
Total deficit	(1,021,981)	(950,011)
Total liabilities, mezzanine and deficit	$ 1,518,508	$ 1,458,302

See notes to condensed consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands)
(unaudited)

	For the three months ended January 31,		For the six months ended January 31,	
	2025	2024	2025	2024
Revenues:				
Propane and other gas liquids sales	$ 637,027	$ 584,209	$ 973,825	$ 923,143
Other	32,749	25,668	60,036	57,747
Total revenues	669,776	609,877	1,033,861	980,890
Costs and expenses:				
Cost of sales - propane and other gas liquids sales	318,706	277,838	483,062	450,018
Cost of sales - other	3,665	3,730	8,111	8,171
Operating expense - personnel, vehicle, plant and other	170,740	159,638	318,914	304,284
Operating expense - equipment lease expense	4,996	5,343	10,500	10,719
Depreciation and amortization expense	24,345	24,435	48,670	48,839
General and administrative expense	16,713	17,195	154,639	30,021
Non-cash employee stock ownership plan compensation charge	703	900	1,556	1,620
Loss on asset sales and disposals	2,264	382	3,691	1,717
Operating income	127,644	120,416	4,718	125,501
Interest expense	(27,893)	(24,359)	(53,974)	(48,520)
Other income, net	316	851	1,168	2,188
Earnings (loss) before income taxes	100,067	96,908	(48,088)	79,169
Income tax expense	385	309	565	453
Net earnings (loss)	$ 99,682	$ 96,599	$ (48,653)	$ 78,716

See notes to condensed consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)
(unaudited)

	For the three months ended January 31,		For the six months ended January 31,	
	2025	2024	2025	2024
Net earnings (loss)	$ 99,682	$ 96,599	$ (48,653)	$ 78,716
Other comprehensive income:				
Change in value of risk management derivatives	5,565	14,536	9,755	1,064
Reclassification of (gains) losses on derivatives to earnings, net	(2,852)	2,070	(2,165)	5,254
Other comprehensive income:	2,713	16,606	7,590	6,318
Comprehensive income (loss)	$ 102,395	$ 113,205	$ (41,063)	$ 85,034

See notes to condensed consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF PARTNERS' DEFICIT
(in thousands)
(unaudited)

	Limited partner	General partner	Accumulated other comprehensive income	Total partners' deficit
Balance at July 31, 2024	$ (944,337)	$ (7,733)	$ 2,059	$ (950,011)
Contributions in connection with non-cash ESOP compensation charges	844	9	—	853
Net earnings allocated to preferred units	(16,232)	—	—	(16,232)
Net loss	(146,673)	(1,662)	—	(148,335)
Other comprehensive income	—	—	4,877	4,877
Balance at October 31, 2024	(1,106,398)	(9,386)	6,936	(1,108,848)
Contributions in connection with non-cash ESOP compensation charges	696	7	—	703
Net earnings allocated to preferred units	(16,231)	—	—	(16,231)
Net earnings	98,839	843	—	99,682
Other comprehensive income	—	—	2,713	2,713
Balance at January 31, 2025	$ (1,023,094)	$ (8,536)	$ 9,649	$ (1,021,981)

	Limited partner	General partner	Accumulated other comprehensive income (loss)	Total partners' deficit
Balance at July 31, 2023	$ (892,717)	$ (7,217)	$ 1,083	$ (898,851)
Contributions in connection with non-cash ESOP compensation charges	713	7	—	720
Net earnings allocated to preferred units	(16,251)	—	—	(16,251)
Net loss	(17,538)	(345)	—	(17,883)
Other comprehensive loss	—	—	(10,288)	(10,288)
Balance at October 31, 2023	(925,793)	(7,555)	(9,205)	(942,553)
Contributions in connection with non-cash ESOP compensation charges	891	9	—	900
Net earnings allocated to preferred units	(16,250)	—	—	(16,250)
Net earnings	95,787	812	—	96,599
Other comprehensive income	—	—	16,606	16,606
Balance at January 31, 2024	$ (845,365)	$ (6,734)	$ 7,401	$ (844,698)

See notes to condensed consolidated financial statements.

FERRELLGAS, L.P. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	For the six months ended January 31, 2025	2024
Cash flows from operating activities:		
Net (loss) earnings	$ (48,653)	$ 78,716
Reconciliation of net (loss) earnings to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	48,670	48,839
Non-cash employee stock ownership plan compensation charge	1,556	1,620
Loss on asset sales and disposals	3,691	1,717
Provision for expected credit losses	1,304	1,184
Other	6,774	3,908
Changes in operating assets and liabilities, net of effects from business acquisitions:		
Accounts and notes receivable	(135,372)	(68,725)
Inventories	(8,581)	(2,149)
Prepaid expenses and other current assets	923	(4,594)
Accounts payable	44,740	32,022
Accrued interest expense	(872)	(863)
Other current liabilities	72,979	6,204
Other assets and liabilities	11,474	2,665
Net cash (used in) provided by operating activities	(1,367)	100,544
Cash flows from investing activities:		
Business acquisitions, net of cash acquired	(3,756)	(16,499)
Capital expenditures	(41,724)	(47,374)
Proceeds from sale of assets	1,211	1,380
Net cash used in investing activities	(44,269)	(62,493)
Cash flows from financing activities:		
Preferred unit distributions	(31,171)	(31,150)
Payments on long-term debt	(1,905)	(1,516)
Proceeds from short-term borrowings	10,000	—
Repayments of short-term borrowings	(10,000)	—
Cash payments for financing costs	(5,822)	—
Cash paid for principal portion of finance lease liability	(4,776)	(3,581)
Other, net	4,548	—
Net cash used in financing activities	(39,126)	(36,247)
Net change in cash, cash equivalents and restricted cash	(84,762)	1,804
Cash, cash equivalents and restricted cash - beginning of period	123,732	137,245
Cash, cash equivalents and restricted cash - end of period	$ 38,970	$ 139,049

See notes to condensed consolidated financial statements.

FERRELLGAS PARTNERS, L.P. AND SUBSIDIARIES
FERRELLGAS, L.P. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Dollars in thousands, except per unit data, unless otherwise designated)
(unaudited)

A. Partnership organization and formation

Ferrellgas Partners

Ferrellgas Partners, L.P. (“Ferrellgas Partners”) was formed on April 19, 1994, and is a publicly traded limited partnership. Ferrellgas Partners is a holding entity that conducts no operations and has two direct subsidiaries, Ferrellgas Partners Finance Corp. and Ferrellgas, L.P. (the “operating partnership”). Ferrellgas Partners was formed to acquire and hold a limited partner interest in the operating partnership. Ferrellgas Partners owns a 100% equity interest in Ferrellgas Partners Finance Corp., whose only business activity is to act as the co-issuer and co-obligor of any debt securities issued by Ferrellgas Partners. Our activities are primarily conducted through the operating partnership. Ferrellgas Partners and the operating partnership, collectively referred to as “Ferrellgas,” are both Delaware limited partnerships and are governed by their respective partnership agreements. These agreements contain specific provisions for the allocation of net earnings and loss to each of the partners for purposes of maintaining the partner capital accounts.

Ferrellgas, Inc. (the “general partner”), a Delaware corporation and a wholly-owned subsidiary of Ferrell Companies, is the sole general partner of Ferrellgas Partners and the operating partnership and, excluding the economic interests attributable to Ferrellgas Partners’ Class B Units and the operating partnership’s Preferred Units (as defined in Note F “Preferred units”), owns an approximate 1% general partner economic interest in each, and, therefore, an effective 2% general partner economic interest in the operating partnership. Excluding the economic interests attributable to the Preferred Units, Ferrellgas Partners owns an approximate 99% limited partner interest in the operating partnership. Our general partner performs all management functions for us. Unless contractually provided for, creditors of the operating partnership have no recourse with regards to Ferrellgas Partners. As of January 31, 2025, Ferrell Companies Inc., a Kansas corporation (“Ferrell Companies”), the parent company of our general partner, beneficially owns approximately 23.4% of Ferrellgas Partners’ outstanding Class A Units. Ferrell Companies is owned 100% by an employee stock ownership trust.

The operating partnership

The operating partnership was formed on April 22, 1994, and accounts for substantially all of our consolidated assets, sales and operating earnings. The operating partnership is a limited partnership that owns and operates propane distribution and related assets. Ferrellgas Partners and the holders of the Preferred Units are the only limited partners of the operating partnership.

The operating partnership owns a 100% equity interest in Ferrellgas Finance Corp., whose only business activity is to act as the co-issuer and co-obligor of debt securities issued by the operating partnership.

The operating partnership is primarily engaged in the retail distribution of propane and related equipment sales. The propane distribution market is seasonal because propane is used primarily for heating in residential and commercial buildings. Ferrellgas serves residential, industrial/commercial, portable tank exchange, agricultural, wholesale and other customers in all 50 states, the District of Columbia, and Puerto Rico.

Basis of presentation

Due to seasonality, the results of operations for the six months ended January 31, 2025 are not necessarily indicative of the results to be expected for the full fiscal year ending July 31, 2025.

The condensed consolidated financial statements of Ferrellgas reflect all adjustments that are, in the opinion of management, necessary for a fair presentation of the interim periods presented. All adjustments to the condensed consolidated financial statements were of a normal recurring nature. The information included in this Quarterly Report on Form 10-Q should be read in conjunction with (i) the section entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and (ii) the consolidated financial statements and accompanying notes included in Ferrellgas’ Annual Report on Form 10-K for fiscal 2024.

B. Summary of significant accounting policies

(1) Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from these estimates. Significant estimates impacting the condensed consolidated financial statements include accruals that have been established for contingent liabilities, pending claims and legal actions arising in the normal course of business, useful lives of property, plant and equipment, residual values of tanks, capitalization of customer tank installation costs, amortization methods of intangible assets, valuation methods used to value sales returns and allowances, allowance for expected credit losses, fair value of reporting unit, recoverability of long-lived assets, assumptions used to value business combinations, determination of incremental borrowing rate used to measure right-of-use assets ("ROU assets") and lease liability, and fair values of derivative contracts.

(2) Goodwill, net

Goodwill is tested for impairment annually during the second fiscal quarter, or more frequently if events or changes in circumstances indicate that it is more likely than not the fair value of a reporting unit is less than the carrying value. Ferrellgas has determined that it has one reporting unit for goodwill impairment testing purposes. Ferrellgas completed its most recent annual goodwill impairment test on January 31, 2025 and did not incur an impairment loss.

(3) Principles of consolidation and basis of presentation

Certain prior period amounts have been reclassified to conform to the current year presentation.

(4) New accounting standards

Recently adopted accounting pronouncements

No new accounting standards were adopted during the six months ended January 31, 2025.

Recently issued accounting pronouncements not yet adopted

In November 2023, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* ("ASU 2023-07"), to improve segment disclosures, primarily through enhanced disclosures for significant segment expenses. ASU 2023-07 does not change how a public entity identifies its operating segments, aggregates those operating segments, or applies quantitative thresholds to determine its reportable segments. The update is effective on a retrospective basis for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company plans to adopt ASU 2023-07 starting with our Form 10-K for the year ended July 31, 2025, and our quarterly reports on Form 10-Q starting with our quarterly report for the quarter ended October 31, 2025. The adoption of this guidance will impact our disclosures only and we do not expect it to have a material impact.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* ("ASU 2023-09"). In addition to new disclosures associated with the reconciliation of the effective tax rate to the statutory rate, ASU 2023-09 requires information related to taxes paid to be disaggregated for federal and state taxes and further disaggregated for specific jurisdictions to the extent they exceed a quantitative threshold. ASU 2023-09 is effective prospectively with an option for retrospective application for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company plans to adopt ASU 2023-09 as of August 1, 2025. The adoption of this guidance will impact our disclosures only and we do not expect it to have a material impact.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses* ("ASU 2024-03"), which requires the disaggregation, in the notes to the financial statements, of certain cost and expense captions presented on the face of the Company's Statement of Operations, to provide enhanced transparency to investors. The update may be applied either prospectively or retrospectively. ASU 2024-03 is effective for fiscal years beginning after December 15, 2026 and interim periods within fiscal years beginning after December 15, 2027. Early adoption is permitted. The Company plans to adopt ASU 2024-03 starting with our Form 10-K for the year ended July 31, 2028, and our quarterly reports on Form 10-Q starting with our quarterly report for the quarter ended October 31, 2028. The Company is currently evaluating the impact ASU 2024-03 will have on its disclosures.

C. Supplemental financial statement information

Inventories

Inventories consist of the following:

	January 31, 2025	July 31, 2024
Propane gas and related products	$ 83,390	$ 74,122
Appliances, parts and supplies, and other	21,223	21,910
Inventories	$ 104,613	$ 96,032

In addition to inventories on hand, Ferrellgas enters into contracts to take delivery of propane for supply procurement purposes with terms that generally do not exceed 36 months. Most of these contracts call for payment based on market prices at the date of delivery. As of January 31, 2025, Ferrellgas had committed, for supply procurement purposes, to deliver approximately 2.4 million gallons of propane at net fixed prices.

Prepaid expenses and other current assets

Ferrellgas Partners

Prepaid expenses and other current assets consist of the following:

	January 31, 2025	July 31, 2024
Broker margin deposit assets	$ 4,205	$ 6,911
Price risk management asset	13,015	5,925
Other	23,643	21,547
Prepaid expenses and other current assets	$ 40,863	$ 34,383

The operating partnership

Prepaid expenses and other current assets consist of the following:

	January 31, 2025	July 31, 2024
Broker margin deposit assets	$ 4,205	$ 6,911
Price risk management asset	13,015	5,925
Other	23,622	21,527
Prepaid expenses and other current assets	$ 40,842	$ 34,363

Other current liabilities

Ferrellgas Partners

Other current liabilities consist of the following:

	January 31, 2025	July 31, 2024
Accrued interest	$ 28,520	$ 29,392
Customer deposits and advances	33,164	34,500
Accrued payroll	20,771	27,054
Accrued insurance	16,752	15,307
Broker margin deposit liability	7,709	3,111
Accrued senior preferred units distributions	18,648	17,538
Other	139,987	57,119
Other current liabilities	$ 265,551	$ 184,021

The operating partnership

Other current liabilities consist of the following:

	January 31, 2025	July 31, 2024
Accrued interest	$ 28,520	$ 29,392
Customer deposits and advances	33,164	34,500
Accrued payroll	20,771	27,054
Accrued insurance	16,752	15,307
Broker margin deposit liability	7,709	3,111
Accrued senior preferred units distributions	18,648	17,538
Other	139,862	56,994
Other current liabilities	$ 265,426	$ 183,896

Shipping and handling expenses

Shipping and handling expenses are classified in the following condensed consolidated statements of operations line items:

	For the three months ended January 31,		For the six months ended January 31,	
	2025	2024	2025	2024
Operating expense - personnel, vehicle, plant and other	$ 85,491	$ 71,919	$ 155,838	$ 145,888
Depreciation and amortization expense	4,177	3,129	8,048	6,495
Operating expense - equipment lease expense	2,641	3,572	5,836	7,008
Shipping and handling expenses	$ 92,309	$ 78,620	$ 169,722	$ 159,391

Cash, cash equivalents and restricted cash

For purposes of the condensed consolidated statements of cash flows, Ferrellgas considers cash equivalents to include all highly liquid debt instruments purchased with an original maturity of three months or less. Restricted cash in the tables below as of July 31, 2024 consists of the balance of a cash deposit made with the administrative agent under the operating partnership's senior secured credit facility that was terminated in April 2020, which was used by the administrative agent to pay contingent obligations arising under the financing agreement that governed the terminated senior secured credit facility. In January 2025, the Company settled its outstanding litigation as described in Note L "Contingencies and commitments." As a result, the administrative agent released the restricted cash deposit in January 2025.

Ferrellgas Partners

Cash, cash equivalents and restricted cash consist of the following:

	January 31, 2025	July 31, 2024
Cash and cash equivalents	$ 39,406	$ 113,482
Restricted cash	—	10,678
Cash, cash equivalents and restricted cash	$ 39,406	$ 124,160

The operating partnership

Cash, cash equivalents and restricted cash consist of the following:

	January 31, 2025	July 31, 2024
Cash and cash equivalents	$ 38,970	$ 113,054
Restricted cash	—	10,678
Cash, cash equivalents and restricted cash	$ 38,970	$ 123,732

Certain cash flow and non-cash activities

Certain cash flow and significant non-cash activities are presented below:

Ferrellgas Partners

	For the six months ended January 31, 2025	2024
Cash paid for:		
Interest	$ 47,945	$ 45,222
Income taxes	$ 410	$ 359
Non-cash investing and financing activities:		
Liabilities incurred in connection with acquisitions	$ 635	$ 1,585
Change in accruals for property, plant and equipment additions	$ (630)	$ 774
Lease liabilities arising from operating ROU assets	$ 2,025	$ 8,385
Lease liabilities arising from finance ROU assets	$ 16,685	$ 1,561
Accrued senior preferred units distributions	$ 18,648	$ 18,594
Acquisition of assets in failed sale-leaseback	$ 5,032	$ —
Liability in connection with failed sale-leaseback	$ 4,548	$ —

The operating partnership

	For the six months ended January 31, 2025	2024
Cash paid for:		
Interest	$ 47,945	$ 45,222
Income taxes	$ 410	$ 341
Non-cash investing and financing activities:		
Liabilities incurred in connection with acquisitions	$ 635	$ 1,585
Change in accruals for property, plant and equipment additions	$ (630)	$ 774
Lease liabilities arising from operating ROU assets	$ 2,025	$ 8,385
Lease liabilities arising from finance ROU assets	$ 16,685	$ 1,561
Accrued senior preferred units distributions	$ 18,648	$ 18,594
Acquisition of assets in failed sale-leaseback	$ 5,032	$ —
Liability in connection with failed sale-leaseback	$ 4,548	$ —

D. Accounts and notes receivable, net

Accounts and notes receivable, net consist of the following:

	January 31, 2025	July 31, 2024
Accounts receivable	$ 258,174	$ 123,945
Note receivable	—	2,500
Allowance for expected credit losses	(3,479)	(5,818)
Accounts and notes receivable, net	$ 254,695	$ 120,627

E. Debt

Short-term borrowings

The Company classified borrowings under its Credit Facility (as defined below) as short-term because they are primarily used to fund working capital needs that management intends to pay down within the 12 month period following the balance sheet date. As of January 31, 2025, we did not have any short-term borrowings. For further discussions, see the "Senior secured revolving credit facility" section below.

Long-term debt

Long-term debt consists of the following:

	January 31, 2025	July 31, 2024
Unsecured senior notes		
Fixed rate, 5.375%, due 2026	$ 650,000	$ 650,000
Fixed rate, 5.875%, due 2029	825,000	825,000
Notes payable		
8.9% and 8.5% weighted average interest rate at January 31, 2025 and July 31, 2024, respectively, due 2025 to 2032, net of unamortized discount of $1,025 and $912 at January 31, 2025 and July 31, 2024, respectively	5,133	6,151
Total debt, excluding unamortized debt issuance and other costs	1,480,133	1,481,151
Unamortized debt issuance and other costs	(14,912)	(17,633)
Less: current portion of long-term debt	2,382	2,510
Long-term debt	$ 1,462,839	$ 1,461,008

Senior secured revolving credit facility

The operating partnership, the general partner and certain of the operating partnership's subsidiaries as guarantors are parties to a credit agreement dated March 30, 2021, as amended on January 15, 2025 (the "Credit Agreement"), with JPMorgan Chase Bank, N.A. as administrative agent and collateral agent, and the lenders and issuing lenders party thereto from time to time, which provides for a four-year revolving credit facility (the "Credit Facility"), with a maturity date of December 31, 2025, in an aggregate principal amount of up to $350.0 million. On March 31, 2025, in conjunction with the commencement of the Fifth Amendment, the commitment level for the Credit Facility will be reduced from $350.0 million to $308.8 million. The Credit Agreement includes a sublimit not to exceed $300.0 million for the issuance of letters of credit. On January 15, 2025, the Credit Agreement was further amended for modifications to allow for and reflect the litigation settlement, described in Note L "Contingencies and commitments," including modifications to permit the issuance of letters of credit to secure the settlement payments, as well as certain other conforming and technical changes resulting from the settlement. As of January 31, 2025, the operating partnership had no short-term borrowings.

All borrowings under the Credit Facility are guaranteed by the general partner and the direct and indirect subsidiaries of the operating partnership (other than Ferrellgas Finance Corp. and Ferrellgas Receivables, LLC) and a limited-recourse guaranty from Ferrellgas Partners (limited to its equity interests in the operating partnership). Additionally, all borrowings are secured, on a first priority basis, by substantially all of the assets of the operating partnership and its subsidiaries and all of the equity interests in the operating partnership held by the general partner and Ferrellgas Partners.

Availability under the Credit Facility is, at any time, an amount equal to (a) the lesser of the revolving commitment and the Borrowing Base (as defined below) minus (b) the sum of the aggregate outstanding amount of borrowings under the Credit Facility plus the undrawn amount of outstanding letters of credit under the Credit Facility plus unreimbursed drawings in respect of letters of credit (unless otherwise converted into revolving loans). The “Borrowing Base” equals the sum of: (a) $200.0 million, plus (b) 80% of the eligible accounts receivable of the operating partnership and its subsidiaries, plus (c) 70% of the eligible propane inventory of the operating partnership and its subsidiaries, valued at weighted average cost, less (d) certain reserves, as determined and subject to certain modifications by the administrative agent in its permitted discretion. On March 30, 2025, the Borrowing Base calculation will change in accordance with the December 2024 amendment.

Amounts borrowed under the Credit Facility bear interest, at the operating partnership’s option, at either (a) for base rate loans, (i) a base rate determined by reference to the highest of (A) the rate of interest last quoted by The Wall Street Journal in the U.S. as the prime rate in effect, (B) the NYFRB Rate from time to time plus 0.50% per annum and (C) the Adjusted term Secured Overnight Financing Rate (“SOFR”) for a one-month interest period plus 1.00% per annum plus (ii) a margin of 1.75% to 2.50% per annum depending on total net leverage or (b) for Eurodollar rate loans, (i) a rate determined by reference to the Adjusted term SOFR plus (ii) a margin of 2.75% to 3.50% per annum depending on total net leverage. The operating partnership will be required to pay an undrawn fee to the lenders on the average daily unused amount of the Credit Facility at a rate of 0.50% per annum.

The Credit Agreement contains customary representations, warranties, covenants and events of default and requires the operating partnership to maintain the following financial covenants:

Financial Covenant	**Ratio**
Minimum interest coverage ratio (1)	2.50x
Maximum secured leverage ratio (2)	2.50x
Maximum total net leverage ratio (3) (4)	5.25x

(1) Defined generally as the ratio of adjusted EBITDA to cash interest expense.

(2) Defined generally as the ratio of total first priority secured indebtedness to adjusted EBITDA.

(3) Defined generally as the ratio of total indebtedness (net of unrestricted cash, subject to certain limits) to adjusted EBITDA.

(4) Ratio was 4.75x immediately prior to the quarter ended October 31, 2024. As amended, ratio is 5.25x beginning with the quarter ended October 31, 2024 through the quarter ended January 31, 2025, 4.75x for the quarter ending April 30, 2025 through the quarter ending July 31, 2025, 5.00x for the quarter ending October 31, 2025, and 4.75x for any quarter ending on or after January 31, 2026.

In addition to the financial covenants, the Credit Agreement includes covenants that may (or if not met will) restrict the ability of the operating partnership to take certain actions. In particular, under these covenants, subject to certain exceptions and additional requirements, the operating partnership is permitted to make cash distributions to holders of Preferred Units, redemptions of Preferred Units conditional to a refinancing event, and other restricted payments (i) only in limited amounts specified in the Credit Agreement and (ii) only if availability under the Credit Facility exceeds the greater of $50.0 million and 15% of the Borrowing Base and the operating partnership’s total net leverage ratio is not greater than 4.75 to 1.0. The Credit Agreement restricts the transfer of cash from the operating partnership to Ferrellgas Partners to make distributions. Therefore, Ferrellgas Partners is currently unable to make distributions to its Class A and Class B unitholders. As of January 31, 2025, the operating partnership is in compliance with all of its debt covenants.

Senior unsecured notes

The operating partnership has $650.0 million aggregate principal amount of 5.375% senior notes due April 1, 2026 (the “2026 Notes”) and $825.0 million aggregate principal amount of 5.875% senior notes due April 1, 2029 (the “2029 Notes”) issued and outstanding pursuant to indentures each dated March 30, 2021. The 2026 Notes and 2029 Notes are the senior unsecured obligations of the operating partnership and Ferrellgas Finance Corp. and are unconditionally guaranteed, jointly and severally, on a senior unsecured basis by the general partner and all domestic subsidiaries of the operating partnership other than Ferrellgas Finance Corp. and Ferrellgas Receivables, LLC.

The 2026 Notes and 2029 Notes may be redeemed at the issuers’ option, in whole or in part, at the redemption prices set forth in the indenture governing such notes, plus accrued and unpaid interest. Beginning on April 1, 2025 and April 1, 2026, the 2026 Notes and 2029 Notes, respectively, may be redeemed at par plus accrued and unpaid interest.

The indentures governing the 2026 Notes and 2029 Notes contain customary affirmative and negative covenants restricting, among other things, the ability of the operating partnership and its restricted subsidiaries to take certain actions. In particular, under these covenants, subject to certain exceptions and additional requirements, the operating partnership is permitted to make cash distributions to holders of Preferred Units, Ferrellgas Partners and the general partner, redemptions of Preferred Units and other restricted payments (i) only in limited amounts specified in the indentures and (ii) only if the operating partnership’s net leverage ratio (defined generally to mean the ratio of consolidated total net debt to trailing four quarters consolidated EBITDA, both as adjusted for certain, specified items) is not greater than 5.0 to 1.0, on a pro forma basis giving effect to the restricted payment and, if applicable, certain other specified events. Further, if the operating partnership’s consolidated fixed charge coverage ratio (defined generally to mean the ratio of trailing four quarters consolidated EBITDA to consolidated fixed charges, both as adjusted for certain, specified items) is equal to or less than 1.75 to 1.00 (on a pro forma basis giving effect to the restricted payment and, if applicable, certain other specified events), the amount of distributions and other restricted payments the operating partnership is permitted to make under the indentures is further limited. As of January 31, 2025, the operating partnership is in compliance with all of its debt covenants.

The scheduled annual principal payments on long-term debt are as follows:

Payment due by fiscal year	**Scheduled principal payments**
2025	$ 610
2026	652,178
2027	1,310
2028	910
2029	825,550
Thereafter	600
Total	$ 1,481,158

On July 10, 2024, letters of credit in an aggregate principal amount of $124.5 million were issued to the surety providers under an appeal bond. On January 15, 2025, these letters of credit were released and new letters of credit in an aggregate principal amount of $75.0 million were issued pursuant to the settlement agreement described in Note L “Contingencies and commitments.” Letters of credit were also used to secure insurance arrangements, product purchases and commodity hedges. Letters of credit outstanding at January 31, 2025 and July 31, 2024 totaled $152.1 million and $193.4 million, respectively.

As of January 31, 2025, Ferrellgas had available borrowing capacity under its Credit Facility of $197.9 million. Assets subject to lien under the Credit Facility were $432.3 million as of January 31, 2025.

F. Preferred units

On March 30, 2021, pursuant to an Investment Agreement, the operating partnership issued an aggregate of 700,000 Preferred Units (the “Preferred Units”), having an aggregate initial liquidation preference of $700.0 million.

Redemption of the Preferred Units in the near term is not probable because of the high redemption price in the first four years. As described in greater detail under "Issuer Redemption Right" below, the Redemption Price for the Preferred Units is based upon the greater of the amount that would result in a 1.47x MOIC (defined below) and the amount that would result in a 12.25% internal rate of return. If the Preferred Units were redeemed during the first three to four years after issuance, the 1.47x MOIC would require a large premium payment and that large premium payment would result in an internal rate of return far in excess of the minimum 12.25%. Consequently, it is unlikely that Ferrellgas would be able to achieve any savings in its cost of capital by redeeming the Preferred Units during the first three to four years after issuance.

"MOIC" means, with respect to a Preferred Unit, a multiple on invested capital equal to the quotient determined by dividing (A) the sum of (x) the aggregate amount of all distributions made in cash with respect to such Preferred Unit prior to the applicable date of determination, with certain exclusions, plus (y) each Redemption Price paid in cash in respect of such Preferred Unit, on or prior to the applicable date of determination, by (B) the Purchase Price (defined below) of such Preferred Unit.

The preferences, rights, privileges and other terms of the Preferred Units are set forth in the First Amendment to the Amended OpCo LPA (the "OpCo LPA Amendment") entered into by the general partner on March 30, 2021 (along with the Fifth Amended and Restated Agreement of Limited Partnership of Ferrellgas, L.P. (the "Amended OpCo LPA")) and are described below.

Issuer Redemption Right

The operating partnership has the right to redeem all or a portion of the Preferred Units for cash, pro rata and at any time and from time to time, including in connection with a Change of Control (as defined in the OpCo LPA Amendment), at an amount per Preferred Unit (the "Redemption Price") equal to, without duplication, the sum of (a) the greater of (i) the amount necessary to result in a MOIC of 1.47x in respect of the purchase price, before discount, of such Preferred Unit, which is $1,000 per Preferred Unit (the "Purchase Price"), and (ii) the amount necessary to result in the applicable internal rate of return equal to 12.25%, which is increased by 150 basis points if the operating partnership has elected to pay more than four Quarterly Distributions (as defined below) in PIK Units (as defined below) and (b) the accumulated but unpaid Quarterly Distributions to the date of redemption, if any. A partial redemption of the Preferred Units is permitted only in the event the aggregate amount to be paid in respect of all Preferred Units included in such partial redemption is at least $25.0 million.

Investor Redemption Right

In the event that (i) any Class B Units are outstanding, or (ii) (x) no Class B Units are outstanding and (y) no more than 233,300 Preferred Units are outstanding, at any time on and after March 30, 2031, the Required Holders may elect, by delivery of written notice, to have the operating partnership fully redeem each remaining outstanding Preferred Unit for an amount in cash equal to the Redemption Price. "Required Holders" refers to both (i) holders owning at least 33.3% of the total Preferred Units outstanding at any time and (ii) certain initial affiliated purchasers, for so long as such initial affiliated purchasers collectively own at least 25% of the Preferred Units outstanding at such time.

In the event that (i) no Class B Units are outstanding and (ii) more than 233,300 Preferred Units are outstanding, the Required Holders will have the right to trigger a sale of the operating partnership after March 30, 2031. If the operating partnership fails to consummate a sale that would pay the Redemption Price in full within 180 days of written notice requiring such sale, the Required Holders will have the right to appoint a majority of the members of the Board of Directors of the general partner and initiate a sale of the operating partnership.

Change of Control

Upon a Change of Control (as defined in the OpCo LPA Amendment), the Required Holders will have the option to require the redemption of all or a portion of the Preferred Units in cash in an amount equal to the Redemption Price; provided, that such Redemption Price shall not be payable unless the operating partnership shall have first made any required change of control offer pursuant to the indentures governing the 2026 Notes and the 2029 Notes and purchased all such 2026 Notes and 2029 Notes tendered pursuant to such offer (unless otherwise waived by such noteholders); provided, further that the Redemption Price shall be paid immediately following the purchase of such tendered Notes (if any).

Fair Value of Embedded Derivatives

Ferrellgas identified the investor redemption right and the change in control option as embedded derivatives that require bifurcation as they are not clearly and closely related to the debt host contract and has concluded that the fair values at issuance and at January 31, 2025 and July 31, 2024, are immaterial to the financial statements.

Distributions

Pursuant to the OpCo LPA Amendment, the operating partnership is required to pay to the holders of each Preferred Unit a cumulative, quarterly distribution (the "Quarterly Distribution") at the Distribution Rate (as defined below) on the Purchase Price.

"Distribution Rate" means, for the first five years after March 30, 2021, a rate per annum equal to 8.956%, with certain increases in the Distribution Rate on each of the 5^{th}, 6^{th} and 7^{th} anniversaries of March 30, 2021, subject to a maximum rate of 11.125% and certain other adjustments and exceptions.

The Quarterly Distribution may be paid in cash or, at the election of the operating partnership, "in kind" through the issuance of additional Preferred Units ("PIK Units") at the quarterly Distribution Rate plus an applicable premium that escalates each year from 75 bps to 300 bps so long as the Preferred Units remain outstanding. In the event the operating partnership fails to make any Quarterly Distribution in cash, such Quarterly Distribution will automatically be paid in PIK Units.

The Distribution Rate on the Preferred Units will increase upon violation of certain protective provisions for the benefit of Preferred Unit holders notwithstanding the cap mentioned above.

On February 15, 2025, $15.4 million of the Quarterly Distribution was paid in cash to holders of Preferred Units. As of January 31, 2025, the Quarterly Distribution accrued was $18.6 million. The remaining Quarterly Distribution accrual of $3.2 million represents Additional Amounts payable to certain holders of Preferred Units pursuant to the side letters outlined in the OpCo LPA Amendment.

On February 15, 2024, $15.4 million of the Quarterly Distribution was paid in cash to holders of Preferred Units. As of January 31, 2024, the Quarterly Distribution accrued was $18.6 million. The remaining Quarterly Distribution accrual of $3.2 million represents Additional Amounts payable to certain holders of Preferred Units pursuant to the side letters.

Tax Distributions

For any quarter in which the operating partnership makes a Quarterly Distribution in PIK Units in lieu of cash, it will be required to make a subsequent cash tax distribution for such quarter in an amount equal to the (i) the lesser of (x) 25% and (y) the highest combined federal, state and local tax rate applicable for corporations organized in New York, multiplied by (ii) the excess (if any) of (A) one-fourth (1/4th) of the estimated taxable income to be allocated to the holders of Preferred Units for the year in which the Quarterly Tax Payment Date (which refers to certain specified dates that next follow a Quarterly Distribution date on which PIK Units were issued) occurs, over (B) any cash paid on the Quarterly Distribution date immediately preceding the Quarterly Tax Payment Date on which a quarterly tax amount would otherwise be paid (such amount, the "Tax Distribution"). Tax Distributions are treated as advances against, and reduce, future cash distributions for any reason, including payments in redemption of Preferred Units or PIK Units, or payments to the holders in their capacity as such pursuant to any side letter or other agreement.

Additional Amounts for Certain Purchasers

The operating partnership is required to pay certain additional amounts of cash (the "Additional Amounts") as necessary to certain holders of Preferred Units that hold their interests through a "blocker," which is a U.S. entity that is owned and organized by certain original purchasers of Preferred Units who are non-U.S. persons or tax exempt for U.S. tax purposes and is treated as a corporation for U.S. tax purposes. Only certain original purchasers of Preferred Units who hold their Preferred Units through such blockers are, and none of their transferees is, entitled to Additional Amounts. Additional Amounts are capped at the lesser of: (a) the product of 20% multiplied by taxable income allocated to a "blocker" (as defined) divided by 0.8, and (b) the actual taxes payable by the "blocker" as a result of holding Senior Preferred Units.

Board Rights

For so long as at least 140,000 Preferred Units remain outstanding, holders of the Preferred Units have the right to designate one director to the Board of the general partner, subject to approval by the general partner.

Protective Provisions

The OpCo LPA Amendment and the Sixth Amended and Restated Agreement of Limited Partnership of Ferrellgas Partners, L.P. (the "Amended Ferrellgas Partners LPA") include, among other things, certain covenants for the benefit of holders of Preferred Units applicable to the operating partnership and, in certain instances, Ferrellgas Partners, for so long as at least $35 million of Preferred Units and PIK Units remain outstanding. These covenants include, among other things, limitations on (i) effecting a Change of Control, (ii) amending organizational documents, (iii) issuing certain equity securities, (iv) issuing Preferred Units, (v) filing for bankruptcy, (vi) non-ordinary course investments, and (vii) incurring certain levels of indebtedness.

Ranking and Liquidation Preference

The Preferred Units rank senior to any other class or series of equity interests of the operating partnership (including the partnership interests held by Ferrellgas Partners and the general partner). Upon a liquidation, dissolution or winding up of the operating partnership, each holder of Preferred Units will be entitled to receive, prior and in preference to any distribution of any assets of the operating partnership to the holders of any other class or series of equity interests in the operating partnership (including Ferrellgas Partners and the general partner), an amount per Preferred Unit equal to the Redemption Price.

Restrictions on Cash Distributions to Ferrellgas Partners and the General Partner

The operating partnership is permitted to make distributions of Available Cash (as defined in the Amended OpCo LPA) to Ferrellgas Partners only if (i) the operating partnership has made all required Quarterly Distributions (in cash or PIK Units), Tax Distributions and payments of Additional Amounts, (ii) the operating partnership has redeemed all PIK Units issued, (iii) the operating partnership's consolidated net leverage (defined generally to mean the ratio of the operating partnership's consolidated total net debt (including the total redemption price of all outstanding Preferred Units and PIK Units but excluding certain letters of credit and capital lease obligations) as of each Quarterly Distribution Date to trailing four quarters consolidated EBITDA, both as adjusted for certain, specified items) is below 7.00x, net of cash, immediately before and after giving effect to such distribution, (iv) the operating partnership has at least $100 million of liquidity, consisting of unrestricted cash on hand and available capacity under the Credit Agreement or any replacement thereof, and (v) the operating partnership is in compliance with the other protective provisions in the OpCo LPA Amendment.

G. Equity (Deficit)

Ferrellgas Partners

Class B Units

On March 30, 2021, Ferrellgas Partners issued 1.3 million Class B Units to the holders of the $357.0 million aggregate principal amount of its 8.625% senior unsecured notes due June 2020 (the "Ferrellgas Partners Notes") in exchange for such holders' contribution of the Ferrellgas Partners Notes to Ferrellgas Partners as a capital contribution and in satisfaction of such holders' claims in respect of the Ferrellgas Partners Notes. The terms of the Class B Units are set forth in the Amended Ferrellgas Partners LPA entered into by the general partner on March 30, 2021.

Ferrellgas Partners may, subject to certain conditions, issue additional Class A Units to such parties as determined at the discretion of Ferrellgas Partners, upon consent by the holders of the requisite percentage of Class B Units as specified in the Amended Ferrellgas Partners LPA (the "Requisite Class B Units"), which refers to: (i) if the initial majority holder of Class B Units holds at least 50% of Class B Units, holders of at least 50% of the outstanding Class B Units, or (ii) if the initial majority holder of Class B Units holds less than 50% of Class B Units, holders of at least one-third of the outstanding Class B Units.

Pursuant to the Amended Ferrellgas Partners LPA, while any Class B Units remain outstanding, any distributions by Ferrellgas Partners to its partners must be made such that the ratio of (i) the amount of distributions made to holders of Class B Units to (ii) the amount of distributions made to holders of Class A Units and the general partner is not less than 6:1.

Once holders of Class B Units receive distributions in the aggregate amount of $357.0 million (which was the outstanding principal amount of the Ferrellgas Partners Notes), the Class B Units will be (i) convertible into Class A Units at the option of Ferrellgas Partners, if that distribution threshold is reached prior to March 30, 2026, the fifth anniversary post-emergence, or (ii) converted automatically into Class A Units, if the distribution threshold is reached on or after March 30, 2026, in each case at the applicable conversion rate set forth in the following table:

Period	***Conversion Factor***
March 31, 2024 through March 30, 2025	4.00x
March 31, 2025 through March 30, 2026	5.00x
March 31, 2026 through March 30, 2027	6.00x
March 31, 2027 through March 30, 2028	7.00x
March 31, 2028 through March 30, 2029	10.00x
March 31, 2029 through March 30, 2030	12.00x
March 31, 2030 through March 30, 2031	25.00x

Ferrellgas Partners may redeem the Class B Units through March 30, 2026, in full, at a price equal to an amount that will result in an internal rate of return with respect to the Class B Units equal to the sum of (i) 300 basis points and (ii) the internal rate of return for the Preferred Units as specified in the Amended Ferrellgas Partners LPA, subject to the minimum redemption price of $302.08 per unit. The total internal rate of return required to redeem the Class B Units is 15.85%, but that amount increases under certain circumstances, including if the operating partnership paid distributions on the Preferred Units in-kind rather than in cash for a certain number of quarters. There have not been any in-kind distributions through January 31, 2025.

During the period through March 30, 2026, after Ferrellgas Partners has distributed $356 million in distributions to holders of the Class B Units, Ferrellgas Partners will have the option to hold cash for six months at either Ferrellgas Partners or Ferrellgas Partners Finance Corp. for the sole purpose of redeeming the Class B Units. However, if the funds held are not used to redeem the Class B Units, the funds must either be distributed to holders of the Class B Units and, if applicable, holders of the Class A Units and the general partner or returned to the operating partnership.

Ferrellgas Partners will only be able to redeem the Class B Units to the extent it receives sufficient distributions from the operating partnership, and the operating partnership is limited in its ability to make distributions by the indentures that govern the 2026 Notes and the 2029 Notes, the Credit Agreement and the OpCo LPA Amendment governing the Preferred Units.

The holders of the Class B Units will have the right to acquire the general partner interests in Ferrellgas Partners and the operating partnership, without the approval of the general partner, Ferrellgas Partners, the holders of the Class A Units or the operating partnership, if the Class B Units are still outstanding and have not been converted to Class A Units by the earlier of (i) a material breach of the covenants in favor of the Class B Units under the Amended Ferrellgas Partners LPA or the Amended OpCo LPA that is not cured within the time period specified therein and (ii) March 30, 2031.

Board Rights

The holders of Class B Units will be permitted to designate one independent director to the Board of the general partner in accordance with a voting agreement among the general partner, Ferrell Companies, Inc. (“FCI”), the sole stockholder of the general partner, and the holders of the Class B Units and the general partner's bylaws.

Class A Units

As of January 31, 2025 and July 31, 2024, Class A Units were beneficially owned by the following:

	January 31, 2025	July 31, 2024
Public Class A Unitholders (1)	3,480,621	3,480,621
James E. Ferrell (2)	238,172	238,172
Ferrell Companies (3)	1,126,468	1,126,468
FCI Trading Corp. (4)	9,784	9,784
Ferrell Propane, Inc. (5)	2,560	2,560
Total	4,857,605	4,857,605

(1) These Class A Units are traded on the OTC Pink Market under the symbol "FGPR."

(2) James E. Ferrell was the Executive Chairman of the Board of Directors of our general partner in fiscal 2024. Effective August 5, 2024, he was appointed to serve as Chairman of the Board of Directors of our general partner. He is a related party. JEF Capital Management owns 237,942 of these Class A Units and is owned by the James E. Ferrell Revocable Trust Two and other family trusts, all of which James E. Ferrell and/or his family members are the trustees and beneficiaries. James E. Ferrell holds all voting common stock of JEF Capital Management. The remaining 230 Class A Units are held by Ferrell Resources Holdings, Inc., which is wholly-owned by the James E. Ferrell Revocable Trust One, for which James E. Ferrell is the trustee and sole beneficiary.

(3) Ferrell Companies is the owner of the general partner and an approximate 23% direct owner of Ferrellgas Partners' Class A Units and thus a related party. Ferrell Companies also beneficially owns 9,784 and 2,560 Class A Units of Ferrellgas Partners held by FCI Trading Corp. ("FCI Trading") and Ferrell Propane, Inc. ("Ferrell Propane"), respectively, bringing Ferrell Companies' total beneficial ownership of Class A Units to 23.4%.

(4) FCI Trading is an affiliate of the general partner and thus a related party.

(5) Ferrell Propane is controlled by the general partner and thus a related party.

Together these Class A Units represent (i) a 99% limited partner economic interest in Ferrellgas Partners, excluding the economic interest attributable to the Class B Units, and (ii) an effective 98% economic interest in the operating partnership, excluding the economic interests attributable to the Class B Units and the Preferred Units. In liquidation, allocations and distributions will be made in accordance with each Class A Unitholder's positive capital account.

The Class A Units of Ferrellgas Partners represent limited partner interests in Ferrellgas Partners, which give the holders thereof the right to participate in distributions made by Ferrellgas Partners, subject to the rights of holders of Class B Units, and to exercise the other rights or privileges available to such holders under the Amended Ferrellgas Partners LPA. Under the terms of the Amended Ferrellgas Partners LPA, holders of Class A Units have limited voting rights on matters affecting the business of Ferrellgas Partners. Generally, persons or groups owning 20% or more of Ferrellgas Partners' outstanding Class A Units cannot vote any of their Class A Units in excess of the 20% threshold. However, this limitation does not apply under certain circumstances and does not apply to Class A Units owned by Ferrell Companies, our general partner and its affiliates, and this limitation expires on the later of (a) March 30, 2026 and (b) the conversion of the Class B Units to Class A Units.

The Amended Ferrellgas Partners LPA allows the general partner to issue an unlimited number of additional general and limited partner interests of Ferrellgas Partners for such consideration and on such terms and conditions as shall be established by the general partner without the approval of any Class A Unitholders.

Partnership distributions

Ferrellgas Partners did not declare or pay any distributions to its Class A Unitholders or the general partner during the six months ended January 31, 2025 and 2024. Ferrellgas Partners made aggregate cash distributions of approximately $250.0 million to its Class B Unitholders since inception of its Class B Units in fiscal 2022. Under its Credit Agreement, Ferrellgas Partners is currently unable to make distributions to its Class A and Class B unitholders. See Note E "Debt" and Note M "Net (loss) per unitholders' interest" for additional information.

Accumulated other comprehensive income ("AOCI")

See Note J "Derivative instruments and hedging activities" for details regarding changes in fair value on risk management financial derivatives recorded within AOCI for the three and six months ended January 31, 2025 and 2024.

Ferrellgas Partners

General partner's commitment to maintain its capital account

Ferrellgas' partnership agreements allow the general partner to have an option to maintain its effective 2% general partner interest (excluding the interest attributable to the Class B Units and the Preferred Units) concurrent with the issuance of other additional equity.

During the six months ended January 31, 2025 and 2024, the general partner made non-cash contributions of $31.0 thousand and $32.0 thousand, respectively, to Ferrellgas to maintain its effective 2% general partner interest.

The operating partnership

Partnership distributions

Ferrellgas Partners did not declare or pay any distributions to its Class A Unitholders, Class B Unitholders, or the general partner during the three and six months ended January 31, 2025 and 2024.

See additional discussions about transactions with related parties in Note K "Transactions with related parties."

General partner's commitment to maintain its capital account

Ferrellgas, L.P.'s partnership agreement allows the general partner to have an option to maintain its 1.0101% general partner interest (excluding the interest attributable to the Preferred Units) concurrent with the issuance of other additional equity.

During the six months ended January 31, 2025 and 2024, the general partner made non-cash contributions of $16.0 thousand to the operating partnership to maintain its 1.0101% general partner interest.

H. Revenue from contracts with customers

Disaggregation of revenue

Ferrellgas disaggregates revenues based upon the type of customer and on the type of revenue. The following table presents retail propane revenues, wholesale propane revenues and other revenues. Retail revenues result from sales to end use customers, wholesale revenues result from sales to or through resellers and all other revenues include sales of appliances and other materials, other fees charged to customers and equipment rental charges.

	For the three months ended January 31,		For the six months ended January 31,	
	2025	2024	2025	2024
Retail - Sales to End Users	$ 463,127	$ 437,840	$ 678,406	$ 665,700
Wholesale - Sales to Resellers	165,865	142,826	279,714	248,349
Other Gas Sales	8,035	3,543	15,705	9,094
Other	32,749	25,668	60,036	57,747
Propane and related equipment revenues	$ 669,776	$ 609,877	$ 1,033,861	$ 980,890

Contract assets and liabilities

Ferrellgas' performance obligations are generally limited to the delivery of propane for its retail and wholesale contracts. Ferrellgas' performance obligations with respect to sales of appliances and other materials and other revenues are limited to the delivery of the agreed upon good or service. Ferrellgas does not have material performance obligations that are delivered over time, thus all of its revenue is recognized at the time the goods, including propane, are delivered or installed. Ferrellgas offers "even pay" and other billing programs that can create customer deposits or advances, depending on whether Ferrellgas has delivered more propane than the customer has paid for or whether the customer has paid for more propane than what has been delivered. Revenue is recognized from these customer deposits or advances to customers at the time product is delivered. The advance or deposit is considered to be a contract asset or liability. Additionally, from time to time, we have customers that pay in advance for goods or services, and such amounts result in contract liabilities.

Ferrellgas incurs incremental commissions directly related to the acquisition or renewal of customer contracts. The commissions are calculated and paid based upon the number of gallons sold to the acquired or renewed customer. The total amount of commissions that we incur is not material, and the commissions are expensed commensurate with the deliveries to which they relate; therefore, we do not capitalize these costs.

The following table presents the opening and closing balances of our contract assets and contract liabilities:

	January 31, 2025	January 31, 2024	January 31, 2023
Contract assets	$ 9,458	$ 10,295	$ 15,861
Contract liabilities			
Deferred revenue (1)	$ 49,797	$ 51,159	$ 50,062

(1) Of the beginning balance of deferred revenue, $29.1 million and $30.4 million was recognized as revenue during the six months ended January 31, 2025 and 2024, respectively. The unrecognized balance relates to even-pay billing amounts, for which revenue is typically fully recognized in the following fiscal year and varies primarily due to weather conditions and customer orders.

Remaining performance obligations

Ferrellgas' remaining performance obligations are generally limited to situations where customers have remitted payment but have not yet received deliveries of propane. This most commonly occurs in even pay billing programs and Ferrellgas expects that these balances will be recognized within a year or less as the customer takes delivery of propane.

I. Fair value measurements

Derivative financial instruments

The following table presents Ferrellgas' financial assets and financial liabilities that are measured at fair value on a recurring basis for each of the fair value hierarchy levels, including both current and noncurrent portions, as of January 31, 2025 and July 31, 2024:

	Asset (Liability)			
	Quoted Prices in Active Markets for Identical Assets and Liabilities (Level 1)	Significant Other Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Total
January 31, 2025:				
Assets:				
Derivative financial instruments:				
Commodity derivatives	$ —	$ 13,711	$ —	$ 13,711
Liabilities:				
Derivative financial instruments:				
Commodity derivatives	$ —	$ (4,062)	$ —	$ (4,062)
July 31, 2024:				
Assets:				
Derivative financial instruments:				
Commodity derivatives	$ —	$ 6,519	$ —	$ 6,519
Liabilities:				
Derivative financial instruments:				
Commodity derivatives	$ —	$ (4,460)	$ —	$ (4,460)

Methodology

The fair values of Ferrellgas' non-exchange traded commodity derivative contracts are based upon indicative price quotations available through brokers, industry price publications or recent market transactions and related market indicators. There were no transfers between Levels 1, 2 or 3 during the six months ended January 31, 2025 and the fiscal year ended July 31, 2024.

Other financial instruments

The carrying amounts of other financial instruments included in current assets and current liabilities (except for current maturities of long-term debt) approximate their fair values because of their short-term nature. At January 31, 2025 and July 31, 2024, the estimated fair value of Ferrellgas' long-term debt instruments was $1,423.4 million and $1,416.8 million, respectively. Ferrellgas estimates the fair value of long-term debt based on quoted market prices. The fair value of Ferrellgas' consolidated debt obligations is a Level 2 valuation based on the observable inputs used for similar liabilities.

Ferrellgas has other financial instruments such as trade accounts receivable which could expose it to concentrations of credit risk. The credit risk from trade accounts receivable is limited because of a large customer base which extends across many different U.S. markets.

J. Derivative instruments and hedging activities

Ferrellgas is exposed to certain market risks related to its ongoing business operations. These risks include exposure to changing commodity prices as well as fluctuations in interest rates. Ferrellgas utilizes derivative instruments to manage its exposure to fluctuations in commodity prices. Of these, the propane commodity derivative instruments are designated as cash flow hedges.

Derivative instruments and hedging activity

During the six months ended January 31, 2025 and 2024, Ferrellgas did not recognize any gain or loss in earnings related to hedge ineffectiveness and did not exclude any component of financial derivative contract gains or losses from the assessment of hedge effectiveness related to commodity cash flow hedges.

The following tables provide a summary of the fair value of derivatives within Ferrellgas' condensed consolidated balance sheets as January 31, 2025 and July 31, 2024:

		January 31, 2025			
		Asset Derivatives		Liability Derivatives	
Derivative Instrument	**Final Maturity Date**	**Location**	**Fair value**	**Location**	**Fair value**
Derivatives designated as hedging instruments	December 2026				
Commodity derivatives-propane		Prepaid expenses and other current assets	$ 13,015	Other current liabilities	$ 4,056
Commodity derivatives-propane		Other assets, net	696	Other liabilities	6
		Total	$ 13,711	Total	$ 4,062

		July 31, 2024			
		Asset Derivatives		Liability Derivatives	
Derivative Instrument	**Final Maturity Date**	**Location**	**Fair value**	**Location**	**Fair value**
Derivatives designated as hedging instruments	December 2025				
Commodity derivatives-propane		Prepaid expenses and other current assets	$ 5,925	Other current liabilities	$ 4,379
Commodity derivatives-propane		Other assets, net	594	Other liabilities	81
		Total	$ 6,519	Total	$ 4,460

Ferrellgas' exchange traded commodity derivative contracts require a cash margin deposit as collateral for contracts that are in a negative mark-to-market position. These cash margin deposits will be returned if mark-to-market conditions improve or will be applied against cash settlement when the contracts are settled. Liabilities represent cash margin deposits received by Ferrellgas for contracts that are in a positive mark-to-market position. The following tables provide a summary of cash margin balances as of January 31, 2025 and July 31, 2024:

	January 31, 2025			
	Assets		Liabilities	
Description	Location	Amount	Location	Amount
Margin Balances	Prepaid expense and other current assets	$ 4,205	Other current liabilities	$ 7,709
	Other assets, net	809	Other liabilities	753
	Total	$ 5,014	Total	$ 8,462

	July 31, 2024			
	Assets		Liabilities	
Description	Location	Amount	Location	Amount
Margin Balances	Prepaid expense and other current assets	$ 6,911	Other current liabilities	$ 3,111
	Other assets, net	824	Other liabilities	438
	Total	$ 7,735	Total	$ 3,549

The following tables provide a summary of the effect on Ferrellgas' condensed consolidated statements of comprehensive income for the three and six months ended January 31, 2025 and 2024 due to derivatives designated as cash flow hedging instruments:

	For the three months ended January 31, 2025			
			Amount of Gain Reclassified from AOCI into Income	
Derivative Instrument	Amount of Gain Recognized in AOCI	Location of Gain Reclassified from AOCI into Income	Effective portion	Ineffective portion
Commodity derivatives	$ 5,565	Cost of sales - propane and other gas liquids sales	$ 2,852	$ —

	For the three months ended January 31, 2024			
			Amount of Loss Reclassified from AOCI into Income	
Derivative Instrument	Amount of Gain Recognized in AOCI	Location of Loss Reclassified from AOCI into Income	Effective portion	Ineffective portion
Commodity derivatives	$ 14,536	Cost of sales - propane and other gas liquids sales	$ (2,070)	$ —

	For the six months ended January 31, 2025			
			Amount of Gain Reclassified from AOCI into Income	
Derivative Instrument	Amount of Gain Recognized in AOCI	Location of Gain Reclassified from AOCI into Income	Effective portion	Ineffective portion
Commodity derivatives	$ 9,755	Cost of sales - propane and other gas liquids sales	$ 2,165	$ —

	For the six months ended January 31, 2024			
			Amount of Loss Reclassified from AOCI into Income	
Derivative Instrument	Amount of Gain Recognized in AOCI	Location of Loss Reclassified from AOCI into Income	Effective portion	Ineffective portion
Commodity derivatives	$ 1,064	Cost of sales - propane and other gas liquids sales	$ (5,254)	$ —

Accumulated other comprehensive income

Ferrellgas Partners

The changes in derivatives included in AOCI for the six months ended January 31, 2025 and 2024 were as follows:

Gains and losses on derivatives included in AOCI	For the six months ended January 31, 2025	2024
Beginning balance attributable to Ferrellgas Partners, L.P.	$ 2,025	$ 1,059
Change in value of risk management commodity derivatives	9,755	1,064
Reclassification of losses on commodity hedges to cost of sales - propane and other gas liquids sales, net	(2,165)	5,254
Less: amount attributable to noncontrolling interests	77	64
Ending balance attributable to Ferrellgas Partners, L.P.	$ 9,538	$ 7,313

The operating partnership

The changes in derivatives included in AOCI for the six months ended January 31, 2025 and 2024 were as follows:

Gains and losses on derivatives included in AOCI	For the six months ended January 31, 2025	2024
Beginning balance	$ 2,059	$ 1,083
Change in value of risk management commodity derivatives	9,755	1,064
Reclassification of losses on commodity hedges to cost of sales - propane and other gas liquids sales, net	(2,165)	5,254
Ending balance	$ 9,649	$ 7,401

Ferrellgas expects to reclassify net gains of approximately $9.0 million to earnings during the next 12 months. These net gains are expected to be offset by decreased margins on propane sales commitments Ferrellgas has with its customers that qualify for the normal purchase normal sale exception.

During the six months ended January 31, 2025 and 2024, Ferrellgas had no reclassifications to operations resulting from the discontinuance of any cash flow hedges arising from the probability of the original forecasted transactions not occurring within the originally specified period of time defined within the hedging relationship.

As of January 31, 2025, Ferrellgas had financial derivative contracts covering 2.3 million barrels of propane that were entered into as cash flow hedges of forward and forecasted purchases of propane.

Derivative financial instruments credit risk

Ferrellgas is exposed to credit loss in the event of nonperformance by counterparties to derivative financial and commodity instruments. Ferrellgas' counterparties principally consist of major energy companies and major U.S. financial institutions. Ferrellgas maintains credit policies with regard to its counterparties that it believes reduces its overall credit risk. These policies include evaluating and monitoring its counterparties' financial condition, including their credit ratings, and entering into agreements with counterparties that govern credit limits. Certain of these agreements call for the posting of collateral by the counterparty or by Ferrellgas in the forms of letters of credit, parent guarantees or cash. Ferrellgas has concentrations of credit risk associated with derivative financial instruments held by certain derivative financial instrument counterparties. If these counterparties that make up the concentration failed to perform according to the terms of their contracts at January 31, 2025, the maximum amount of loss due to credit risk that Ferrellgas would incur based upon the gross fair values of the derivative financial instruments is zero.

From time to time Ferrellgas enters into derivative contracts that have credit-risk-related contingent features which dictate credit limits based upon Ferrellgas' debt rating. There were no open derivative contracts with credit-risk-related contingent features as of January 31, 2025.

K. Transactions with related parties

Ferrellgas has no employees and is managed and controlled by its general partner. Pursuant to Ferrellgas' partnership agreements, the general partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on behalf of Ferrellgas and all other necessary or appropriate expenses allocable to Ferrellgas or otherwise reasonably incurred by its general partner in connection with operating Ferrellgas' business. These costs primarily include compensation and benefits paid to employees of the general partner who perform services on Ferrellgas' behalf and are reported in the condensed consolidated statements of operations as follows:

	For the three months ended January 31,		For the six months ended January 31,	
	2025	2024	2025	2024
Operating expense	$ 88,334	$ 90,364	$ 162,626	$ 167,223
General and administrative expense	$ 11,389	$ 8,349	$ 23,471	$ 17,678

See additional discussions about transactions with the general partner and related parties in Note G "Equity (Deficit)."

Issuance of letters of credit on behalf of Ferrellgas Partners by the operating partnership

As described in Note E "Debt," the operating partnership guaranteed the issuance of an aggregate principal amount of $75.0 million in letters of credit related to a settlement agreement, as described in Note L "Contingencies and commitments."

L. Contingencies and commitments

Litigation

Ferrellgas' policy is to expense litigation costs as incurred. Ferrellgas' operations are subject to all operating hazards and risks normally incidental to the handling, storing, transporting and otherwise providing for use by consumers of combustible liquids such as propane. As a result, at any given time, we can be threatened with or named as a defendant in various lawsuits arising in the ordinary course of business. Other than as discussed below, we are not a party to any legal proceedings other than various claims and lawsuits arising in the ordinary course of business. It is not possible to determine the ultimate disposition of these matters; however, management is of the opinion that there are no known claims or contingent claims that are reasonably expected to have a material adverse effect on our consolidated financial condition, results of operations and cash flows.

As previously reported in the Company's prior Quarterly and Annual Reports, in 2017 Ferrellgas, Bridger Logistics, LLC and other defendants were named in a lawsuit (the "EDPA Lawsuit") filed by Eddystone Rail Company ("Eddystone") on February 2, 2017 in the U.S. District Court for the Eastern District of Pennsylvania. On January 15, 2025, Ferrellgas and the other defendants entered into a settlement agreement (the "Settlement Agreement") with Eddystone resolving all issues in and related to the EDPA Lawsuit. The Settlement Agreement, among other things, released all parties of any claims against the other parties, resolved the judgment entered in the EDPA Lawsuit, and resulted in the dismissal of the EDPA Lawsuit, the appeal before the U.S. Court of Appeals for the Third Circuit, and numerous other related lawsuits. In settlement of the judgment in the EDPA Lawsuit, the defendants agreed to pay Eddystone the sum of $125.0 million, which is payable in three installments, with the first payment of $50.0 million having been paid by the Company on January 15, 2025, and with two additional payments of $37.5 million to occur on or before June 16, 2025, and January 15, 2026, respectively. The two remaining payment amounts are secured by new letters of credit issued under the Credit Agreement (as defined in Note E "Debt"). As of January 31, 2025, we have an accrued liability of $75.0 million in other current liabilities in our condensed consolidated balance sheet and $125.0 million in general and administrative expense in our condensed consolidated statement of operations. Further, as part of the settlement, the previously disclosed $190.0 million appeal bond, and the related letters of credit, have been released.

Long-term debt related commitments

Ferrellgas has long and short-term payment obligations under agreements such as the indentures governing its senior notes. See Note E "Debt" for a description of these debt obligations and a schedule of future maturities.

Tax matters

During the fourth quarter of fiscal 2024, the Company received a tax assessment related to multiple years from a local taxing jurisdiction for underpaid use tax. We filed a Petition for Redetermination and Request for Reconsideration at the local tax administration office as we believed we had meritorious defenses. The Company entered into settlement discussions and paid the loss contingency in December 2024.

M. Net earnings (loss) per unitholders' interest

Below is a calculation of the basic and diluted net earnings (loss) per Class A Unitholders' interest in the condensed consolidated statements of operations for the periods indicated:

	For the three months ended January 31,		For the six months ended January 31,	
	2025	2024	2025	2024
	(in thousands, except per unit amounts)			
Net earnings (loss) attributable to Ferrellgas Partners, L.P.	$ 98,843	$ 95,789	$ (47,825)	$ 78,233
Less: Distributions to preferred unitholders	16,231	16,250	32,463	32,501
Less: Allocation of undistributed net earnings to Class B units	69,963	67,355	—	38,528
Less: General partner's interest in net earnings (loss)	989	958	(478)	783
Undistributed net earnings (loss) attributable to Class A unitholders	$ 11,660	$ 11,226	$ (79,810)	$ 6,421
Weighted average Class A Units outstanding (in thousands)	4,857.6	4,857.6	4,857.6	4,857.6
Basic and diluted net earnings (loss) per Class A Unit	$ 2.40	$ 2.31	$ (16.43)	$ 1.32

Class B Units considerations

The Class B Units meet the definition of a participating security and the two-class method is required. For any periods in which earnings are recognized, the earnings will first be allocated 100% to the Class B Units until the allocation equals the cumulative amount of all distributions paid to the Class B Units. Any remaining undistributed net earnings will be allocated between the Class B Units and the Class A Units on a six-to-one basis as if all undistributed earnings had been distributed to each class of units in accordance with their distribution rights. For any periods in which losses are recognized, no effect is given to the Class B Units as they do not contractually participate in the losses of Ferrellgas. In addition, Ferrellgas has the option to redeem all, but not less than all, of the Class B Units outstanding at any time on or prior to March 30, 2026 for cash. This call option does not impact the dilutive effect of net loss per Class A Unit due to the cash-only redemption provision, which is assumed, and therefore there would be no dilutive effect.

N. Subsequent events

Ferrellgas has evaluated events and transactions occurring after the balance sheet date through the date Ferrellgas' condensed consolidated financial statements were issued and concluded that there were no events or transactions occurring during this period that required recognition or disclosure in its condensed consolidated financial statements.

FERRELLGAS PARTNERS FINANCE CORP.
(a wholly-owned subsidiary of Ferrellgas Partners, L.P.)
CONDENSED BALANCE SHEETS
(unaudited)

	January 31, 2025	July 31, 2024
ASSETS		
Cash	$ —	$ —
Total assets	$ —	$ —
LIABILITIES AND EQUITY		
Current liabilities:		
Other current liabilities	$ —	$ —
Total current liabilities	$ —	$ —
Contingencies and commitments (Note B)		
STOCKHOLDER'S EQUITY		
Common stock, $1.00 par value; 2,000 shares authorized; 1,000 shares issued and outstanding	$ 1,000	$ 1,000
Additional paid in capital	42,984	42,843
Accumulated deficit	(43,984)	(43,843)
Total stockholder's equity	—	—
Total liabilities and equity	$ —	$ —

See notes to condensed financial statements.

FERRELLGAS PARTNERS FINANCE CORP.
(a wholly-owned subsidiary of Ferrellgas Partners, L.P.)
CONDENSED STATEMENTS OF OPERATIONS
(unaudited)

	For the three months ended January 31,		For the six months ended January 31,	
	2025	2024	2025	2024
General and administrative expense	$ 141	$ —	$ 141	$ 53
Net loss	$ (141)	$ —	$ (141)	$ (53)

See notes to condensed financial statements.

FERRELLGAS PARTNERS FINANCE CORP.
(a wholly-owned subsidiary of Ferrellgas Partners, L.P.)
CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)

	For the six months ended January 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	$ (141)	$ (53)
Cash used in operating activities	(141)	(53)
Cash flows from financing activities:		
Capital contribution	141	53
Cash provided by financing activities	141	53
Net change in cash	—	—
Cash - beginning of period	—	—
Cash - end of period	$ —	$ —

See notes to condensed financial statements.

FERRELLGAS PARTNERS FINANCE CORP.
(a wholly-owned subsidiary of Ferrellgas Partners, L.P.)
(unaudited)

NOTES TO CONDENSED FINANCIAL STATEMENTS

A. Formation

Ferrellgas Partners Finance Corp. ("Partners Finance Corp."), a Delaware corporation, was formed on March 28, 1996 and is a wholly-owned subsidiary of Ferrellgas Partners, L.P. ("Ferrellgas Partners").

Ferrellgas Partners contributed $1,000 to Partners Finance Corp. on April 8, 1996 in exchange for 1,000 shares of common stock.

Partners Finance Corp. has nominal assets, does not conduct any operations and has no employees.

B. Contingencies and commitments

Partners Finance Corp. serves as co-issuer and co-obligor for debt securities of Ferrellgas Partners. As of January 31, 2025, Ferrellgas Partners had no debt securities outstanding, and Partners Finance Corp. therefore was not liable as co-issuer for any such debt securities.

C. Subsequent events

Partners Finance Corp. has evaluated events and transactions occurring after the balance sheet date through the date Partners Finance Corp.'s consolidated financial statements were issued and concluded that there were no events or transactions occurring during this period that required recognition or disclosure in its condensed financial statements.

FERRELLGAS FINANCE CORP.
(a wholly-owned subsidiary of Ferrellgas, L.P.)
CONDENSED BALANCE SHEETS
(unaudited)

	January 31, 2025	July 31, 2024
ASSETS		
Cash	$ —	$ —
Total assets	$ —	$ —
LIABILITIES AND EQUITY		
Current liabilities:		
Other current liabilities	$ —	$ —
Total current liabilities	$ —	$ —
Contingencies and commitments (Note B)		
Equity:		
Common stock, $1.00 par value; 2,000 shares authorized; 1,000 shares issued and outstanding	$ 1,000	$ 1,000
Additional paid in capital	105,341	105,241
Accumulated deficit	(106,341)	(106,241)
Total stockholder's equity	$ —	$ —
Total liabilities and equity	$ —	$ —

See notes to condensed financial statements.

FERRELLGAS FINANCE CORP.
(a wholly-owned subsidiary of Ferrellgas, L.P.)
CONDENSED STATEMENTS OF OPERATIONS
(unaudited)

	For the three months ended January 31,		For the six months ended January 31,	
	2025	2024	2025	2024
General and administrative expense	$ 100	$ —	$ 100	$ 53
Net loss	$ (100)	$ —	$ (100)	$ (53)

See notes to condensed financial statements.

FERRELLGAS FINANCE CORP.
(a wholly-owned subsidiary of Ferrellgas, L.P.)
CONDENSED STATEMENTS OF CASH FLOWS
(unaudited)

	For the six months ended January 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	$ (100)	$ (53)
Cash used in operating activities	(100)	(53)
Cash flows from financing activities:		
Capital contribution	100	53
Cash provided by financing activities	100	53
Net change in cash	—	—
Cash - beginning of period	—	—
Cash - end of period	$ —	$ —

See notes to condensed financial statements.

FERRELLGAS FINANCE CORP.
(a wholly-owned subsidiary of Ferrellgas, L.P.)
(unaudited)

NOTES TO CONDENSED FINANCIAL STATEMENTS

A. Formation

Ferrellgas Finance Corp. ("Finance Corp."), a Delaware corporation, was formed on January 16, 2003 and is a wholly-owned subsidiary of Ferrellgas, L.P. (the "operating partnership").

The operating partnership contributed $1,000 to Finance Corp. on January 24, 2003 in exchange for 1,000 shares of common stock.

Finance Corp. has nominal assets, does not conduct any operations and has no employees.

B. Contingencies and commitments

Finance Corp. serves as co-issuer and co-obligor for debt securities of the operating partnership. As of January 31, 2025 and July 31, 2024, Finance Corp. was liable as co-issuer and co-obligor for the operating partnership's (i) $650 million aggregate principal amount of unsecured senior notes due 2026 and (ii) $825 million aggregate principal amount of unsecured senior notes due 2029, each of which were issued on March 30, 2021. Finance Corp. is also liable for borrowings under the operating partnership's Credit Facility, which matures on December 31, 2025.

C. Subsequent events

Finance Corp. has evaluated events and transactions occurring after the balance sheet date through the date Finance Corp.'s condensed financial statements were issued and concluded that there were no events or transactions occurring.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

References and Defined Terms

In this Item 2 of this Quarterly Report on Form 10-Q, unless the context indicates otherwise:

- "us," "we," "our," "ours," "consolidated," the "Company" or "Ferrellgas" are references to Ferrellgas Partners, L.P. together with its consolidated subsidiaries, including Ferrellgas, L.P., Ferrellgas Partners Finance Corp. and Ferrellgas Finance Corp., except when used in connection with "Class A Units" or "Class B Units," in which case these terms refer to Ferrellgas Partners, L.P. without its consolidated subsidiaries;
- "Ferrellgas Partners" refers to Ferrellgas Partners, L.P. itself, with its consolidated subsidiaries;
- the "operating partnership" refers to Ferrellgas, L.P., together (except where the context indicates otherwise) with its consolidated subsidiaries, including Ferrellgas Finance Corp.;
- our "general partner" refers to Ferrellgas, Inc.;
- "Ferrell Companies" refers to Ferrell Companies, Inc., the sole shareholder of our general partner;
- "Board of Directors" or "Board" refers to the board of directors of our general partner;
- "GAAP" refers to accounting principles generally accepted in the United States;
- "retail sales" refers to Propane and other gas liquid sales: Retail - Sales to End Users, or the volume of propane sold primarily to our residential, industrial/commercial and agricultural customers;
- "wholesale sales" refers to Propane and other gas liquid sales: Wholesale - Sales to Resellers, or the volume of propane sold primarily to our portable tank exchange customers and bulk propane sold to wholesale customers;
- "other gas sales" refers to Propane and other gas liquid sales: Other Gas Sales, or the volume of bulk propane sold to other third-party propane distributors or marketers and the volume of refined fuel sold;
- "propane sales volume" refers to the volume of propane sold to our retail sales and wholesale sales customers;
- "Class A Units" refers to the Class A Units of Ferrellgas Partners, one of which was issued for every twenty of Ferrellgas Partners' then-outstanding common units in a 1-for-20 reverse unit split effected on March 30, 2021;
- "Class B Units" refers to the Class B Units of Ferrellgas Partners;
- "Preferred Units" refers to the Senior Preferred Units of the operating partnership;
- "Unitholders" or "unitholders" refers to holders of Class A Units, holders of Class B Units or holders of Preferred Units, as indicated or as the context requires for each such reference; and
- references to any fiscal year are to the fiscal year ended or ending on July 31 of the applicable year.

Also, the following terms are defined in this Item 2 of this Quarterly Report on Form 10-Q:

- Amended Ferrellgas Partners LPA
- Amended OpCo LPA
- Credit Agreement
- Credit Facility
- Ferrellgas Partners Notes
- OpCo LPA Amendment

Cautionary Note Regarding Forward-looking Statements

Statements included in this report include forward-looking statements. These forward-looking statements are identified as any statement that does not relate strictly to historical or current facts. These statements often use words such as "anticipate," "believe," "intend," "plan," "projection," "forecast," "strategy," "position," "continue," "estimate," "expect," "may," "will," or the negative of those terms or other variations of them or comparable terminology. These statements often discuss plans, strategies, events or developments that we expect or anticipate will or may occur in the future and are based upon the beliefs and assumptions of our management and on the information currently available to them. In particular, statements, express or implied, concerning our future operating results or financial position or our ability to generate sales, income or cash flow are forward-looking statements.

Forward-looking statements are not guarantees of performance. You should not put undue reliance on any forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions that could cause our actual results to differ materially from those expressed in or implied by these forward-looking statements. Many of the factors that will affect our future results are beyond our ability to control or predict. Some of the risk factors that may affect our business, financial condition or results of operations include:

- the effect of weather conditions on the demand for propane;
- the prices of wholesale propane, motor fuel and crude oil;
- disruptions to the supply of propane;
- competition from other industry participants and other energy sources;
- energy efficiency and technology advances;
- significant delays in the collection of accounts or notes receivable;
- customer, counterparty, supplier or vendor defaults;
- changes in demand for, and production of, hydrocarbon products;
- increased trucking and rail regulations;
- inherent operating and litigation risks in gathering, transporting, handling and storing propane;
- our inability to complete acquisitions or to successfully integrate acquired operations;
- costs of complying with, or liabilities imposed under, environmental, health and safety laws;
- the impact of pending and future legal proceedings;
- the interruption, disruption, failure or malfunction of our information technology systems including due to cyber-attack;
- the impact of changes in tax law that could adversely affect the tax treatment of Ferrellgas Partners for federal income tax purposes;
- economic and political instability, particularly in areas of the world tied to the energy industry, including the ongoing conflict between Russia and Ukraine and in the Middle East;
- disruptions in the capital and credit markets; and
- access to available capital to meet our operating and debt-service requirements.

When considering any forward-looking statement, you should also keep in mind the risk factors set forth in “Item 1A. Risk Factors” of our Annual Report on Form 10-K for fiscal 2024 and in any more recent filings with the SEC. Any of these risks could impair our business, financial condition or results of operations. Any such impairment may affect our ability to make distributions to our unitholders or pay interest on the principal of any of our debt securities. In addition, the trading price of our securities could decline as a result of any such impairment.

Except for our ongoing obligations to disclose material information as required by federal securities laws, we undertake no obligation to update any forward-looking statements or risk factors after the date of this Quarterly Report on Form 10-Q.

Overview

Our management's discussion and analysis of financial condition and results of operations relates to Ferrellgas Partners and the operating partnership.

Ferrellgas Partners is a holding entity that conducts no operations and has two direct subsidiaries, the operating partnership and Ferrellgas Partners Finance Corp. Our activities are primarily conducted through the operating partnership. Ferrellgas Partners and the Preferred Unitholders are the only limited partners of the operating partnership. Ferrellgas, Inc. is the sole general partner of Ferrellgas Partners and the operating partnership and, excluding the economic interests attributable to the Class B Units and the Preferred Units, owns an approximate 1% general partner economic interest in each, and, therefore, an effective 2% general partner economic interest in the operating partnership. Excluding the economic interests attributable to the Preferred Units, Ferrellgas Partners owns an approximate 99% limited partner interest in the operating partnership. For information regarding the economic and other terms of the Class B Units and the Preferred Units, see Note G "Equity (Deficit)" and Note F "Preferred units" to our condensed consolidated financial statements included elsewhere herein.

Our general partner performs all management functions for us. The parent company of our general partner, Ferrell Companies, currently beneficially owns approximately 23.4% of our outstanding Class A units. Ferrell Companies is owned 100% by an employee stock ownership trust.

The operating partnership was formed on April 22, 1994, and accounts for substantially all of our consolidated assets, sales and operating earnings.

Ferrellgas Partners Finance Corp. and Ferrellgas Finance Corp. have nominal assets, do not conduct any operations and have no employees other than officers. Ferrellgas Partners Finance Corp. has served as co-issuer and co-obligor for debt securities of Ferrellgas Partners, while Ferrellgas Finance Corp., a subsidiary of the operating partnership, serves as co-issuer and co-obligor for debt securities of the operating partnership. Accordingly, and due to the reduced disclosure format, a discussion of the results of operations, liquidity and capital resources of Ferrellgas Partners Finance Corp. and Ferrellgas Finance Corp. is not presented in this section.

The Class A Units of Ferrellgas Partners are traded on the OTC Pink Market under the symbol "FGPR."

We file annual, quarterly, and current reports and other information with the Securities and Exchange Commission (the "SEC"). You may read and download our SEC filings over the Internet from several commercial document retrieval services as well as at the SEC's website at www.sec.gov. Our SEC filings are also available on our website at www.ferrellgas.com at no cost as soon as reasonably practicable after our electronic filing or furnishing thereof with the SEC. Please note that any Internet addresses provided in this Quarterly Report on Form 10-Q are for informational purposes only and are not intended to be hyperlinks. Accordingly, no information found and/or provided at such Internet addresses is intended or deemed to be incorporated by reference herein.

The following is a discussion of our historical financial condition and results of operations and should be read in conjunction with our audited historical consolidated financial statements and accompanying notes thereto included in our Annual Report on Form 10-K for fiscal 2024 and in our unaudited historical condensed consolidated financial statements and accompanying notes thereto included elsewhere in this Quarterly Report on Form 10-Q.

The discussions set forth in the "Results of Operations" and "Liquidity and Capital Resources" sections generally refer to Ferrellgas Partners and its consolidated subsidiaries.

How We Evaluate Our Operations

We evaluate our overall business performance based primarily on a metric we refer to as "Adjusted EBITDA," which is not defined by GAAP and should not be considered an alternative to earnings measures defined by GAAP. We do not utilize depreciation, depletion and amortization expense in our key measures because we focus our performance management on cash flow generation and our revenue generating assets have long useful lives. For the definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net earnings (loss) attributable to Ferrellgas Partners, L.P., the most directly comparable GAAP measure, see the subheading "Non-GAAP Financial Measures" below.

Propane operations and related equipment sales

Based on our propane sales volumes in fiscal 2024, we believe that we are the second largest retail marketer of propane in the United States and a leading national provider of propane by portable tank exchange. We serve residential, industrial/commercial, portable tank exchange, agricultural, wholesale and other customers in all 50 states, the District of Columbia and Puerto Rico. Our operations primarily include the retail distribution and sale of propane and related equipment and supplies.

We use information on temperatures to understand how our results of operations are affected by temperatures that are warmer or colder than normal. Normal temperatures computed by us are the average of the last 10 years of information published by the National Oceanic and Atmospheric Administration ("NOAA"). Based on this information we calculate a ratio of actual heating degree days to normal heating degree days. Heating degree days are a general indicator of weather impacting propane usage.

Weather conditions have a significant impact on demand for propane for heating purposes primarily during the months of November through March (the "winter heating season"). Accordingly, the volume of propane used by our customers for this purpose is directly affected by the severity of the winter weather in the regions we serve and can vary substantially from year to year. In any given region, sustained warmer-than-normal temperatures will tend to result in reduced propane usage, while sustained colder-than-normal temperatures will tend to result in greater usage. Although there is a strong correlation between weather and customer usage, general economic conditions in the United States and the wholesale price of propane can have a significant impact on this correlation. Additionally, there is a natural time lag between the onset of cold weather and increased sales to customers. If the United States were to experience a cooling trend, we could expect nationwide demand for propane to increase which could lead to greater sales, income and cash flow. Conversely, if the United States were to experience a continued warming trend, we could expect nationwide demand for propane for heating purposes to decrease which could lead to a reduction in our sales, income and cash flow as well as impact our ability to maintain compliance with our debt covenants.

We employ risk management activities that attempt to mitigate price risks related to the purchase, storage, transport and sale of propane generally in the contract and spot markets from major domestic energy companies. We attempt to mitigate these price risks through the use of financial derivative instruments and forward propane purchase and sales contracts. We enter into propane sales commitments with a portion of our customers that provide for a contracted price agreement for a specified period of time. These commitments can expose us to product price risk if not immediately hedged with an offsetting propane purchase commitment.

Our open financial derivative propane purchase commitments are designated as hedges primarily for fiscal 2025 and 2026 sales commitments and, as of January 31, 2025, we have experienced net mark-to-market gains of approximately $9.6 million. Because these financial derivative purchase commitments qualify for hedge accounting treatment, the resulting asset, liability and related mark-to-market gains or losses are recorded on the condensed consolidated balance sheets as "Prepaid expenses and other current assets," "Other assets, net," "Other current liabilities," "Other liabilities" and "Accumulated other comprehensive income," respectively, until settled. Upon settlement, realized gains or losses on these contracts will be reclassified to "Cost of sales-propane and other gas liquid sales" in the condensed consolidated statements of operations as the underlying inventory is sold. These financial derivative purchase commitment net gains are expected to be offset by decreased margins on propane sales commitments that qualify for the normal purchase normal sale exception. At January 31, 2025, we estimate 91% of currently open financial derivative purchase commitments, the related propane sales commitments and the resulting gross margin will be realized into earnings during the next twelve months.

Recent developments

On January 15, 2025, the Company entered into the Settlement Agreement, described in Note L "Contingencies and commitments" in our condensed consolidated financial statements. Under the terms of the Settlement Agreement, $125.0 million is to be paid by the Company in three installments. The first payment of $50.0 million was made on January 15, 2025 and two additional payments of $37.5 million are to occur on or before June 16, 2025 and January 15, 2026, respectively. Letters of credit aggregating to $75.0 million were issued to secure the final two payments. As further described in Note L "Contingencies and commitments" in our condensed consolidated financial statements, the Settlement Agreement resolved all issues in and related to the EDPA Lawsuit.

Summary Discussion of Results of Operations:

Executive Overview

For the three months ended January 31, 2025 and 2024

During the three months ended January 31, 2025 and 2024, we recognized net earnings attributable to Ferrellgas Partners, L.P. of $98.8 million and $95.8 million, respectively. The $3.0 million increase was primarily driven by an increase of $19.1 million in “Gross margin,” which was partially offset by increases of $11.1 million in “Operating expense – personnel, vehicle, plant and other” and $3.5 million in “Interest expense.” The increase in “Operating expense – personnel, vehicle, plant and other” was primarily due to an $11.0 million increase in personnel expense primarily due to overtime costs and one-time workers compensation costs. The $3.5 million increase in “Interest expense” is comprised of a $2.1 million increase for amortization of debt issuance costs, related to amendments to the Company’s revolving credit facility, and a $1.2 million increase for letters of credit fees.

Distributable cash flow attributable to equity investors increased to $125.2 million for the three months ended January 31, 2025 compared to $122.1 million for the prior year period, primarily due to an increase of $10.1 million in Adjusted EBITDA, partially offset by increases of $4.7 million in “Maintenance capital expenditures” and $2.0 million in “Net cash interest expense.” The increase in “Maintenance capital expenditures” primarily relates to failed sale-leaseback arrangements.

During the three months ended January 31, 2025 and 2024, we had a distributable cash flow excess of $106.5 million and $103.4 million, respectively. This $3.1 million change was primarily due to the $3.1 million increase in distributable cash flow attributable to equity investors noted above.

For the six months ended January 31, 2025 and 2024

During the six months ended January 31, 2025 and 2024, we recognized a net loss attributable to Ferrellgas Partners, L.P. of $47.8 million and net earnings attributable to Ferrellgas Partners, L.P. of $78.2 million, respectively. The $126.0 million change was primarily driven by a legal accrual of $125.0 million included in “General and administrative expenses” in addition to increases of $14.6 million in “Operating expense – personnel, vehicle, plant and other” and $5.5 million in “Interest expense.” These increases were partially offset by a $20.0 million increase in “Gross margin.”

After adjusting for $4.5 million in legal fees and settlements related to core businesses, we had a $10.1 million increase in “Operating expense – personnel, vehicle, plant and other.” The $10.1 million increase is comprised of increases of $9.8 million in personnel expense and $3.4 million in plant and other costs, partially offset by a $3.1 million decrease in vehicle expense. The $5.5 million increase in “Interest expense” is primarily comprised of a $2.7 million increase for amortization of debt issuance costs, related to amendments to the Company’s revolving credit facility, and a $2.3 million increase for letters of credit fees.

Distributable cash flow attributable to equity investors decreased to $128.6 million for the six months ended January 31, 2025 compared to $130.1 million for the prior year period, primarily due to increases of $10.6 million in “Maintenance capital expenditures” and $3.7 million in “Net cash interest expense.” The increase in “Maintenance capital expenditures” primarily relates to failed sale-leaseback arrangements, production plant upgrades, and capitalized fleet repairs. These increases were partially offset by an increase of $13.0 million in Adjusted EBITDA.

During the six months ended January 31, 2025 and 2024, we had a distributable cash flow excess of $93.6 million and $95.0 million, respectively. This $1.4 million decrease was primarily due to the $1.5 million decrease in distributable cash flow attributable to equity investors noted above.

Consolidated Results of Operations

(amounts in thousands)	Three months ended January 31, 2025	Three months ended January 31, 2024	Six months ended January 31, 2025	Six months ended January 31, 2024
Total revenues	$ 669,776	$ 609,877	$ 1,033,861	$ 980,890
Total cost of sales	322,371	281,568	491,173	458,189
Operating expense - personnel, vehicle, plant and other	170,740	159,638	318,914	304,284
Depreciation and amortization expense	24,345	24,435	48,670	48,839
General and administrative expense	16,714	17,191	154,640	30,016
Operating expense - equipment lease expense	4,996	5,343	10,500	10,719
Non-cash employee stock ownership plan compensation charge	703	900	1,556	1,620
Loss on asset sales and disposals	2,264	382	3,691	1,717
Operating income	127,643	120,420	4,717	125,506
Interest expense	(27,893)	(24,359)	(53,974)	(48,520)
Other income, net	321	849	1,178	2,185
Earnings (loss) before income taxes	100,071	96,910	(48,079)	79,171
Income tax expense	385	309	565	471
Net earnings (loss)	99,686	96,601	(48,644)	78,700
Net earnings (loss) attributable to noncontrolling interest	843	812	(819)	467
Net earnings (loss) attributable to Ferrellgas Partners, L.P.	$ 98,843	$ 95,789	$ (47,825)	$ 78,233

Non-GAAP Financial Measures

In this Quarterly Report we present the following Non-GAAP financial measures: Adjusted EBITDA, Distributable cash flow attributable to equity investors, Distributable cash flow attributable to Class A and B Unitholders, and Distributable cash flow excess.

Adjusted EBITDA. Adjusted EBITDA for Ferrellgas Partners is calculated as net earnings (loss) attributable to Ferrellgas Partners, L.P., plus the sum of the following: income tax expense, interest expense, depreciation and amortization expense, non-cash employee stock ownership plan compensation charge, loss on asset sales and disposals, other income, net, legal fees and settlements related to non-core businesses, legal fees and settlements related to core businesses, acquisition and related costs, business transformation costs, and net earnings (loss) attributable to noncontrolling interest. Management believes the presentation of this measure is relevant and useful because it allows investors to view the partnership's performance in a manner similar to the method management uses, adjusted for items management believes make it easier to compare its results with other companies that have different financing and capital structures. Adjusted EBITDA, as management defines it, may not be comparable to similarly titled measurements used by other companies. Items added into our calculation of Adjusted EBITDA that will not occur on a continuing basis may have associated cash payments. This method of calculating Adjusted EBITDA should be viewed in conjunction with measurements that are computed in accordance with GAAP.

Distributable Cash Flow Attributable to Equity Investors. Distributable cash flow attributable to equity investors is calculated as Adjusted EBITDA minus net cash interest expense, maintenance capital expenditures and cash paid for income taxes, plus proceeds from certain asset sales. Management considers distributable cash flow attributable to equity investors a meaningful measure of Ferrellgas' ability to declare and pay quarterly distributions to equity investors, including holders of the operating partnership's Preferred Units. Distributable cash flow attributable to equity investors, as management defines it, may not be comparable to similarly titled measurements used by other companies. Items added into our calculation of distributable cash flow attributable to equity investors that will not occur on a continuing basis may have associated cash payments. Distributable cash flow attributable to equity investors should be viewed in conjunction with measurements that are computed in accordance with GAAP.

Distributable Cash Flow Attributable to Class A and B Unitholders. Distributable cash flow attributable to Class A and B Unitholders is calculated as Distributable cash flow attributable to equity investors minus distributions accrued or paid to Preferred Unitholders and distributable cash flow attributable to general partner and noncontrolling interest. Management considers Distributable cash flow attributable to Class A and B Unitholders a meaningful measure of the partnership's ability to declare and pay quarterly distributions to Class A and B Unitholders. Distributable cash flow attributable to Class A and B Unitholders, as management defines it, may not be comparable to similarly titled measurements used by other companies. Items added into our calculation of distributable cash flow attributable to Class A and B Unitholders that will not occur on a continuing basis may have associated cash payments. Distributable cash flow attributable to Class A and B Unitholders should be viewed in conjunction with measurements that are computed in accordance with GAAP.

Distributable Cash Flow Excess. Distributable cash flow excess is calculated as Distributable cash flow attributable to Class A and B Unitholders minus Distributions paid to Class A and B Unitholders. Distributable cash flow excess, if any, is retained to establish reserves, to reduce debt, to fund capital expenditures and for other partnership purposes, and any shortage is funded from previously established reserves, cash on hand or borrowings under our Credit Facility. Management considers Distributable cash flow excess a meaningful measure of the partnership's ability to effectuate those purposes. Distributable cash flow excess, as management defines it, may not be comparable to similarly titled measurements used by other companies. Items added into our calculation of distributable cash flow excess that will not occur on a continuing basis may have associated cash payments. Distributable cash flow excess should be viewed in conjunction with measurements that are computed in accordance with GAAP.

The following table reconciles Adjusted EBITDA, Distributable cash flow attributable to equity investors, Distributable cash flow attributable to Class A and B Unitholders and Distributable cash flow excess to Net earnings (loss) attributable to Ferrellgas Partners, L.P., the most directly comparable GAAP measure, for the three and six months ended January 31, 2025 and 2024:

	Three months ended January 31,		Six months ended January 31,	
(amounts in thousands)	2025	2024	2025	2024
Net earnings (loss) attributable to Ferrellgas Partners, L.P.	$ 98,843	$ 95,789	$ (47,825)	$ 78,233
Income tax expense	385	309	565	471
Interest expense	27,893	24,359	53,974	48,520
Depreciation and amortization expense	24,345	24,435	48,670	48,839
EBITDA	151,466	144,892	55,384	176,063
Non-cash employee stock ownership plan compensation charge	703	900	1,556	1,620
Loss on asset sales and disposals	2,264	382	3,691	1,717
Other income, net	(321)	(849)	(1,178)	(2,185)
Legal fees and settlements related to non-core businesses	1,768	103	129,154	1,157
Legal fees and settlements related to core businesses	500	—	4,540	—
Acquisition and related costs (1)	(798)	—	(798)	—
Business transformation costs (2)	615	691	1,321	965
Net earnings (loss) attributable to noncontrolling interest	843	812	(819)	467
Adjusted EBITDA	157,040	146,931	192,851	179,804
Net cash interest expense (3)	(23,431)	(21,424)	(45,904)	(42,171)
Maintenance capital expenditures (4)	(8,727)	(4,039)	(19,141)	(8,569)
Cash paid for income taxes	(333)	(256)	(410)	(359)
Proceeds from certain asset sales	655	900	1,211	1,380
Distributable cash flow attributable to equity investors	125,204	122,112	128,607	130,085
Less: Distributions accrued or paid to preferred unitholders	16,231	16,250	32,463	32,501
Distributable cash flow attributable to general partner and non-controlling interest	(2,504)	(2,443)	(2,572)	(2,602)
Distributable cash flow attributable to Class A and B unitholders	106,469	103,419	93,572	94,982
Less: Distributions paid to Class A and B unitholders (5)	—	—	—	—
Distributable cash flow excess	$ 106,469	$ 103,419	$ 93,572	$ 94,982

(1) Non-recurring due diligence related to potential acquisition activities, restructuring costs, and other adjustments.

(2) Non-recurring costs included in "Operating, general and administrative expense" primarily related to the implementation of an Enterprise Resource Planning ("ERP") system as part of our business transformation initiatives.

(3) Net cash interest expense is the sum of interest expense less non-cash interest expense and other income, net.

(4) Maintenance capital expenditures include capitalized expenditures for betterment and replacement of property, plant and equipment, and may from time to time include the purchase of assets that are typically leased.

(5) The Company did not pay any distributions to Class A unitholders during fiscal 2025 or fiscal 2024.

Operating Results for the three months ended January 31, 2025 and 2024

The following table summarizes propane sales volumes and Adjusted EBITDA results for the periods indicated:

	2025	2024	Increase (Decrease)	
As of January 31,				
Retail customers	639,058	652,906	(13,848)	(2)%
Tank exchange selling locations	67,274	67,709	(435)	(1)%
(amounts in thousands)				
Three months ended January 31,				
Propane sales volumes (gallons):				
Retail - Sales to End Users	205,975	203,054	2,921	1 %
Wholesale - Sales to Resellers	69,490	57,978	11,512	20 %
	275,465	261,032	14,433	6 %
Revenues -				
Propane and other gas liquids sales:				
Retail - Sales to End Users	$ 463,127	$ 437,840	$ 25,287	6 %
Wholesale - Sales to Resellers	165,865	142,826	23,039	16 %
Other Gas Sales (1)	8,035	3,543	4,492	127 %
Other (2)	32,749	25,668	7,081	28 %
Propane and related equipment revenues	$ 669,776	$ 609,877	$ 59,899	10 %
Gross Margin -				
Propane and other gas liquids sales gross margin: (3)				
Retail - Sales to End Users (1)	$ 244,204	$ 258,726	$ (14,522)	(6)%
Wholesale - Sales to Resellers (1)	74,117	47,645	26,472	56 %
Other (2)	29,084	21,938	7,146	33 %
Propane and related equipment gross profit	$ 347,405	$ 328,309	$ 19,096	6 %
Operating, general and administrative expense (4)	$ 187,454	$ 176,829	$ 10,625	6 %
Operating expense - equipment lease expense	4,996	5,343	(347)	(6)%
Operating income	$ 127,643	$ 120,420	$ 7,223	6 %
Depreciation and amortization expense	24,345	24,435	(90)	(0)%
Non-cash employee stock ownership plan compensation charge	703	900	(197)	(22)%
Loss on asset sales and disposals	2,264	382	1,882	493 %
Legal fees and settlements related to non-core businesses	1,768	103	1,665	NM
Legal fees and settlements related to core businesses	500	—	500	100 %
Acquisition and related costs (5)	(798)	—	(798)	100 %
Business transformation costs (6)	615	691	(76)	(11)%
Adjusted EBITDA	$ 157,040	$ 146,931	$ 10,109	7 %

NM – Not meaningful

(1) Gross margin for "Other Gas Sales" is allocated to Gross margin "Retail - Sales to End Users" and "Wholesale - Sales to Resellers" based on the volumes in each respective category.

(2) "Other" primarily includes various customer fee income and to a lesser extent appliance and material sales.

(3) Gross margin from "Propane and other gas liquids sales" represents "Revenues - Propane and other gas liquids sales" less "Cost of sales - Propane and other gas liquids sales" and does not include depreciation and amortization.

(4) "Operating, general and administrative expense" above includes both the "Operating expense – personnel, vehicle, plant and other" and the "General and administrative expense" captions in the condensed consolidated statement of operations.

(5) Non-recurring due diligence related to potential acquisition activities, restructuring costs, and other adjustments.

(6) Non-recurring costs included in "Operating, general and administrative expense" primarily related to the implementation of an ERP system as part of our business transformation initiatives.

The second fiscal quarter was warmer than normal by 10% and 3% in November and December, respectively. January was the coldest month of fiscal 2025 to date with temperatures that were 12% cooler than normal. Overall, average temperatures (measured by heating degree days) were 2% cooler than normal (based on NOAA's ten-year average) and 5% cooler than the prior year period during the three months ended January 31, 2025. Propane sales volumes during the three months ended January 31, 2025 increased 14.4 million gallons, or 6%, compared to the prior year period.

Our wholesale sales price per gallon partially correlates to the change in the wholesale market price of propane. The wholesale market price at major supply points in Mt. Belvieu, Texas during the three months ended January 31, 2025 averaged 16.9% more than the prior year period, while at the Conway, Kansas major supply point prices averaged 16.2% more than the prior year period. The wholesale market price at Mt. Belvieu, Texas averaged $0.83 and $0.71 per gallon during the three months ended January 31, 2025 and 2024, respectively, while the wholesale market price at Conway, Kansas averaged $0.79 and $0.68 per gallon during the three months ended January 31, 2025 and 2024, respectively.

Revenues

Retail sales increased $25.3 million, or 6%, compared to the prior year period and partially aligns with the increase in gallons sold of 2.9 million gallons, or 1%. Additionally, the increase in wholesale propane prices noted above contributed to the increase in revenues. Sales to residential and industrial commercial customers drove the majority of the increase. In addition to a 2% customer decrease, Retail results were impacted by the extended drought conditions throughout the country, as demand from our agricultural customers was depressed with lack of rain, which reduced the propane needed for crop drying by 2.4 million gallons during the second fiscal quarter.

Wholesale sales increased $23.0 million, or 16%, compared to the prior year period with a corresponding increase of 11.5 million gallons, or 20%, compared to the prior year period. The favorable increase was driven by a $14.2 million increase in tank exchange sales due to organic growth and customer demand for fuel for propane heaters in addition to grills and alternative power sources.

Other gas sales increased $4.5 million compared to the prior year period primarily due to an increase in sales volume.

Other revenues increased $7.1 million, or 28%, compared to the prior year period. The change was primarily due to increases in transport revenue and miscellaneous revenues and fees.

Gross margin - Propane and other gas liquids sales

Gross margin increased $12.0 million as the $26.5 million increase in wholesale gross margin was partially offset by a $14.5 million decrease in retail gross margin. The overall change was driven by a $52.8 million increase in revenue and a $40.8 million increase in cost of sales. The favorability in wholesale gross margin was primarily due to a $20.7 million increase related to our tank exchange business and a $5.1 million increase related to reseller activity. We continue to benefit from our telematics technology, which provides a platform under which we can manage our fleet to reduce fuel costs and boost route efficiencies.

Margin per gallon for the quarter decreased by $0.01, or 1%, compared to the prior year period.

Gross margin - other

Gross margin increased $7.1 million, or 33%, compared to the prior year period.

Operating income

We had operating income of $127.6 million and $120.4 million during the three months ended January 31, 2025 and 2024, respectively. The $7.2 million increase was primarily due to the $19.1 million increase in gross margin noted above, partially offset by an increase of $11.1 million in "Operating expense – personnel, vehicle, plant and other."

The $11.0 million increase in personnel costs includes higher overtime costs in addition to one-time workers compensation claims. The remainder of the increase in operating expenses consists of $0.9 million for plant and other costs. These increases were partially offset by a decrease of $0.8 million in vehicle costs due to a $1.0 million decrease in fuel costs, in addition to negligible amounts for repairs and maintenance driven by optimized fleet maintenance initiatives. We continue to focus on gaining efficiencies in delivering to our customers. The metrics showcase results as the days to set a tank improved with a 25% decrease in time to service during the second fiscal quarter compared to the prior year period.

Adjusted EBITDA

Adjusted EBITDA increased $10.1 million primarily due to the $19.1 million increase in “Gross margin” as described above, partially offset by an increase of $8.5 million in “Operating, general and administrative expense,” after adjusting for an increase of $2.1 million in EBITDA adjustments, primarily related to legal costs.

Operating Results for the six months ended January 31, 2025 and 2024

The following table summarizes propane sales volumes and Adjusted EBITDA results for the periods indicated:

	2025	2024	Increase (Decrease)	
As of January 31,				
Retail customers	639,058	652,906	(13,848)	(2)%
Tank exchange selling locations	67,274	67,709	(435)	(1)%
(amounts in thousands)				
Six months ended January 31,				
Propane sales volumes (gallons):				
Retail - Sales to End Users	312,706	317,494	(4,788)	(2)%
Wholesale - Sales to Resellers	120,730	105,743	14,987	14 %
	433,436	423,237	10,199	2 %
Revenues -				
Propane and other gas liquids sales:				
Retail - Sales to End Users	$ 678,406	$ 665,700	$ 12,706	2 %
Wholesale - Sales to Resellers	279,714	248,349	31,365	13 %
Other Gas Sales (1)	15,705	9,094	6,611	73 %
Other (2)	60,036	57,747	2,289	4 %
Propane and related equipment revenues	$ 1,033,861	$ 980,890	$ 52,971	5 %
Gross Margin -				
Propane and other gas liquids sales gross margin: (3)				
Retail - Sales to End Users (1)	$ 363,277	$ 363,611	$ (334)	(0)%
Wholesale - Sales to Resellers (1)	127,486	109,514	17,972	16 %
Other (2)	51,925	49,576	2,349	5 %
Propane and related equipment gross profit	$ 542,688	$ 522,701	$ 19,987	4 %
Operating, general and administrative expense (4)	$ 473,554	$ 334,300	$ 139,254	42 %
Operating expense - equipment lease expense	10,500	10,719	(219)	(2)%
Operating income	$ 4,717	$ 125,506	$ (120,789)	(96)%
Depreciation and amortization expense	48,670	48,839	(169)	(0)%
Non-cash employee stock ownership plan compensation charge	1,556	1,620	(64)	(4)%
Loss on asset sales and disposals	3,691	1,717	1,974	115 %
Legal fees and settlements related to non-core businesses	129,154	1,157	127,997	NM
Legal fees and settlements related to core businesses	4,540	—	4,540	100 %
Acquisition and related costs (5)	(798)	—	(798)	100 %
Business transformation costs (6)	1,321	965	356	37 %
Adjusted EBITDA	$ 192,851	$ 179,804	$ 13,047	7 %

NM – Not meaningful

(1) Gross margin for “Other Gas Sales” is allocated to Gross margin “Retail - Sales to End Users” and “Wholesale - Sales to Resellers” based on the volumes in each respective category.

(2) “Other” primarily includes various customer fee income and to a lesser extent appliance and material sales.

(3) Gross margin from “Propane and other gas liquids sales” represents “Revenues - Propane and other gas liquids sales” less “Cost of sales - Propane and other gas liquids sales” and does not include depreciation and amortization.

(4) “Operating, general and administrative expense” above includes both the “Operating expense – personnel, vehicle, plant and other” and the “General and administrative expense” captions in the condensed consolidated statement of operations.

(5) Non-recurring due diligence related to potential acquisition activities, restructuring costs, and other adjustments.

(6) Non-recurring costs included in “Operating, general and administrative expense” primarily related to the implementation of an ERP system as part of our business transformation initiatives.

Propane sales volumes during the six months ended January 31, 2025 increased 10.2 million gallons, or 2%, compared to the prior year period. Average temperatures (measured by heating degree days) were 2% warmer than normal (based on NOAA's ten-year average) but 2% cooler than the prior year period during the six months ended January 31, 2025.

Our wholesale sales price per gallon partially correlates to the change in the wholesale market price of propane. The wholesale market price at major supply points in Mt. Belvieu, Texas during the six months ended January 31, 2025 averaged 8.6% more than the prior year period, while at the Conway, Kansas major supply point prices averaged 10.3% more than the prior year period. The wholesale market price at Mt. Belvieu, Texas averaged $0.76 and $0.70 per gallon during the six months ended January 31, 2025 and 2024, respectively, while the wholesale market price at Conway, Kansas averaged $0.75 and $0.68 per gallon during the six months ended January 31, 2025 and 2024, respectively.

Revenues

Retail sales increased $12.7 million, or 2%, compared to the prior year period as the increase in wholesale propane prices noted above contributed to the increase in revenues. Sales to residential and industrial commercial customers drove the majority of the increase. Retail gallons sold decreased 4.8 million gallons, or 2%, compared to the prior year period as we experienced warmer weather in the first fiscal quarter, which was partially offset by cooler weather in the second fiscal quarter. Results were impacted by a decrease in sales to agricultural customers, primarily due to extended drought conditions, in addition to a 2% customer decrease compared to the prior year period.

Wholesale sales increased $31.4 million, or 13%, compared to the prior year period with a corresponding increase of 15.0 million gallons, or 14%, compared to the prior year period. The favorable increase was driven by a $23.0 million increase in tank exchange sales due to organic growth primarily driven by new customer wins and customer demand for fuel for propane heaters in addition to grills. Storm preparation and response to Hurricane Helene and Hurricane Milton during the fiscal year also added growth.

Other gas sales increased $6.6 million compared to the prior year period primarily due to an increase in sales volume.

Other revenues increased $2.3 million, or 4%, compared to the prior year period. The change was primarily due to increases of $1.3 million in miscellaneous revenues and fees and $0.7 million in tank rent.

Gross margin - Propane and other gas liquids sales

Gross margin increased $17.5 million as the $18.0 million increase in wholesale gross margin was partially offset by a $0.3 million decrease in retail gross margin. The overall change was driven by a $50.7 million increase in revenue, partially offset by a $33.0 million increase in cost of sales.

Margin per gallon for the quarter increased by $0.01, or 1%, compared to the prior year period. The volume on our Platinum Plus fixed cost program for residential customers was a contributing factor in margin improvement during the quarter.

Gross margin - other

Gross margin increased $2.3 million, or 5%, compared to the prior year period.

Operating income

We had operating income of $4.7 million and $125.5 million during the six months ended January 31, 2025 and 2024, respectively. The $120.8 million decrease was primarily due to a $125.0 million legal accrual in "General and administrative expense" and a $14.6 million increase in "Operating expense – personnel, vehicle, plant and other," which was partially offset by the $20.0 million increase in gross margin noted above.

After adjusting for $4.5 million in legal fees and settlements related to core businesses, “Operating expense – personnel, vehicle, plant and other” increased $10.1 million. The $10.1 million increase is comprised of increases of $9.8 million in personnel expense and $3.4 million in plant and other, which was partially offset by a $3.1 million decrease in vehicle expense.

The $9.8 million increase in personnel expense includes increases of $3.8 million in workers' compensation claims, $3.7 million related to payroll and other costs, and $3.1 million in overtime expense. These increases were partially offset by a $1.6 million decrease in incentive accruals.

The $3.4 million increase in plant and other was primarily due to increases of $1.4 million in software expense, $0.7 million for property maintenance, and $0.7 million for supplies and parts and fittings.

Vehicle expense decreased as we realized fuel savings of $3.1 million as a result of our telematics technology in place to reduce idling time and enhance route efficiency.

See Note L “Contingencies and commitments” in the notes to our condensed consolidated financial statements for the subsequent settlement of the $125.0 million legal accrual.

Adjusted EBITDA

Adjusted EBITDA increased $13.0 million primarily due to the $20.0 million increase in “Gross margin,” as described above, partially offset by an increase of $6.4 million in “Operating, general and administrative expense,” after adjusting for an increase of $132.1 million in EBITDA adjustments, which were primarily for the $125.0 million legal accrual noted above and $4.5 million in legal fees and settlements related to core businesses.

Liquidity and Capital Resources

General

Our primary sources of liquidity and capital resources are cash flows from operating activities, our Credit Facility and funds received from sales of debt and equity securities. The operating partnership, the general partner and certain of the operating partnership’s subsidiaries as guarantors are parties to a credit agreement dated March 30, 2021, as amended on January 15, 2025 (the “Credit Agreement”), with JPMorgan Chase Bank, N.A. as administrative agent and collateral agent, and the lenders and issuing lenders party thereto from time to time, which provides for a four-year revolving credit facility (the “Credit Facility”), with a maturity date of December 31, 2025, in an aggregate principal amount of up to $350.0 million. On March 31, 2025, in conjunction with the commencement of the Fifth Amendment, the commitment level for the Credit Facility will be reduced from $350.0 million to $308.8 million. The Credit Agreement includes a sublimit not to exceed $300.0 million for the issuance of letters of credit. On January 15, 2025, the Credit Agreement was further amended for modifications to allow for and reflect the litigation settlement, described in Note L “Contingencies and commitments,” including modifications to permit the issuance of letters of credit to secure the settlement payments, as well as certain other conforming and technical changes resulting from the settlement. For additional discussion, see Note E “Debt” in the notes to our condensed consolidated financial statements.

As of January 31, 2025, our total liquidity was $237.3 million, which was comprised of $39.4 million in unrestricted cash and $197.9 million of availability under our Credit Facility. These sources of liquidity and short-term capital resources are intended to fund our working capital requirements, acquisitions and capital expenditures. As of January 31, 2025, letters of credit outstanding totaled $152.1 million. Our access to long-term capital resources, to the extent needed to refinance debt or for other purposes, may be affected by our ability to access the capital markets, covenants in our debt agreements and other financial obligations, unforeseen demands on cash, or other events beyond our control.

Our working capital requirements are subject to, among other things, the price of propane, delays in the collection of receivables, volatility in energy commodity prices, liquidity imposed by insurance providers, downgrades in our credit ratings, decreased trade credit, significant acquisitions, the weather, customer retention and purchasing patterns and other changes in the demand for propane. Relatively colder weather or higher propane prices during the winter heating season are factors that could significantly increase our working capital requirements.

Our ability to satisfy our obligations is dependent upon our future performance, which will be subject to prevailing weather, economic, financial and business conditions and other factors, many of which are beyond our control. Due to the seasonality of the retail propane distribution business, a significant portion of our propane operations and related products cash flows from operations is generated during the winter heating season. Our net cash provided by operating activities primarily reflects earnings from our business activities adjusted for depreciation and amortization and changes in our working capital accounts. Historically, we generate significantly lower net cash from operating activities in our first and fourth fiscal quarters as compared to the second and third fiscal quarters due to the seasonality of our propane operations and related equipment sales operations.

During periods of high volatility, our risk management activities may expose us to the risk of counterparty margin calls in amounts greater than we have the capacity to fund. Likewise, our counterparties may not be able to fulfill their margin calls from us or may default on the settlement of positions with us.

Distributable Cash Flow

Distributable cash flow attributable to equity investors is reconciled to net earnings (loss) attributable to Ferrellgas Partners, L.P., the most directly comparable GAAP measure, in this Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations under the subheading "Non-GAAP Financial Measures" above. A comparison of distributable cash flow attributable to equity investors to cash distributions accrued or paid to equity investors for the twelve months ended January 31, 2025 to the twelve months ended October 31, 2024 is as follows (in thousands):

	Distributable cash flow attributable to equity investors	Cash reserves (deficiency) approved by our General Partner	Cash distributions accrued or paid to equity investors	DCF ratio (1)
Six months ended January 31, 2025	$ 128,607	$ 96,144	$ 32,463	
Fiscal 2024	212,265	147,487	64,778	
Less: Six months ended January 31, 2024	130,085	97,584	32,501	
Twelve months ended January 31, 2025	$ 210,787	$ 146,047	$ 64,740	3.3x
Twelve months ended October 31, 2024	207,695	142,936	64,759	3.2x
Change	$ 3,092	$ 3,111	$ (19)	0.1x

(1) DCF ratio is calculated as Distributable cash flow attributable to equity investors divided by Cash distributions accrued or paid to equity investors.

For the twelve months ended January 31, 2025, distributable cash flow attributable to equity investors increased $3.1 million compared to the twelve months ended October 31, 2024 primarily due to an increase of $13.0 million in Adjusted EBITDA, partially offset by an increase of $10.6 million in "Maintenance capital expenditures." The increase in "Maintenance capital expenditures" primarily relates to failed sale-leaseback arrangements, production plant upgrades, and capitalized fleet repairs. As of January 31, 2025, the accrued quarterly distribution to Preferred Unitholders was $18.6 million. We paid $15.4 million of this distribution on February 15, 2025. The remaining $3.2 million represents Additional Amounts payable to certain holders of Preferred Units, pursuant to the side letters outlined in the OpCo LPA Amendment.

We did not pay any cash distributions to our Class A Unitholders or the general partner during the six months ended January 31, 2025 or 2024. We have made aggregate cash distributions of approximately $250.0 million to our Class B Unitholders since inception of our Class B Units. Under its Credit Agreement, Ferrellgas Partners is currently unable to make distributions to its Class A and Class B unitholders. See Note E "Debt" for more information. Cash reserves, which we utilize to meet future anticipated expenditures, were $146.0 million and $142.9 million for the twelve months ended January 31, 2025 and October 31, 2024, respectively.

Operating Activities

Ferrellgas Partners

Net cash used in operating activities was $1.4 million for the six months ended January 31, 2025, compared to net cash provided by operating activities of $100.5 million for the six months ended January 31, 2024. The $101.9 million decrease in cash provided by operating activities was primarily due to a $122.6 million decrease in cash flow from operations and a $60.3 million increase in working capital requirements. These changes were partially offset by a $66.8 million decrease in requirements for other current liabilities and a $8.8 million inflow associated with other assets and liabilities.

The $122.6 million decrease in cash flow from operations was primarily due to an increase of $124.6 million in "General and administrative expense" related to the Settlement Agreement, as described in Note L "Contingencies and commitments." The $60.3 million increase in working capital requirements was primarily due to increases of $66.6 million in requirements for accounts and notes receivable, net and $6.4 million in inventory requirements, respectively. This was partially offset by a decrease of $12.7 million in requirements for accounts payable.

The $66.8 million decrease in net cash requirements for other current liabilities was primarily driven by changes in the legal accrual related to the Settlement Agreement.

The operating partnership

The operating activities discussed above also apply to the operating partnership.

Investing Activities

Ferrellgas Partners

Capital Requirements

Our business requires continual investments to upgrade or enhance existing operations and to ensure compliance with safety and environmental regulations. Capital expenditures for our business consist primarily of:

- Maintenance capital expenditures - These capital expenditures include expenditures for betterment and replacement of property, plant and equipment, and may from time to time include the purchase of assets that are typically leased, rather than to generate incremental distributable cash flow. Examples of maintenance capital expenditures include a routine replacement of a worn-out asset or replacement of major vehicle components; and
- Growth capital expenditures - These expenditures are undertaken primarily to generate incremental distributable cash flow. Examples include expenditures for purchases of both bulk and portable propane tanks and other equipment to facilitate expansion of our customer base and operating capacity.

Net cash used in investing activities was $44.3 million and $62.5 million for the six months ended January 31, 2025 and 2024, respectively. The $18.2 million decrease in net cash used in investing activities was primarily due to decreases of $12.7 million in "Business acquisitions, net of cash acquired" and $5.7 million in "Capital expenditures." We had one acquisition each during the six months ended January 31, 2025 and 2024. Our decrease in "Capital expenditures" is primarily related to our tank exchange brand's optimization of real-time cylinder inventory controls, reducing the need for cylinder purchases.

Due to the mature nature of our operations, we do not anticipate significant fluctuations in maintenance capital expenditures, with the exception of future decisions regarding lease versus buy financing options. However, future fluctuations in growth capital expenditures could occur due to the opportunistic nature of these projects.

The operating partnership

The investing activities discussed above also apply to the operating partnership.

Financing Activities

Ferrellgas Partners

Net cash used in financing activities was $39.1 million and $36.2 million for the six months ended January 31, 2025 and 2024, respectively. The $2.9 million increase in cash used in financing activities was primarily due to increases of $5.8 million in cash paid for financing costs and $1.2 million in cash payments for the principal portion of finance lease liabilities. These changes were partially offset by a $4.5 million inflow in "Other, net," which was primarily related to the liability related to failed sale-leaseback arrangements.

On July 10, 2024, letters of credit in an aggregate principal amount of $124.5 million were issued to the surety providers under an appeal bond posted on behalf of Ferrellgas Partners. On January 15, 2025, these letters of credit were released and new letters of credit in an aggregate principal amount of $75.0 million were issued pursuant to the settlement agreement described in Note L "Contingencies and commitments" to the condensed consolidated financial statements for further information. Letters of credit were also used to secure insurance arrangements, product purchases and commodity hedges. Letters of credit outstanding at January 31, 2025 and July 31, 2024 totaled $152.1 and $193.4 million, respectively. As of January 31, 2025, we had available borrowing capacity under our Credit Facility of $197.9 million. Assets subject to lien under the Credit Facility were $432.3 million as of January 31, 2025.

The operating partnership

The financing activities discussed above also apply to the operating partnership.

Distributions

Partnership distributions

The Sixth Amended and Restated Agreement of Limited Partnership of Ferrellgas Partners, L.P. (the "Amended Ferrellgas Partners LPA") requires Ferrellgas Partners to make quarterly cash distributions of all of its "available cash". Available cash is defined in the Amended Ferrellgas Partners LPA as, generally, the sum of Ferrellgas Partners' cash receipts less consolidated cash disbursements and net changes in reserves established by our general partner for future requirements. In general, the amount of Ferrellgas Partners' available cash depends primarily on whether and the extent to which Ferrellgas Partners receives cash distributions from the operating partnership, as such distributions generally would be Ferrellgas Partners' only significant cash receipts.

The Fifth Amended and Restated Agreement of Limited Partnership of Ferrellgas, L.P. (the "Amended OpCo LPA"), which amended and restated in its entirety the Fourth Amended and Restated Agreement of Limited Partnership of Ferrellgas L.P., and a First Amendment to the Amended OpCo LPA (the "OpCo LPA Amendment"), sets forth the preferences, rights, privileges and other terms of the Preferred Units.

Pursuant to the Amended Ferrellgas Partners LPA, while any Class B Units remain outstanding, any distributions by Ferrellgas Partners to its partners must be made such that the ratio of (i) the amount of distributions made to holders of Class B Units to (ii) the amount of distributions made to holders of Class A Units and the general partner is not less than 6:1. The Amended Ferrellgas Partners LPA permits Ferrellgas Partners, in the general partner's discretion, to make distributions to the Class B Unitholders in a greater proportion than the minimum 6:1 ratio, including paying 100% of any such distribution to Class B Unitholders. The Class B Units will not be convertible into Class A Units until Class B Unitholders receive distributions in the aggregate amount of $357.0 million, which was the $357.0 million aggregate principal amount of Ferrellgas Partners' unsecured senior notes due June 15, 2020 (the "Ferrellgas Partners Notes"), and the rate at which Class B Units will convert into Class A Units increases annually. Additionally, the price at which Ferrellgas Partners may redeem the Class B Units during the first five years after March 30, 2021 is based on the Class B Unitholders' receipt of a specified internal rate of return in respect of their Class B Units. This specified internal rate of return in respect of the Class B Units is 15.85%, but that amount increases under certain circumstances, including if the operating partnership paid distributions on the Preferred Units in-kind rather than in cash for a certain number of quarters. Accordingly, distributing cash to the Class B Unitholders in a greater proportion than the minimum 6:1 ratio could result in the Class B Units becoming convertible into Class A Units more quickly or at a lower conversion rate or reduce the redemption price for the Class B Units. For additional discussion of the terms of the Class B Units, see Note G "Equity (Deficit)" in the notes to our consolidated financial statements.

For these reasons, although the general partner has not made any decisions or adopted any policy with respect to the allocation of future distributions by Ferrellgas Partners to its partners, the general partner may determine that it is advisable to pay more than the minimum amount of any distribution, up to 100% of the amount of such distribution, to Class B Unitholders. We have made aggregate cash distributions of approximately $250.0 million to our Class B Unitholders since inception of our Class B Units. Under its Credit Agreement, Ferrellgas Partners is currently unable to make distributions to its Class A and Class B unitholders. See Note E "Debt" and Note M "Net earnings (loss) per Unitholders' interest" for additional information. See “Risk Factors —Risks Inherent in an Investment in our Class A or Class B Units or our Debt Securities and Other Risks Related to Our Capital Structure and Financing Arrangements—If Ferrellgas Partners is permitted to make and makes distributions to its partners, while any Class B Units remain outstanding, Class B Unitholders collectively will receive at least approximately 85.7% of the aggregate amount of each such distribution and may receive up to 100% of any such distribution. Accordingly, while any Class B Units remain outstanding, Class A Unitholders may not receive any distributions and, in any case, will not receive collectively more than approximately 14.1% of any distribution” in our Annual Report on Form 10-K for fiscal 2024.

Ferrellgas Partners did not pay any distributions to Class A Unitholders, Class B Unitholders or the general partner during the six months ended January 31, 2025 or 2024.

The ability of Ferrellgas Partners to make cash distributions to its Class A Unitholders and Class B Unitholders is dependent on the receipt by Ferrellgas Partners of cash distributions from the operating partnership. For so long as any Preferred Units remain outstanding, the amount of cash that otherwise would be available for distribution by the operating partnership to Ferrellgas Partners will be reduced by the amount of cash distributions and other payments made by the operating partnership in respect of the Preferred Units, including payments to redeem Preferred Units. Further, the indentures governing the 2026 Notes and the 2029 Notes (together with the 2026 Notes, the “OpCo Notes”), the Credit Agreement and the OpCo LPA Amendment governing the Preferred Units contain covenants that limit the ability of the operating partnership to make distributions to Ferrellgas Partners and therefore effectively limit the ability of Ferrellgas Partners to make distributions to its Class A Unitholders and Class B Unitholders. See Note E “Debt” and Note F “Preferred units” for a discussion of these limitations. In our Annual Report on Form 10-K for fiscal 2024, see also “Risk Factors—Risks Inherent in an Investment in our Class A or Class B Units or our Debt Securities and Other Risks Related to Our Capital Structure and Financing Arrangements—Restrictive covenants in the Indentures, the Credit Agreement and the agreements governing our other future indebtedness and other financial obligations may reduce our operating flexibility and ability to make cash distributions to holders of Class A Units and Class B Units. The Indentures, the Credit Agreement and the OpCo LPA Amendment contain important exceptions to these covenants.”

Preferred unit distributions

Pursuant to the OpCo LPA Amendment, the operating partnership is required to pay to the holders of each Preferred Unit a cumulative, quarterly distribution (the “Quarterly Distribution”) at the Distribution Rate (as defined below) on the unit purchase price of such Preferred Unit, which is $1,000 per unit.

“Distribution Rate” means, for the first five years after March 30, 2021, a rate per annum equal to 8.956%, with certain increases in the Distribution Rate on each of the 5^{th}, 6^{th} and 7^{th} anniversaries of March 30, 2021, subject to a maximum rate of 11.125% and certain other adjustments and exceptions.

The Quarterly Distribution may be paid in cash or, at the election of the operating partnership, “in kind” through the issuance of additional Preferred Units (“PIK Units”) at the quarterly Distribution Rate plus an applicable premium that escalates each year from 75 bps to 300 bps so long as the Preferred Units remain outstanding. In the event the operating partnership fails to make any Quarterly Distribution in cash, such Quarterly Distribution will automatically be paid in PIK Units.

The Distribution Rate on the Preferred Units will increase upon violation of certain protective provisions for the benefit of Preferred Unitholders notwithstanding the cap mentioned above.

As of January 31, 2025, the Quarterly Distribution accrued was $18.6 million. During the six months ended January 31, 2025, two quarterly payments of $15.4 million relating to Quarterly Distributions were paid in cash to holders of Preferred Units. The remaining Quarterly Distribution accrual of $3.2 million represents Additional Amounts payable to certain holders of Preferred Units pursuant to the side letters outlined in the OpCo LPA Amendment.

As of January 31, 2024, the Quarterly Distribution accrued was $18.6 million. During the six months ended January 31, 2024, two quarterly payments of $15.4 relating to Quarterly Distributions were paid in cash to holders of Preferred Units. The remaining Quarterly Distribution accrued of $3.2 million represented Additional Amounts payable to certain holders of Preferred Units pursuant to the side letters.

Preferred unit tax distributions

For any quarter in which the operating partnership makes a Quarterly Distribution in PIK Units in lieu of cash, it shall make a subsequent cash tax distribution for such quarter in an amount equal to the (i) the lesser of (x) 25% and (y) the highest combined federal, state and local tax rate applicable for corporations organized in New York, multiplied by (ii) the excess (if any) of (A) one-fourth (1/4th) of the estimated taxable income to be allocated to the holders of Preferred Units for the year in which the Quarterly Tax Payment Date (which refers to certain specified dates that next follow a Quarterly Distribution date on which PIK Units were issued) occurs, over (B) any cash paid on the Quarterly Distribution date immediately preceding the Quarterly Tax Payment Date on which a quarterly tax amount would otherwise be paid (such amount, the "Tax Distribution"). Tax Distributions are treated as advances against, and reduce, future cash distributions for any reason, including payments in redemption of Preferred Units or PIK Units, or payments to the holders in their capacity as such pursuant to any side letter or other agreement.

Cash distributions paid

Ferrellgas Partners did not pay any cash distributions to its Class A Unitholders, Class B Unitholders or the general partner during the six months ended January 31, 2025 or 2024.

The operating partnership paid cash distributions for the six months ended January 31, 2025 and 2024 in respect of its Preferred Units as discussed above under "—Preferred unit distributions."

The operating partnership

The financing activities discussed above also apply to the operating partnership.

Disclosures about Effects of Transactions with Related Parties

We have no employees and are managed and controlled by our general partner. Pursuant to our partnership agreements, our general partner is entitled to reimbursement for all direct and indirect expenses incurred or payments it makes on our behalf, and all other necessary or appropriate expenses allocable to us or otherwise reasonably incurred by our general partner in connection with operating our business. These reimbursable costs, which totaled $186.1 million for the six months ended January 31, 2025, include operating expenses such as compensation and benefits paid to employees of our general partner who perform services on our behalf as well as related general and administrative expenses.

During the six months ended January 31, 2025 and 2024, the operating partnership paid distributions to Ferrellgas Partners as described above.

Material Cash Requirements

The following table sets forth our material cash requirements for known contractual obligations and commitments at January 31, 2025:

	Payment or settlement due by fiscal year						
(in thousands)	**2025** (1)	**2026**	**2027**	**2028**	**2029**	**Thereafter**	**Total**
Long-term debt, including current portion (2)	$ 610	$ 652,178	$ 1,310	$ 910	$ 825,550	$ 600	$ 1,481,158
Fixed rate interest obligations (3)	41,703	83,406	48,469	48,469	48,469	—	270,516
Operating lease obligations (4)	10,903	12,601	7,696	5,334	3,697	7,579	47,810
Finance lease obligations (5)	6,885	13,017	10,056	5,228	3,227	7,715	46,128
Litigation settlement (6)	37,500	37,500	—	—	—	—	75,000
Pension withdrawal liability (7)	142	284	284	284	284	2,528	3,806
Purchase obligations:							
Product purchase commitments (8)	12,228	—	—	—	—	—	12,228
Total	$ 109,971	$ 798,986	$ 67,815	$ 60,225	$ 881,227	$ 18,422	$ 1,936,646
Underlying product purchase volume commitments (in gallons)	13,743	—	—	—	—	—	13,743

(1) The amounts in the 2025 column represent remaining payments in fiscal 2025 as of January 31, 2025.

(2) We have long and short-term payment obligations under agreements such as the indentures governing our senior notes. Amounts shown in the table represent our scheduled future maturities of long-term debt (including current maturities thereof) for the periods indicated. For additional information regarding our debt obligations, see Note E “Debt” to our condensed consolidated financial statements.

(3) Fixed rate interest obligations represent the amount of interest due on fixed rate long-term debt.

(4) We lease certain property, plant and equipment under noncancelable and cancelable operating leases. Amounts shown in the table represent minimum lease payment obligations under our third-party operating leases for the periods indicated.

(5) We lease certain property, plant and equipment under noncancelable and cancelable financing leases. Amounts shown in the table represent minimum lease payment obligations under our third-party financing leases for the periods indicated.

(6) These installment payments relate to a Settlement Agreement described in Note L “Contingencies and commitments” to our condensed consolidated financial statements.

(7) These payments relate to a liability incurred in connection with the withdrawal from certain pension plans.

(8) We define a purchase obligation as an agreement to purchase goods or services that is enforceable and legally binding (unconditional) on us that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transactions. We have long and short-term product purchase obligations for propane and energy commodities with third-party suppliers. These purchase obligations are entered into at either variable or fixed prices. The purchase prices that we are obligated to pay under variable price contracts approximate market prices at the time we take delivery of the volumes. Our estimated future variable price contract payment obligations are based on the January 31, 2025 market price of the applicable commodity applied to future volume commitments. Actual future payment obligations may vary depending on market prices at the time of delivery. The purchase prices that we are obligated to pay under fixed price contracts are established at the inception of the contract. Our estimated future fixed price contract payment obligations are based on the contracted fixed price under each commodity contract. Quantities shown in the table represent our volume commitments and estimated payment obligations under these contracts for the periods indicated.

The components of other noncurrent liabilities included in our consolidated balance sheets principally consist of property and casualty liabilities and the fair value of derivatives in connection with our risk management activity. These liabilities are not included in the table above because they are estimates of future payments and not contractually fixed as to timing or amount.

The operating partnership

The cash requirements discussed above also apply to the operating partnership.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We did not enter into any risk management trading activities during the six months ended January 31, 2025. Our remaining market risk sensitive instruments and positions have been determined to be “other than trading.”

Commodity price risk management

Our risk management activities primarily attempt to mitigate price risks related to the purchase, storage, transport and sale of propane generally in the contract and spot markets from major domestic energy companies. We attempt to mitigate these price risks through the use of financial derivative instruments and forward propane purchase and sales contracts.

Our risk management strategy involves taking positions in the forward or financial markets that are equal and opposite to our positions in the physical products market in order to minimize the risk of financial loss from an adverse price change. This risk management strategy is successful when our gains or losses in the physical product markets are offset by our losses or gains in the forward or financial markets. Our propane related financial derivatives are designated as cash flow hedges.

Our risk management activities include the use of financial derivative instruments including, but not limited to, futures, swaps, and options to seek protection from adverse price movements and to minimize potential losses. We enter into these financial derivative instruments with brokers who are clearing members with the Intercontinental Exchange or the Chicago Mercantile Exchange and, to a lesser extent, directly with third parties in the over-the-counter market. We also enter into forward propane purchase and sales contracts with counterparties. These forward contracts qualify for the normal purchase normal sales exception within GAAP guidance and are therefore not recorded on our financial statements until settled.

Risk Policy and Sensitivity Analysis

Market risks associated with energy commodities are monitored daily by senior management for compliance with our commodity risk management policy. This policy includes an aggregate dollar loss limit and limits on the term of various contracts. We also utilize volume limits for various energy commodities and review our positions daily where we remain exposed to market risk, so as to manage exposures to changing market prices.

We have prepared a sensitivity analysis to estimate the exposure to market risk of our energy commodity positions. Forward contracts, futures, swaps and options outstanding as of January 31, 2025 and July 31, 2024 that were used in our risk management activities were analyzed assuming a hypothetical 10% adverse change in prices for the delivery month for all energy commodities. The potential loss in future earnings from these positions due to a 10% adverse movement in market prices of the underlying energy commodities was estimated at $7.6 million and $10.0 million as of January 31, 2025 and July 31, 2024, respectively. The preceding hypothetical analysis is limited because changes in prices may or may not equal 10%, thus actual results may differ. Our sensitivity analysis does not include the anticipated transactions associated with these transactions, which we anticipate will be 100% effective.

Credit risk

We maintain credit policies with regard to our counterparties that we believe significantly reduce overall credit risk. These policies include evaluating and monitoring our counterparties’ financial condition (including credit ratings), and entering into agreements with counterparties that govern credit guidelines.

Our other counterparties principally consist of major energy companies that are suppliers, marketers, wholesalers, retailers and end users; and major U.S. financial institutions. The overall impact due to certain changes in economic, regulatory and other events may impact our overall exposure to credit risk, either positively or negatively in that counterparties may be similarly impacted. Based on our policies, exposures, credit and other reserves, management does not anticipate a material adverse effect on financial position or results of operations as a result of counterparty performance.

Interest rate risk

We had variable rate indebtedness outstanding related to our letters of credit under our Credit Facility of $152.1 million and $193.4 million as of January 31, 2025 and July 31, 2024, respectively. Our results of operations, cash flows and financial condition could be materially adversely affected by significant increases in interest rates to the extent that we have variable rate indebtedness (including any disbursements or payments related to letters of credit) outstanding under our Credit Facility.

Critical accounting estimates

Our critical accounting estimates are disclosed under “Item 7 Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Estimates” in our Form 10-K for fiscal 2024. During the six months ended January 31, 2025, no modifications were made to these critical accounting estimates.

ITEM 4. CONTROLS AND PROCEDURES

An evaluation was performed by the management of Ferrellgas Partners, L.P., Ferrellgas, L.P., Ferrellgas Partners Finance Corp., and Ferrellgas Finance Corp., with the participation of the principal executive officer and principal financial officer of our general partner, of the effectiveness of our disclosure controls and procedures. Based on that evaluation, our management, including our principal executive officer and principal financial officer, concluded that our disclosure controls and procedures, as defined in Rules 13a-15(e) or 15d-15(e) under the Exchange Act, were effective as of January 31, 2025.

The management of Ferrellgas Partners, L.P., Ferrellgas, L.P., Ferrellgas Partners Finance Corp., and Ferrellgas Finance Corp. does not expect that our disclosure controls and procedures will prevent all errors and all fraud. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Based on the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the above mentioned partnerships and corporations have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple errors or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events. Therefore, a control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Our disclosure controls and procedures are designed to provide such reasonable assurances of achieving our desired control objectives, and the principal executive officer and principal financial officer of our general partner have concluded, as of January 31, 2025, that our disclosure controls and procedures are effective in achieving that level of reasonable assurance.

During the most recent fiscal quarter ended January 31, 2025, there have been no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) or Rule 15d-15(f) of the Exchange Act) that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For information regarding legal proceedings, see Note L “Contingencies and commitments” in our condensed consolidated financial statements included in Item 1. “Financial Statements.”

ITEM 1A. RISK FACTORS

Except as noted below, there have been no material changes from the risk factors set forth under Part I, Item 1A. “Risk Factors” in our Annual Report on Form 10-K for fiscal 2024 and in our subsequent SEC filings.

Risks Related to our Business and Industry

We are subject to operating and litigation risks, and related costs or liabilities may not be covered by insurance.

We are subject to all operating hazards and risks normally incidental to the handling, storing and delivering of combustible liquids such as propane. These operations face an inherent risk of exposure to general liability claims in the event that they result in injury or destruction of property. As a result, we have been, and are likely to be, a defendant in various legal proceedings arising in the ordinary course of business. As described in more detail in Note L “Contingencies and commitments” to our condensed consolidated financial statements, on January 15, 2025, Ferrellgas and the other defendants entered into a Settlement Agreement with Eddystone resolving all issues in and related to the EDPA Lawsuit. In settlement of the judgment in the EDPA Lawsuit, the defendants agreed to pay Eddystone the sum of $125.0 million, which is payable in three installments, with the first payment of $50.0 million having been paid by the Company on January 15, 2025, and two additional payments of $37.5 million to occur on or before June 16, 2025, and January 15, 2026, respectively. The two remaining payment amounts are secured by letters of credit issued under the Credit Agreement (as defined in Note E “Debt” to our condensed consolidated financial statements). As part of the settlement, the previously disclosed $190.0 million appeal bond, and the related letters of credit, have been released. The litigation described above is not covered by insurance. Our insurance policies do not cover all losses, costs or liabilities that we may experience, and insurance companies that currently insure companies in our industry or in the energy industry generally may cease to do so or substantially increase premiums. Although we maintain insurance policies with insurers in such amounts and with such coverages and deductibles as we believe are reasonable and prudent, we cannot guarantee that such insurance will be adequate to protect us from all material expenses related to potential future claims for personal injury and property damage or that such levels of insurance will be available in the future at economical prices.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

During the quarter ended January 31, 2025, none of our directors or officers (as defined in Rule 16a-1(f) of the Exchange Act) adopted, terminated or modified a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement (as such terms are defined in Item 408 of Regulation S-K).

ITEM 6. EXHIBITS

The exhibits listed below are furnished as part of this Quarterly Report on Form 10-Q. Exhibits required by Item 601 of Regulation S-K of the Securities Act, which are not listed, are not applicable.

	Exhibit Number	Description
*#	10.1	Confidential Settlement Agreement and Mutual Release.
*	31.1	Certification of Ferrellgas Partners, L.P. pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
*	31.2	Certification of Ferrellgas Partners Finance Corp. pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
*	31.3	Certification of Ferrellgas, L.P. pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
*	31.4	Certification of Ferrellgas Finance Corp. pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Exchange Act.
*	32.1	Certification of Ferrellgas Partners, L.P. pursuant to 18 U.S.C. Section 1350.
*	32.2	Certification of Ferrellgas Partners Finance Corp. pursuant to 18 U.S.C. Section 1350.
*	32.3	Certification of Ferrellgas, L.P. pursuant to 18 U.S.C. Section 1350.
*	32.4	Certification of Ferrellgas Finance Corp. pursuant to 18 U.S.C. Section 1350.
*	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 Taxonomy Extension Schema Document.
*	101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
*	101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
*	101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
*	101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
*	104	The cover page from Ferrellgas Partners, L.P.'s Quarterly Report on Form 10-Q for the quarter ended January 31, 2025, formatted in Inline XBRL and contained in Exhibit 101.

* Filed herewith
\# Portions of this exhibit have been redacted in compliance with Regulation S-K Item 601(b)(10)(iv).

The agreements and other documents filed as exhibits to this report are not intended to provide factual information or other disclosure other than with respect to the terms of the agreements or other documents themselves, and you should not rely on them for that purpose. In particular, any representations and warranties made by us in these agreements or other documents were made solely within the specific context of the relevant agreement or document and may not describe the actual state of affairs as of the date they were made or at any other time.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrants have duly caused this report to be signed on their behalf by the undersigned, thereunto duly authorized.

		FERRELLGAS PARTNERS, L.P. By Ferrellgas, Inc., its general partner
Date:	March 7, 2025	By /s/ Tamria A. Zertuche Tamria A. Zertuche Chief Executive Officer and President
		By /s/ Michael E. Cole Michael E. Cole Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)
		FERRELLGAS PARTNERS FINANCE CORP.
Date:	March 7, 2025	By /s/ Tamria A. Zertuche Tamria A. Zertuche Chief Executive Officer and President
		By /s/ Michael E. Cole Michael E. Cole Chief Financial Officer, Treasurer, and Sole Director (Principal Financial and Accounting Officer)
		FERRELLGAS, L.P. By Ferrellgas, Inc., its general partner
Date:	March 7, 2025	By /s/ Tamria A. Zertuche Tamria A. Zertuche Chief Executive Officer and President
		By /s/ Michael E. Cole Michael E. Cole Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)
		FERRELLGAS FINANCE CORP.
Date:	March 7, 2025	By /s/ Tamria A. Zertuche Tamria A. Zertuche Chief Executive Officer and President
		By /s/ Michael E. Cole Michael E. Cole Chief Financial Officer, Treasurer, and Sole Director (Principal Financial and Accounting Officer)

Exhibit 10.1

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS NOT MATERIAL AND CONFIDENTIAL. "[***]" INDICATES THAT INFORMATION HAS BEEN REDACTED.

CONFIDENTIAL SETTLEMENT AGREEMENT AND MUTUAL RELEASE

This Confidential Settlement Agreement and Mutual Release ("Settlement Agreement") is entered into among (a) Eddystone Rail Company, LLC ("Eddystone") and (b) Bridger Logistics, LLC, Ferrellgas Partners, L.P., Ferrellgas, L.P., Bridger Administrative Services II, LLC, Bridger Marine, LLC, Bridger Rail Shipping, LLC, Bridger Real Property, LLC, Bridger Storage, LLC, Bridger Swan Ranch, LLC, Bridger Terminals, LLC, Bridger Transportation, LLC, Bridger Energy, LLC, Bridger Leasing, LLC, Bridger Lake, LLC, J.J. Liberty, LLC, and J.J. Addison Partners, LLC (collectively, "Defendants"). The parties are referred to collectively as the "Parties" or singularly as a "Party" in this Settlement Agreement. In consideration of their respective promises, representations, warranties, and/or undertakings, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

RECITALS

A. This Settlement Agreement is intended to finally and fully resolve all claims and lawsuits related to Eddystone's assertion that it has suffered damages arising from that certain Rail Transportation Services Agreement (the "RSA") entered into between Eddystone and Bridger Transfer Services, LLC ("BTS"), including, without limitation, through an alleged breach of a take-or-pay obligation contained in the RSA and the alleged transfers of assets, revenue, and proceeds from BTS to others in 2015 and afterwards (the "Alleged Transfers").

B. On February 2, 2017, Eddystone initiated a lawsuit in the United States District Court for the Eastern District of Pennsylvania ("EDPA"), Case No. 2:17-cv-00495-JDW, against Bridger Logistics, LLC, Ferrellgas Partners, L.P., and Ferrellgas, L.P. (in addition to two individual defendants who settled with Eddystone prior to trial and are not a part of this Settlement Agreement). As of September 7, 2018, Eddystone's First Amended Complaint added as defendants Bridger Administrative Services II, LLC, Bridger Marine, LLC, Bridger Rail Shipping, LLC, Bridger Real Property, LLC, Bridger Storage, LLC, Bridger Swan Ranch, LLC, Bridger Terminals, LLC, Bridger Transportation, LLC, Bridger Energy, LLC, Bridger Leasing, LLC, Bridger Lake, LLC, J.J. Liberty, LLC, and J.J. Addison Partners, LLC. Eddystone asserted four claims: alter ego, intentional fraudulent transfer, constructive fraudulent transfer, and breach of fiduciary duty. Defendants asserted various counterclaims against Eddystone (the "Pennsylvania Counterclaims"). The matter initiated in EDPA is referred to herein as the "Pennsylvania Litigation" and expressly includes the Pennsylvania Counterclaims and the pending appeal and cross-appeal to the United States Court of Appeals for the Third Circuit (the "Third Circuit"), as described below.

1. The Court issued a summary judgment order on March 21, 2022, resolving certain of the Pennsylvania Counterclaims. The counterclaim remaining to be tried was for breach of contract related to custody transfer meters.

2. The case proceeded to a bench trial during the period beginning on September 19, 2022 and ending on August 9, 2023.

3. On June 7, 2024, the Court issued an Order and Judgment in the matter, finding in favor of Defendants on Eddystone's alter ego and fiduciary duty claims. On Eddystone's intentional and constructive fraudulent transfer claims, the district court found in favor of Eddystone and awarded damages (which include prejudgment interest) as follows: $916,130 against Bridger Energy, LLC; $1,430,717 against Bridger Transportation, LLC; and $169,327,840 against Ferrellgas Partners, L.P. and Bridger Logistics, LLC. The Order and Judgment is docketed at ECF Docket No. 753 and is referred to herein as the "Final Judgment." The Court also dismissed the remaining counterclaim against Eddystone regarding custody transfer meters.

4. Defendants Bridger Logistics, LLC, Ferrellgas Partners, L.P., Bridger Transportation, LLC, and Bridger Energy, LLC filed a notice of appeal on July 3, 2024. This appeal, Case No. 24-2239, is referred to herein as the "Third Circuit Appeal."

5. On July 9, 2024, the Court stayed execution of the judgment against Ferrellgas Partners, L.P., Bridger Transportation, LLC, and Bridger Energy, LLC, upon the posting of a bond. On July 11, 2024, Ferrellgas Partners, L.P., Bridger Transportation, LLC, and Bridger Energy, LLC posted a Supersedeas Bond (Surety) for $190,000,000.00 (the "Bond"). The Court denied Defendants' request to stay execution against Bridger Logistics, LLC.

6. Eddystone filed a notice of cross-appeal on July 15, 2024. This cross-appeal, Case No. 24-2284, is referred to herein as the "Third Circuit Cross-Appeal."

7. The Third Circuit has issued a consolidated four-step briefing schedule. Defendants' opening brief is currently due on February 10, 2025.

8. Defendants deny any liability or wrongdoing of any kind associated with the claims alleged in the Pennsylvania Litigation, assert that they acted in compliance with the law and their obligations at all times, and deny that they are liable to Eddystone in any amount. Eddystone denies any liability or wrongdoing of any kind associated with the Pennsylvania Counterclaims, asserts that it acted in compliance with the law and its obligations at all times, and denies that it is liable to Defendants in any amount.

C. Separately, on February 17, 2017, Eddystone initiated litigation in the United States District Court for the Southern District of New York, Case No. 1:17-cv-1266-JMF, seeking to confirm an arbitration award it obtained against Jamex Transfer Services, LLC (f/k/a BTS). This case is stayed pending the resolution of the Pennsylvania Litigation. This matter is referred to herein as the "New York Arbitration Litigation."

D. On June 20, 2019, Eddystone initiated litigation in the Supreme Court of New York, Index No. 653614/2019, against Bank of America, N.A., Capital One, N.A., Fifth Third Bank, JPMorgan Chase Bank, N.A., Wells Fargo Bank, N.A., The Bank of Tokyo-Mitsubishi UFJ, Ltd., SunTrust Bank, BMO Harris Bank, N.A., CIBC Bank USA (f/k/a The PrivateBank & Trust Company), U.S. Bank National Association, TPG Specialty Lending, Inc., PNC Bank, National Association, TAO Talents, LLC, and Pontus Holdings, Ltd. The case was removed to the Southern District of New York, Case No. 1:19-cv-09584-GBD. This lawsuit sought to recover for the allegedly fraudulent transfers made by Defendants from the transferees of those assets or from the proceeds of those assets. This matter has been stayed pending resolution of the Pennsylvania Litigation. This matter is referred to herein as the "New York Bank Litigation."

E. On February 5, 2019, Bridger Logistics, LLC, Ferrellgas, L.P., and Ferrellgas Partners, L.P. initiated an action in the Court of Common Pleas, Delaware County, Pennsylvania against Eddystone, asserting claims for tortious interference with contract and various declaratory judgment counts. This matter is stayed pending resolution of the Pennsylvania Litigation. This matter is referred to herein as the "Delaware County Litigation."

F. Following the judgment in the Pennsylvania Litigation, Eddystone has initiated two actions in state court as part of a collection effort against Bridger Logistics, LLC.

1. On September 18, 2024, Eddystone filed a Verified Petition for Registration of Foreign Judgment in the Court of the 7th Judicial District, Clay County, Missouri. This action is referred to herein as the "Missouri Action."

2. On September 24, 2024, Eddystone filed an *Ex Parte* Petition to Make Foreign Judgment Executory in the 19th Judicial District Court, Parish of East Baton Rouge, State of Louisiana. This action is referred to herein as the "Louisiana Action."

G. The Pennsylvania Litigation, the New York Arbitration Litigation, the New York Bank Litigation, the Delaware County Litigation, the Missouri Action, and the Louisiana Litigation are referred to herein as the "Collective Litigations."

H. Based upon the Parties' investigation and evaluation of the facts and law relating to the matters at issue in the case and otherwise between the parties, plus the risks and uncertainties of continued litigation and all factors bearing on the merits of settlement, without admitting any liability, fault, or wrongdoing, the Parties desire to enter into this Settlement Agreement to resolve the claims and disputes between them arising from or relating to the Collective Litigations and to satisfy, resolve, and supersede the Final Judgment with this Settlement Agreement. To that end, the Parties enter into this Settlement Agreement in order to fully and finally resolve the disputes among them according to the terms, conditions, and provisions hereof.

TERMS OF AGREEMENT

NOW, THEREFORE, in consideration of the recitals and mutual promises contained in this Settlement Agreement, the receipt and adequacy of which are hereby acknowledged, the Parties agree as follows:

I. RECITALS.

The Recitals set forth above are expressly incorporated herein by reference as though fully set forth herein.

II. EFFECTIVE DATE.

This Settlement Agreement shall become effective on the date on which the following conditions shall have been met:

A. Each of the Parties shall have executed and delivered the Settlement Agreement;

B. The Defendants shall have caused the issuance of the Irrevocable Standby Letters of Credit from PNC Bank, National Association, in respect of the Second Payment (as defined below) and Third Payment (as defined below), in the forms attached hereto as Exhibit 1a and 1b respectively (together with any permitted replacements thereof, the "Letters of Credit") and that meet the other requirements set forth below, to be delivered by electronic mail on or before January 14, 2025 and originals of the Letters of Credit shall be mailed by PNC to Eddystone at Eddystone Rail Company, LLC, [***], on January 15, 2025, so that the originals are actually received no later than January 16, 2025; and

C. The Defendants shall have paid Eddystone the First Payment (as defined below) in immediately available funds.

III. ACTIONS BY DEFENDANTS.

For complete settlement of the Final Judgment, the Collective Litigations and all claims or liabilities arising from or relating to the claims in those actions, the RSA, and the Alleged Transfers, Defendants shall make a Settlement Payment, as set forth below.

A. **Settlement Payment.** Defendants will pay to Eddystone One Hundred Twenty-Five Million U.S. Dollars ($125,000,000.00) for full and complete resolution and release of all claims, including attorneys' fees and costs, asserted in or connected with the Collective Litigations ("Settlement Payment"). No interest shall accrue on the Settlement Payment except that, in any suit to enforce this agreement, Eddystone shall be entitled to recover any pre- or post-judgment interest allowed by law.

1. Defendants shall pay the Settlement Payment as follows:

    a. **First Payment:** Fifty Million U.S. Dollars ($50,000,000.00) on or before January 15, 2025 ("First Payment").

    b. **Second Payment:** Thirty-Seven Million Five Hundred Thousand U.S. Dollars ($37,500,000.00) on or before June 16, 2025 ("Second Payment").

c. **Third Payment:** Thirty-Seven Million Five Hundred Thousand U.S. Dollars ($37,500,000.00) on or before January 15, 2026 ("Third Payment").

2. Letters of Credit. Defendants shall provide two Letters of Credit as follows:

a. The Letters of Credit shall be in the form of Exhibits 1a and 1b and shall meet the following requirements:

b. Each Letter of Credit shall be an irrevocable, nontransferable standby letter of credit beginning on January 15, 2025, in the face amount of $37.5 million U.S. dollars, and naming Eddystone as the beneficiary. [***]

c. The Letter of Credit securing the Second Payment shall be immediately cancelled without any further action by any party upon Eddystone's receipt of the Second Payment, in full, from the Defendants. To the extent so requested, Eddystone shall, upon receipt, in full, of the Second Payment, return the Letter of Credit securing the Second Payment to the issuing bank or the Defendants for destruction. The Letter of Credit securing the Third Payment shall be immediately cancelled without any further action by any party upon Eddystone's receipt of the Third Payment, in full, from the Defendants. To the extent so requested, Eddystone shall, upon receipt, in full, of the Third Payment, return the Letter of Credit securing the Third Payment to the issuing bank or the Defendants for destruction.

d. [***] In addition, in the event that Ferrellgas, L.P. refinances or replaces the Credit Agreement with another financing facility, any of the lenders or issuing lenders under such new financing facility that are Existing Lenders shall be deemed to be acceptable issuing institutions for any replacement or substituted Letter of Credit.

e. For purposes of the foregoing, (i) "Ratings Agency" means S&P, Moody's, or Fitch (collectively, "Ratings Agencies"), and (ii) "Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by the Ratings Agencies.

f. The Letters of Credit may not be substituted, canceled or amended without the prior written consent of Eddystone; provided that in no event shall Eddystone withhold consent to a substitute Letter of Credit that complies with the terms of this Settlement Agreement and contains no other terms or conditions that are adverse to Eddystone as beneficiary thereof.

g. In all cases, the costs and expenses associated with establishing, renewing, substituting, cancelling, or amending a Letter of Credit shall be borne by the Defendants.

3. Payment Logistics. The First Payment, Second Payment, and Third Payment shall be made by wire transfer of immediately available funds using the instructions provided below.

[***]

4. Events of Default, Acceleration, and Draws on the Letters of Credit.

a. For purposes of this Settlement Agreement, an "Event of Default" includes (i) the failure of Eddystone to receive the Second Payment or Third Payment in immediately available funds by 5:00 p.m. Eastern Time on the respective due date and in the manner specified above; (ii) the commencement of a voluntary proceeding by any Defendant seeking relief under the United States Bankruptcy Code or any other applicable federal, state or foreign bankruptcy, insolvency or similar law now or hereafter in effect (collectively, "Insolvency Laws"); (iii) following the commencement of an involuntary proceeding against any Defendant seeking relief under any Insolvency Laws, the earliest to occur of (A) the failure of Eddystone to receive the Second Payment or Third Payment on the respective due dates and in the manner specified above, (B) the court having jurisdiction over any such involuntary proceeding shall issue an order granting the petition commencing such involuntary proceeding or an order denying a motion or other request to dismiss such involuntary proceeding, or (C) the occurrence of the sixtieth (60^{th}) day after the date of commencement of such involuntary proceeding, unless such involuntary proceeding is dismissed before that date; or (iv) the appointment of or taking of possession by, or the commencement of a proceeding for the appointment of or taking of possession by, a receiver, liquidator, sequestrator, trustee, custodian or other officer having similar powers over any Defendant, or over all or a substantial part of any Defendant's property (the proceedings described in clauses (ii), (iii), and (iv) hereof, an "Insolvency Proceeding").

b. If an Event of Default occurs the entire unpaid balance of the Settlement Payment owed under this Settlement Agreement ("Unpaid Balance") shall become immediately due and payable by Defendants to Eddystone without further notice or demand.

c. If an Event of Default occurs, Eddystone shall be entitled to immediately draw on the entire undrawn portion of the Letters of Credit in the amount of the Unpaid Balance.

d. Notwithstanding Eddystone's receipt of any proceeds pursuant to a drawing under the Letters of Credit, if Defendants owe any remaining obligations to Eddystone after taking into account (i) any payments made under this Settlement Agreement and (ii) the receipt of proceeds from drawing under the Letters of Credit, Defendants shall remain liable for any amounts remaining unpaid under this Settlement Agreement and for any unfulfilled obligations under the Settlement Agreement. For the avoidance of doubt, payments made under this Settlement Agreement and proceeds received from any drawing under the Letters of Credit shall operate to reduce the balance of the Settlement Payment owing to Eddystone and be applied in direct order of due date of payment (i.e., first to the First Payment until paid in full, next to the Second Payment until paid in full, and last to Third Payment until paid in full). In the event of any future bankruptcy case in which Eddystone is the subject of an action to avoid a transfer from any of the Defendants under this Settlement Agreement, nothing in this subsection shall prejudice the rights of Eddystone or the Defendants.

B. **Dismissal of the Delaware Litigation.** On or before 2 business days after the effective date of this Settlement Agreement, Bridger Logistics, LLC, Ferrellgas Partners, L.P., and Ferrellgas, L.P. shall file a Praecipe to Discontinue With Prejudice in the Delaware County Litigation, pursuant to Pennsylvania Rule of Civil Procedure 229, in the form attached hereto as Exhibit 2, specifying that it is with prejudice and for all claims asserted in the litigation. The Praecipe to Discontinue will be signed and approved by counsel for all Parties and will indicate that each Party will bear its own fees and costs associated with the Litigation.

C. **Dismissal of the Third Circuit Appeal and Third Circuit Cross-Appeal.** On or before January 15, 2025, and upon payment of the First Payment, Ferrellgas Partners, L.P., Bridger Logistics, LLC, Bridger Transportation, LLC, and Bridger Energy, LLC shall file a Stipulation of Dismissal in the Third Circuit Appeal and Third Circuit Cross Appeal, pursuant to Federal Rule of Appellate Procedure 42(b)(1), in the form attached hereto as Exhibit 3, specifying that it is with prejudice and as to all issues on appeal and all issues asserted in the underlying litigation. The Stipulation of Dismissal will be signed and approved by counsel for all Parties and will indicate that each Party will bear its own fees and costs associated with the Third Circuit Appeal, the Third Circuit Cross-Appeal, and the underlying litigation.

D. **Dismissal of Pennsylvania Litigation**. On or before January 15, 2025, and upon payment of the First Payment, Defendants shall file (1) a Stipulation of Dismissal (pursuant to Federal Rules of Civil Procedure 41(a)(1)(A)(ii)), in the form attached hereto as Exhibit 4a, specifying that dismissal is with prejudice and indicating that each party will bear its own fees and costs; (b) a Satisfaction of Judgment, in the form attached hereto as Exhibit 4b, requesting that the Final Judgment be marked as satisfied; and (c) a Stipulation to Release Bond, in the form attached hereto as Exhibit 4c, requesting that the Bond be released in full. The Stipulation of Dismissal, Satisfaction of Judgment, and Stipulation to Release Bond will be signed and approved by counsel for all parties.

E. **Supersedeas Bond**. The Parties agree that this Settlement Agreement renders null and void the Bond because the Settlement Agreement results in dismissal with prejudice of the underlying litigation against Ferrellgas Partners, L.P., Bridger Energy, LLC, and Bridger Transportation, LLC. The Parties agree that the Bond shall be released by the district court as part of or following the submission of the Stipulation to Release Bond, along with the Stipulation of Dismissal and Satisfaction of Judgment. Upon receipt of payment of the First Payment, Defendants are authorized to take all necessary or appropriate actions to have the Bond released, including as identified in subsection III.D. above. Eddystone shall reasonably cooperate with Defendants to obtain the complete release of the Bond.

F. **Reasonable Cooperation**. Defendants agree to reasonably cooperate with Eddystone in the execution and accomplishment of actions identified in this Section III (Actions by Defendants) and in Section IV (Actions by Eddystone) below, to the extent further action is required or appropriate to accomplish the actions identified, including, without limitation, consent and participation in case filings.

IV. ACTIONS BY EDDYSTONE.

A. **Dismissal of New York Arbitration Litigation.** Upon execution of this Settlement Agreement, Eddystone shall cause Jamex Transfer Services, LLC ("Jamex") to enter into a stipulation to dismiss the New York Arbitration Litigation, each party to bear its own fees and costs associated with that litigation. On or before January 16, 2025, and upon payment of the First Payment and Jamex's agreement to enter into the proposed stipulation, Eddystone shall file a Stipulation of Dismissal in the New York Arbitration Litigation, pursuant to Federal Rule of Civil Procedure 41(a)(1)(A)(ii), in the form attached as Exhibit 5, specifying that it is with prejudice and for all claims asserted in the litigation. The Stipulation of Dismissal will be signed and approved by counsel for all parties and will indicate that each party will bear its own fees and costs associated with the Litigation. Eddystone's failure to file a Stipulation of Dismissal in the New York Arbitration Litigation on or before January 16, 2025 shall be a breach of the Settlement Agreement.

B. **Dismissal of New York Bank Litigation.** On or before January 16, 2025, and upon payment of the First Payment, Eddystone shall file a Stipulation of Dismissal in the New York Bank Litigation, pursuant to Federal Rule of Civil Procedure 41(a)(1)(A)(ii), in the form attached as Exhibit 6, specifying that it is with prejudice and for all claims asserted in the litigation. The Stipulation of Dismissal will be signed and approved by counsel for all Parties and will indicate that each Party will bear its own fees and costs associated with the Litigation.

C. **Notices of Satisfaction of Domesticated Judgments**. On or before January 16, 2025, and upon payment of the First Payment, with respect to any courts to which the Final Judgment was transferred or domesticated (each such court, a "Judgment Court" and all such courts, collectively, the "Judgment Courts" (which shall include the Pennsylvania Litigation, the Missouri Action, and the Louisiana Action)), without further notice or demand by Defendants, Eddystone shall file Notices of Satisfaction of Judgment requesting that the Final Judgment be marked satisfied in full (or similar process) in each and every Judgment Court solely as to Defendants pursuant to this Settlement Agreement. Defendants shall reasonably cooperate with Eddystone's efforts. The Notices of Satisfaction shall be filed, without limitation, in the Missouri Action and the Louisiana Action. The Notices to be filed in these actions shall be in the form attached as Exhibits 7 and 8. If any action on account of the Final Judgment pending in any Judgment court remains open after February 15, 2025, Defendants may take such actions as they determine are necessary or appropriate to cause such action to be closed and the Final Judgment marked satisfied (or similar process).

D. **Reasonable Cooperation.** Eddystone agrees to reasonably cooperate with Defendants in the execution and accomplishment of actions identified in this Section IV (Actions by Eddystone) and in Section III (Actions by Defendants) above, to the extent further action is required or appropriate to accomplish the actions identified, including, without limitation, consent and participation in case filings.

V. NO ADMISSION OF LIABILITY.

A. The Parties acknowledge that Defendants deny any and all alleged wrongdoing and liability whatsoever in connection with their dealings with Eddystone or the allegations and causes of action asserted in the Collective Litigations, and this Settlement Agreement is made solely for the purpose of fully and finally compromising disputed claims and avoiding the time and expense of further litigation and appeals.

B. The Parties acknowledge that Eddystone denies any and all alleged wrongdoing and liability whatsoever in connection with its dealings with Defendants or the allegations and causes of action asserted in the Collective Litigations, and this Settlement Agreement is made solely for the purpose of fully and finally compromising disputed claims and avoiding the time and expense of further litigation and appeals.

C. It is expressly understood and agreed by the Parties that nothing contained in this Settlement Agreement shall constitute or be treated as an admission of any wrongdoing or liability on the part of any party.

D. Except as expressly allowed by Section VII (Confidentiality) herein or in order to enforce its terms, the Parties agree that this Settlement Agreement shall not be offered, received, or admitted as evidence in any action or proceeding whatsoever or requested or produced in discovery in any action or proceeding.

VI. RELEASES.

A. In consideration of the promises contained in this Settlement Agreement and for the mutual avoidance of further costs, inconvenience, and uncertainties relating to the Collective Litigations, the Parties agree to the following releases:

1. Eddystone and any person or entity acting by, through or on its behalf, including all of its respective attorneys, agents, predecessors, successors, affiliates, subsidiaries, members, managers, officers, directors, employees, representatives, heirs, executors, administrators, insurers, assigns, related persons and other representatives (the "Eddystone Releasors") hereby forever unconditionally and irrevocably remise, release, and discharge Defendants and all of their current, former, or future officers, directors, agents, representatives, employees, partners, shareholders, unitholders, interestholders, equityholders, members, managers, attorneys, professionals, indemnitees, predecessors, successors, subsidiaries, insurers, lenders, affiliates, and assigns (collectively, the "Defendant Releasees") from any and all liability arising out of, relating to, or in connection with the Final Judgment, the Collective Litigations, the RSA, or the Alleged Transfers, including but not limited to claims, demands, liabilities, damages, attorneys' fees, costs, obligations, liens, actions, or causes of action of every character, nature, kind and source, whether legal, equitable or otherwise, whether under the laws of any state, federal or other government, whether known or unknown, accrued or unaccrued, fixed or contingent, suspected or unsuspected, and whether or not concealed or hidden, which the Eddystone Releasors ever had, now have, or hereafter can, shall or may have at any time in the future against Defendants or the Defendant Releasees.

2. Defendants and any person or entity acting by, through or on their behalf (collectively or singularly), including all of their respective attorneys, agents, predecessors, successors, affiliates, subsidiaries, members, managers, officers, directors, employees, representatives, heirs, executors, administrators, insurers, assigns, related persons and other representatives (the "Defendant Releasors") hereby forever unconditionally and irrevocably remise, release, and discharge Eddystone and all of its current, former, or future officers, directors, agents, representatives, employees, partners, shareholders, unitholders, interestholders, equityholders, members, managers, attorneys, professionals, indemnitees, predecessors, successors, subsidiaries, insurers, lenders, affiliates, and assigns (collectively, the "Eddystone Releasees") from any and all liability arising out of, relating to, or in connection with the Collective Litigations, the RSA, or the Alleged Transfers, including but not limited to claims, demands, liabilities, damages, attorneys' fees, costs, obligations, liens, actions, or causes of action of every character, nature, kind and source, whether legal, equitable or otherwise, whether under the laws of any state, federal or other government, whether known or unknown, accrued or unaccrued, fixed or

> contingent, suspected or unsuspected, and whether or not concealed or hidden, which the Defendant Releasors ever had, now have, or hereafter can, shall or may have at any time in the future against Eddystone or the Eddystone Releasees.

B. Notwithstanding the foregoing, nothing in in this Settlement Agreement shall be construed as releasing or prejudicing (a) any claims arising under this Settlement Agreement or (b) any claims based on acts or omissions occurring after the date of this Settlement Agreement.

VII. CONFIDENTIALITY.

The Parties agree that the terms, but not the existence, of this Settlement Agreement are confidential. Subject to the exceptions below, no Party will reveal to anyone not a Party to this Settlement Agreement any of the terms of this Settlement Agreement. Any Party that breaches this confidentiality provision shall be liable for all damages the breach caused to any non-breaching Party. Any Party may disclose the terms of this settlement to its lenders, financing sources, and accounting, legal, and financial professionals, but only to the extent necessary in the conduct of that Party's legitimate business. Any such professional will be apprised of this confidentiality provision and will agree to be bound by its terms. The Parties also may disclose the terms of this settlement as required by federal, state or local laws, the terms of any financing agreements, or any rules relating to disclosures by publicly traded companies, but such disclosure shall be as narrow and limited as reasonably possible, in the judgment of the disclosing Party's legal counsel. A Party also may disclose the terms of this settlement pursuant to a court order or as required by law. Should any Party receive a demand to produce or reveal any terms of this Settlement Agreement from a governmental agency, or from a third party pursuant to a subpoena, or discovery request, that Party will provide the other Party with written notice of the demand for production within seven calendar days of receiving the demand so as to provide the other Party an opportunity to appear, object, or take other steps reasonably necessary to prevent disclosure of this Settlement Agreement. Other than providing notice as set forth above, the responding Party shall have no further duty to contest such production.

Notwithstanding the foregoing, the Parties may disclose the Settlement Agreement in any action or proceeding to enforce its terms.

VIII. REPRESENTATIONS AND WARRANTIES.

A. **Eddystone's Prosecution of Any Litigation.** Eddystone agrees, represents, and warrants that it will not prosecute, pursue, or take any action that is inconsistent with the terms of this Settlement Agreement, including to advance the Pennsylvania Litigation, the New York Arbitration Litigation, the New York Bank Litigation, the Missouri Action, the Louisiana Action, or any action filed or initiated in a Judgment Court. Eddystone further agrees, represents, and warrants that it will not seek, or cause any other party to seek, to enforce, execute, or collect upon the Final Judgment.

B. **Defendants' Prosecution of Any Litigation**. Defendants agree, represent and warrant that they will not prosecute, pursue, or take any action that is inconsistent with the terms of this Settlement Agreement, including to advance the Delaware County Litigation.

C. **Authority.** Each person executing this Settlement Agreement warrants that he, she, or it has obtained from the Party or Parties on whose behalf such person is executing this Settlement Agreement the authority to so execute this Settlement Agreement. Each Party is correctly described and named herein.

D. **Review and Understanding.** Each Party executing this Settlement Agreement represents and warrants that it has carefully read and reviewed this Settlement Agreement, understands it fully, and does not rely upon any statement, representation, legal or accounting opinion, or promise of any other person in executing this Settlement Agreement or in making the settlement provided for herein, except as expressly stated in this Settlement Agreement.

E. **Investigation and Consultation With Counsel.** Each Party executing this Settlement Agreement represents and warrants that it has made such an investigation of the law and facts pertaining to this Settlement Agreement and of all matters pertaining hereto as he, she or it deems necessary. Each Party has been represented by competent counsel of that Party's own choosing, which counsel has provided such Party with any and all advice on this Settlement Agreement as such counsel and such Party deem necessary or appropriate. This Settlement Agreement has been carefully read by, the contents hereof are known and understood by, and is signed freely and entered into voluntarily by, each Party executing this Settlement Agreement.

F. **Voluntary Execution.** Each Party declares that it has executed this Settlement Agreement freely and voluntarily, with full knowledge of all material facts after independent investigation and without fraud, duress, or undue influence of any kind, and that it each read this Settlement Agreement and fully understands each and every provision of it.

G. **No Reliance.** The Parties acknowledge and agree that they have not relied upon any promises, representations or the advice of any other Party or that Party's lawyer. Each Party is solely responsible for seeking independent consultation on all matters relating to this Settlement Agreement, including any tax implications of the settlement.

H. **Negotiated Agreement.** Each Party represents and warrants that this Settlement Agreement is the result of arms' length negotiations, was jointly prepared by both Parties, and shall not be construed against any one Party as the drafter of the Settlement Agreement.

I. **No Assignment.** The claims, suits, rights, and interests that are the subject matter herein are owned by the Party asserting the same. Each Party represents and warrants that it has not assigned, sold, transferred or otherwise disposed to any third party any actual or potential claim, any portion of any actual or potential claim, or any other matters that are being released in this Settlement Agreement. Eddystone agrees to defend, indemnify, and hold harmless Defendants from and against any claim (including payment of attorneys' fees and costs) based on or in connection with or arising out of any such assignment, sale, transfer, or other disposition made, purported or claimed.

J. **Successors and Assigns; No Third-Party Beneficiaries**. This Settlement Agreement shall be binding upon and shall inure to the benefit of the Parties and their respective heirs, successors and assigns. Nothing contained in this Settlement Agreement shall be deemed to indicate that this agreement has been entered into for the benefit of any person other than the

Parties; provided, however, that the Parties expressly agree that each of the Eddystone Releasees and Defendant Releasees are specifically intended to be beneficiaries of the releases provided herein.

K. **Solvency**. Eddystone and Defendants hereby acknowledge the following:

1. Each of Ferrellgas Partners, L.P. and Ferrellgas, L.P. has reviewed its respective financial situation and represents and warrants that, as of the date of this Settlement Agreement, (a) it is solvent, including within the meaning of 11 U.S.C. §§ 547(b)(3) and 548(a)(1)(B)(ii)(I) and any similar federal, state or foreign laws, and it reasonably believes that it will remain solvent following each payment to Eddystone under this Settlement Agreement, (b) it is not engaged in business or a transaction, or is about to engage in business or a transaction, for which any property remaining with such Defendant is an unreasonably small capital, and (c) it does not intend to incur, or believe that it will incur, debts that would be beyond its ability to pay as such debts mature.

2. Each of the Defendants represents and warrants that, as of the date of this Settlement Agreement, no Insolvency Proceeding has been commenced with respect to it or its property.

3. In evaluating whether to execute this Agreement, the Parties intend that the mutual promises, covenants, and obligations set forth herein constitute a contemporaneous exchange for new value given to Defendants, including within the meaning of 11 U.S.C. § 547(c)(1) and any similar federal, state or foreign laws, and the Parties conclude that these mutual promises, covenants, and obligations do, in fact, constitute such a contemporaneous exchange.

4. The mutual promises, covenants, and obligations set forth herein are intended by the Parties to, and do in fact, constitute a reasonably equivalent exchange of value and fair consideration.

5. The Parties do not intend to hinder, delay, or defraud any entity to which Defendants were or became indebted to on or after the date of any transfer contemplated in this Agreement, including within the meaning of 11 U.S.C. § 548(a)(1) and any similar federal, state or foreign laws.

IX. NOTICE.

Any notice required under this Settlement Agreement will be delivered in accordance with this Section.

If to Defendants, via overnight delivery and email to:

Allen Jones
Vice President Legal, General Counsel and Secretary
Ferrellgas, L.P.
One Liberty Plaza
Liberty, Missouri 64068
[***]

and, via email to:

Lawrence G. Scarborough
Faegre Drinker Biddle & Reath LLP
1177 Avenue of the Americas, 41st Floor
New York, New York 10036
[***]

If to Eddystone, via overnight delivery or email to:

Christopher M. McGlincey
Managing Legal Counsel, U.S. Law
ENBRIDGE
7701 France Ave. S., Suite 600
Edina, MN 55435
[***]
[***]

and, via email

Steven J. Barber
Steptoe LLP
1330 Connecticut Ave., N.W.
Washington, DC 20036
[***]
[***]

Each Party shall provide the other Parties with written notice, via certified mail or overnight delivery, if the foregoing contact information for notice changes.

X. GENERAL TERMS AND PROVISIONS.

A. **Choice of Law and Forum.** This Settlement Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of law principles. The sole and exclusive jurisdiction and forum for any action to enforce this Settlement Agreement shall be either the Supreme Court of the State of New York, County of New York, or the United States District Court for the Southern District of New York. The Parties consent to jurisdiction in New York for the purposes of any such action to enforce this Settlement Agreement and expressly waive the benefits of any statute, rule, or other authority, including those relating to venue, forum non-conveniens, or case transfer that otherwise might give them the ability to argue that any such action should be heard in some court other than those identified in this paragraph.

B. **Entire Agreement.** This Settlement Agreement constitutes the entire agreement between the Parties. It supersedes all prior oral and written agreements regarding or relating to the allegations in the Collective Litigation, and the negotiation and terms of this Settlement Agreement. The promises in the Settlement Agreement expressly supersede the Final Judgment. No promise or inducement has been offered that is not expressly set forth in this Settlement Agreement.

C. **Amendments.** Any amendments to this Settlement Agreement must be in writing, signed by the Parties, and must state that the Parties intend to amend the Settlement Agreement.

D. **Partial Invalidity.** The invalidity or unenforceability of any provision of this Settlement Agreement shall have no effect on the validity or enforceability of any other provision of this Settlement Agreement. In the event of the invalidity or unenforceability of any provision of this Settlement Agreement, the Parties shall jointly petition a court of competent jurisdiction to revise this Settlement Agreement so as to render it enforceable while still retaining to the greatest extent possible the intent of the Parties, as such intent is determined by such court.

E. **Subsequent Execution of Documents and Other Acts.** The Parties agree to execute all documents and to take all reasonable actions (directly and through their attorneys) that are necessary or helpful to effectuate the purposes of this Settlement Agreement.

F. **Execution.** The Parties agree that this Settlement Agreement may be executed in one or more counterparts. The Parties further agree that the signature pages of the various counterparts may be collected with one copy of the balance of the Settlement Agreement, which together with all collected and signed signature pages shall constitute a true and correct copy of this Settlement Agreement. The Parties further agree that photocopies or facsimile copies of this Settlement Agreement (including of signature pages) may be used in place of originals for any and all purposes.

G. **Titles and Captions.** Paragraph titles or captions contained in this Settlement Agreement are inserted only as a matter of convenience and for reference. They in no way define, limit, extend, or describe the scope of this Settlement Agreement or any provision within it.

All of the above is agreed and accepted by those signing the signature page(s).

[*Remainder of page intentionally left blank.*]

IN WITNESS WHEREOF, the undersigned have caused this Settlement Agreement to be duly executed as of the Effective Date set forth above.

EDDYSTONE RAIL COMPANY, LLC.

By: /s/ Vincent Paradis

Print Name: Vincent Paradis

Title: Vice President, Business Development

[*Signature Page to Settlement Agreement*]

IN WITNESS WHEREOF, the undersigned have caused this Settlement Agreement to be duly executed as of the Effective Date set forth above.

BRIDGER LOGISTICS, LLC
By: Ferrellgas, Inc.

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

FERRELLGAS PARTNERS, L.P.
By: Ferrellgas, Inc., its general partner

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

FERRELLGAS, L.P.
By: Ferrellgas, Inc., its general partner

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

[*Signature Page to Settlement Agreement*]

IN WITNESS WHEREOF, the undersigned have caused this Settlement Agreement to be duly executed as of the Effective Date set forth above.

BRIDGER ADMINISTRATIVE SERVICES II, LLC
By: Ferrellgas, Inc.

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

BRIDGER MARINE, LLC
By: Ferrellgas, Inc.

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

BRIDGER RAIL SHIPPING, LLC
By: Ferrellgas, Inc.

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

IN WITNESS WHEREOF, the undersigned have caused this Settlement Agreement to be duly executed as of the Effective Date set forth above.

BRIDGER REAL PROPERTY, LLC
By: Ferrellgas, Inc.

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

BRIDGER STORAGE, LLC
By: Ferrellgas, Inc.

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

BRIDGER TERMINALS, LLC
By: Ferrellgas, Inc.

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

[*Signature Page to Settlement Agreement*]

IN WITNESS WHEREOF, the undersigned have caused this Settlement Agreement to be duly executed as of the Effective Date set forth above.

BRIDGER TRANSPORTATION, LLC
By: Ferrellgas, Inc.

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

BRIDGER LEASING, LLC
By: Ferrellgas, Inc.

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

BRIDGER LAKE, LLC
By: Ferrellgas, Inc.

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

[*Signature Page to Settlement Agreement*]

IN WITNESS WHEREOF, the undersigned have caused this Settlement Agreement to be duly executed as of the Effective Date set forth above.

J.J. LIBERTY, LLC
By: Ferrellgas, Inc.

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

J.J. ADDISON PARTNERS, LLC
By: Ferrellgas, Inc.

By: /s/ Michael Cole

Print Name: Michael Cole

Title: Chief Financial Officer and Treasurer

[*Signature Page to Settlement Agreement*]

IN WITNESS WHEREOF, the undersigned have caused this Settlement Agreement to be duly executed as of the Effective Date set forth above.

BRIDGER ENERGY, LLC

By: /s/ Guillermo Grossi-Roffi

Print Name: Guillermo Grossi-Roffi

Title: Member – Manager President

[*Signature Page to Settlement Agreement*]

IN WITNESS WHEREOF, the undersigned have caused this Settlement Agreement to be duly executed as of the Effective Date set forth above.

BRIDGER SWAN RANCH, LLC

By: /s/ Ron McMurray

Print Name: Ron McMurray

Title: Manager

[*Signature Page to Settlement Agreement*]

EXHIBIT 31.1

CERTIFICATIONS
FERRELLGAS PARTNERS, L.P.

I, Tamria A. Zertuche, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2025 of Ferrellgas Partners, L.P. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 7, 2025

/s/ Tamria A. Zertuche
Tamria A. Zertuche
Chief Executive Officer and President of Ferrellgas, Inc.,
general partner of the Registrant

CERTIFICATIONS
FERRELLGAS PARTNERS, L.P.

I, Michael E. Cole, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2025 of Ferrellgas Partners, L.P. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 7, 2025

/s/ Michael E. Cole
Michael E. Cole
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer) of Ferrellgas, Inc., general partner of the Registrant

CERTIFICATIONS
FERRELLGAS PARTNERS FINANCE CORP.

I, Tamria A. Zertuche, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2025 of Ferrellgas Partners Finance Corp. (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

   a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
   d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

   a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
   b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: March 7, 2025

/s/ Tamria A. Zertuche
Tamria A. Zertuche
Chief Executive Officer and President

CERTIFICATIONS
FERRELLGAS PARTNERS FINANCE CORP.

I, Michael E. Cole, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2025 of Ferrellgas Partners Finance Corp. (the “Registrant”);

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the Registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the Registrant’s internal control over financial reporting that occurred during the Registrant’s most recent fiscal quarter (the Registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant’s internal control over financial reporting; and

5. The Registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant’s auditors and the audit committee of the Registrant’s board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant’s ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant’s internal control over financial reporting.

Date: March 7, 2025

/s/ Michael E. Cole
Michael E. Cole
Chief Financial Officer, Treasurer, and Sole Director
(Principal Financial and Accounting Officer)

CERTIFICATIONS
FERRELLGAS, L.P.

I, Tamria A. Zertuche, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2025 of Ferrellgas, L.P. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 7, 2025

/s/ Tamria A. Zertuche
Tamria A. Zertuche
Chief Executive Officer and President of Ferrellgas, Inc., the Registrant's general partner

CERTIFICATIONS
FERRELLGAS, L.P.

I, Michael E. Cole, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2025 of Ferrellgas, L.P. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 7, 2025

/s/ Michael E. Cole
Michael E. Cole
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer) of Ferrellgas, Inc., the Registrant's general partner

EXHIBIT 31.4

CERTIFICATIONS
FERRELLGAS FINANCE CORP.

I, Tamria A. Zertuche, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2025 of Ferrellgas Finance Corp. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 7, 2025

/s/ Tamria A. Zertuche
Tamria A. Zertuche
Chief Executive Officer and President

CERTIFICATIONS
FERRELLGAS FINANCE CORP.

I, Michael E. Cole, certify that:

1. I have reviewed this report on Form 10-Q for the period ended January 31, 2025 of Ferrellgas Finance Corp. (the "Registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Registrant and have:

    a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c. Evaluated the effectiveness of the Registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d. Disclosed in this report any change in the Registrant's internal control over financial reporting that occurred during the Registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Registrant's internal control over financial reporting; and

5) The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Registrant's auditors and the audit committee of the Registrant's board of directors (or persons performing the equivalent functions):

    a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Registrant's ability to record, process, summarize and report financial information; and
    b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: March 7, 2025

/s/ Michael E. Cole
Michael E. Cole
Chief Financial Officer, Treasurer, and Sole Director
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

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

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas Partners, L.P. (the “Registrant”) for the period ended January 31, 2025, as filed with the Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

The foregoing certification is made solely for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and is subject to the “knowledge” and “willfulness” qualifications contained in 18 U.S.C. Section 1350(c).

This certification is being furnished to the SEC and is not to be deemed “filed” with the SEC for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18. In addition, this certification is not to be deemed incorporated by reference into any registration statement of the Registrant or other filing of the Registrant made pursuant to the Exchange Act or Securities Act of 1933, as amended, unless specifically identified as being incorporated therein by reference.

Dated: March 7, 2025

/s/ Tamria A. Zertuche
Tamria A. Zertuche
Chief Executive Officer and President of Ferrellgas, Inc., general partner of the Registrant

Dated: March 7, 2025

/s/ Michael E. Cole
Michael E. Cole
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer) of Ferrellgas, Inc., general partner of the Registrant

EXHIBIT 32.2

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

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas Partners Finance Corp. (the “Registrant”) for the period ended January 31, 2025, as filed with the Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

The foregoing certification is made solely for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and is subject to the “knowledge” and “willfulness” qualifications contained in 18 U.S.C. Section 1350(c).

This certification is being furnished to the SEC and is not to be deemed “filed” with the SEC for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18. In addition, this certification is not to be deemed incorporated by reference into any registration statement of the Registrant or other filing of the Registrant made pursuant to the Exchange Act or Securities Act of 1933, as amended, unless specifically identified as being incorporated therein by reference.

Dated: March 7, 2025	/s/ Tamria A. Zertuche Tamria A. Zertuche Chief Executive Officer and President
Dated: March 7, 2025	/s/ Michael E. Cole Michael E. Cole Chief Financial Officer, Treasurer, and Sole Director (Principal Financial and Accounting Officer)

EXHIBIT 32.3

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

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas, L.P. (the “Registrant”) for the period ended January 31, 2025, as filed with the Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

The foregoing certification is made solely for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and is subject to the “knowledge” and “willfulness” qualifications contained in 18 U.S.C. Section 1350(c).

This certification is being furnished to the SEC and is not to be deemed “filed” with the SEC for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18. In addition, this certification is not to be deemed incorporated by reference into any registration statement of the Registrant or other filing of the Registrant made pursuant to the Exchange Act or Securities Act of 1933, as amended, unless specifically identified as being incorporated therein by reference.

Dated: March 7, 2025

/s/ Tamria A. Zertuche
Tamria A. Zertuche
Chief Executive Officer and President of Ferrellgas, Inc., the Registrant’s general partner

Dated: March 7, 2025

/s/ Michael E. Cole
Michael E. Cole
Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer) of Ferrellgas, Inc., the Registrant’s general partner

EXHIBIT 32.4

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

In connection with the accompanying Quarterly Report on Form 10-Q of Ferrellgas Finance Corp. (the “Registrant”) for the period ended January 31, 2025, as filed with the Securities and Exchange Commission (the “SEC”) on the date hereof (the “Report”), the undersigned, in the capacity and on the date indicated below, hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”); and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Registrant.

The foregoing certification is made solely for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and is subject to the “knowledge” and “willfulness” qualifications contained in 18 U.S.C. Section 1350(c).

This certification is being furnished to the SEC and is not to be deemed “filed” with the SEC for purposes of Section 18 of the Exchange Act or otherwise subject to the liability of Section 18. In addition, this certification is not to be deemed incorporated by reference into any registration statement of the Registrant or other filing of the Registrant made pursuant to the Exchange Act or Securities Act of 1933, as amended, unless specifically identified as being incorporated therein by reference.

Dated: March 7, 2025	/s/ Tamria A. Zertuche Tamria A. Zertuche Chief Executive Officer and President
Dated: March 7, 2025	/s/ Michael E. Cole Michael E. Cole Chief Financial Officer, Treasurer, and Sole Director (Principal Financial and Accounting Officer)