
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

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

For the quarterly period ended June 30, 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 No. 1-16263

MARINE PRODUCTS CORPORATION

(exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

58-2572419

(I.R.S. Employer Identification Number)

2801 Buford Highway, Suite 300, Atlanta, Georgia 30329

(Address of principal executive offices) (zip code)

(404) 321-7910

Registrant's telephone number, including area code

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

Title of each class:	Trading Symbol(s)	Name of each exchange on which registered:
Common stock, par value \$0.10	MPX	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging Growth Company	<input type="checkbox"/>		

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

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

As of July 18, 2025, Marine Products Corporation had 34,996,050 shares of common stock outstanding.

Marine Products Corporation

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PART I. FINANCIAL INFORMATION
ITEM 1. FINANCIAL STATEMENTS

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
AS OF JUNE 30, 2025, AND DECEMBER 31, 2024
(In thousands, except shares and par value data)

	June 30, 2025	December 31, 2024
	(Unaudited)	(Note 1)
ASSETS		
Cash and cash equivalents	\$ 50,171	\$ 52,379
Accounts receivable, net of allowance for credit losses of \$11 in 2025 and \$11 in 2024	6,053	4,176
Inventories	51,185	49,960
Income taxes receivable	154	439
Retirement plan assets	19,064	—
Prepaid expenses and other current assets	4,509	3,040
Total current assets	131,136	109,994
Property, plant and equipment, net of accumulated depreciation of \$35,985 in 2025 and \$34,409 in 2024	23,210	24,247
Goodwill	3,308	3,308
Other intangibles, net	465	465
Deferred income taxes	10,126	9,729
Retirement plan assets	—	18,489
Other long-term assets	5,000	5,015
Total assets	\$ 173,245	\$ 171,247
LIABILITIES AND STOCKHOLDERS' EQUITY		
Liabilities		
Accounts payable	\$ 7,154	\$ 5,499
Retirement plan liabilities	22,252	—
Accrued expenses and other liabilities	14,880	13,425
Total current liabilities	44,286	18,924
Retirement plan liabilities	—	21,667
Other long-term liabilities	1,728	1,653
Total liabilities	46,014	42,244
Commitments and contingencies (Note 14)		
Stockholders' Equity		
Preferred stock, \$0.10 par value, 1,000,000 shares authorized, none issued	—	—
Common stock, \$0.10 par value, 74,000,000 shares authorized, issued and outstanding – 34,996,050 shares in 2025 and 34,707,304 shares in 2024	3,499	3,471
Capital in excess of par value	—	—
Retained earnings	123,732	125,532
Total stockholders' equity	127,231	129,003
Total liabilities and stockholders' equity	\$ 173,245	\$ 171,247

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

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In thousands except per share data)
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net sales	\$ 67,698	\$ 69,547	\$ 126,700	\$ 138,887
Cost of goods sold	54,789	56,373	102,838	111,729
Gross profit	12,909	13,174	23,862	27,158
Selling, general and administrative expenses	8,098	7,424	16,438	16,166
Operating income	4,811	5,750	7,424	10,992
Interest income, net	476	879	918	1,730
Income before income taxes	5,287	6,629	8,342	12,722
Income tax provision	1,125	1,044	1,974	2,540
Net income	\$ 4,162	\$ 5,585	\$ 6,368	\$ 10,182
Earnings per share				
Basic	\$ 0.12	\$ 0.14	\$ 0.18	\$ 0.28
Diluted	\$ 0.12	\$ 0.14	\$ 0.18	\$ 0.28

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

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In thousands)
(Unaudited)

	Six Months Ended June 30, 2025				
	Common Stock Shares	Amount	Capital in Excess of Par Value	Retained Earnings	Total
Balance, December 31, 2024	34,707	\$ 3,471	\$ —	\$ 125,532	\$ 129,003
Stock issued for stock incentive plans, net	363	36	1,105	—	1,141
Stock purchased and retired	(115)	(12)	(1,105)	62	(1,055)
Net income	—	—	—	2,206	2,206
Cash dividends (\$0.14 per share)	—	—	—	(4,894)	(4,894)
Balance, March 31, 2025	34,955	3,495	—	122,906	126,401
Stock issued for stock incentive plans, net	41	4	1,565	—	1,569
Stock purchased and retired	—	—	(1,565)	1,565	—
Net income	—	—	—	4,162	4,162
Cash dividends (\$0.14 per share)	—	—	—	(4,901)	(4,901)
Balance, June 30, 2025	34,996	\$ 3,499	\$ —	\$ 123,732	\$ 127,231

	Six Months Ended June 30, 2024				
	Common Stock Shares	Amount	Capital in Excess of Par Value	Retained Earnings	Total
Balance, December 31, 2023	34,467	\$ 3,447	\$ —	\$ 148,141	\$ 151,588
Stock issued for stock incentive plans, net	301	30	926	—	956
Stock purchased and retired	(85)	(8)	(926)	27	(907)
Net income	—	—	—	4,597	4,597
Cash dividends (\$0.14 per share)	—	—	—	(4,852)	(4,852)
Balance, March 31, 2024	34,683	3,469	—	147,913	151,382
Stock issued for stock incentive plans, net	35	3	1,424	—	1,427
Stock purchased and retired	—	—	(1,424)	1,424	—
Net income	—	—	—	5,585	5,585
Cash dividends (\$0.84 per share)	—	—	—	(29,138)	(29,138)
Balance, June 30, 2024	34,718	\$ 3,472	\$ —	\$ 125,784	\$ 129,256

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

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE SIX MONTHS ENDED JUNE 30, 2025 AND 2024
(In thousands)
(Unaudited)

	Six months ended June 30,	
	2025	2024
OPERATING ACTIVITIES		
Net income	\$ 6,368	\$ 10,182
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,576	1,384
Stock-based compensation expense	2,710	2,383
Deferred income tax benefit	(397)	(845)
(Increase) decrease in assets:		
Accounts receivable	(1,877)	(3,251)
Income taxes receivable	285	126
Inventories	(1,225)	8,531
Prepaid expenses and other current assets	(1,469)	(593)
Other long-term assets	(560)	(2,436)
Increase in liabilities:		
Accounts payable	1,639	1,884
Accrued expenses and other liabilities	1,455	102
Other long-term liabilities	660	2,270
Net cash provided by operating activities	9,165	19,737
INVESTING ACTIVITIES		
Capital expenditures	(523)	(1,661)
Net cash used for investing activities	(523)	(1,661)
FINANCING ACTIVITIES		
Payment of dividends	(9,795)	(33,990)
Cash paid for common stock purchased and retired	(1,055)	(907)
Net cash used for financing activities	(10,850)	(34,897)
Net decrease in cash and cash equivalents	(2,208)	(16,821)
Cash and cash equivalents at beginning of period	52,379	71,952
Cash and cash equivalents at end of period	\$ 50,171	\$ 55,131
Supplemental information:		
Income tax payments, net	\$ 1,684	\$ 2,867

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

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. GENERAL

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (all of which consisted of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2025 are not necessarily indicative of the results that may be expected for the year ending December 31, 2025.

The Consolidated Balance Sheet at December 31, 2024 has been derived from the audited consolidated financial statements at that date but does not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements.

For further information, refer to the Consolidated Financial Statements and footnotes thereto included in the annual report of Marine Products Corporation ("Marine Products," the "Company" or "MPC") on Form 10-K for the year ended December 31, 2024.

A group that includes Amy R. Kreisler and Timothy C. Rollins, each of whom is a director of the Company, certain of their family members, and certain companies under their and/or their family members' control, controls in excess of fifty percent of the Company's voting power.

2. RECENT ACCOUNTING STANDARDS

Recently Issued Accounting Standards Update ("ASU") Not Yet Adopted:

ASU 2024-03: Income Statement (Topic 220): Disaggregation of Income Statement Expenses: The amendments in this ASU require public companies to disclose, in interim and year-end reporting periods, additional information about certain expenses in the financial statements. These disclosures are effective beginning with 2027 annual reports, and interim reports beginning with the first quarter of 2028. Early adoption is permitted on either a prospective or retrospective basis. The Company is currently assessing the potential impact of adoption of these provisions on the consolidated financial statements.

3. NET SALES

Accounting Policy:

MPC's contract revenues are generated principally from selling to independent dealers the following: (1) fiberglass motorized boats and accessories and (2) parts. Revenue is recognized when obligations under the terms of a contract with our customer are satisfied. Satisfaction of contract terms occurs with the transfer of title of our boats and accessories and parts to our dealers. Net sales are measured as the amount of consideration we expect to receive in exchange for transferring the goods to the dealer. The amount of consideration we expect to receive consists of the sales price adjusted for dealer incentives. The expected costs associated with our base warranties continue to be recognized as expense when the products are sold as they are deemed to be assurance-type warranties. See the note titled Warranty Costs. Incidental promotional items that are immaterial in the context of the contract are recognized as expense. Fees charged to customers for shipping and handling are included in Net sales in the accompanying Consolidated Statements of Operations and the related costs incurred by the Company are included in Cost of goods sold.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Nature of goods:

MPC's performance obligations within its contracts consist of: (1) boats and accessories and (2) parts. The Company transfers control and recognizes revenue on the satisfaction of its performance obligations (point in time) as follows:

- Boats and accessories (domestic sales) – upon delivery and acceptance by the dealer
- Boats and accessories (international sales) – upon delivery to shipping port
- Parts – upon shipment/delivery to carrier

Payment terms:

For most domestic customers, MPC manufactures and delivers boats and accessories and parts ahead of payment - i.e., MPC has fulfilled its performance obligations prior to submitting an invoice to the dealer. MPC invoices the customer when the products are delivered and typically receives the payment within seven to ten business days after invoicing. For some domestic customers and all international customers, MPC requires payment prior to transferring control of the goods. These amounts are classified as deferred revenue and recognized when control has transferred, which generally occurs within three months of receiving the payment.

When the Company enters into contracts with its customers, it generally expects there to be no significant timing difference between the date the goods have been delivered to the customer (satisfaction of the performance obligation) and the date cash consideration is received. Accordingly, there is no financing component to the Company's arrangements with its customers.

Significant judgments:

Determining the transaction price

The transaction price for MPC's boats and accessories is the invoice price adjusted for dealer incentives. Key inputs and assumptions in determining variable consideration related to dealer incentives include:

- Inputs: Current model year boat sales, total potential program incentive percentage, prior model year results of dealer incentive activity (i.e., incentive earned as a percentage of total incentive potential).
- Assumption: Current model year incentive activity will closely reflect prior model year actual results, adjusted as necessary for dealer purchasing trends or economic factors.

Other:

Our contracts with dealers do not provide them with a right of return. Accordingly, we do not have any obligations recorded for returns or refunds.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Disaggregation of revenues:

The following table disaggregates our sales by major source:

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Boats and accessories	\$ 66,216	\$ 68,166	\$ 123,890	\$ 136,629
Parts	1,482	1,381	2,810	2,258
Net sales	<u>\$ 67,698</u>	<u>\$ 69,547</u>	<u>\$ 126,700</u>	<u>\$ 138,887</u>

The following table disaggregates our revenues between domestic and international:

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Domestic	\$ 65,812	\$ 65,281	\$ 120,079	\$ 129,683
International	1,886	4,266	6,621	9,204
Net sales	<u>\$ 67,698</u>	<u>\$ 69,547</u>	<u>\$ 126,700</u>	<u>\$ 138,887</u>

Contract balances:

Amounts received from international and certain domestic dealers toward the purchase of boats are classified as deferred revenue and are included in Accrued expenses and other liabilities in the accompanying Consolidated Balance Sheets.

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Deferred revenue	\$ 362	\$ 191

Substantially all of the amounts of deferred revenue disclosed above were or will be recognized as sales during the immediately following quarters, respectively, when control is transferred.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

4. EARNINGS PER SHARE

Basic and diluted earnings per share are computed by dividing net income by the weighted average number of shares outstanding during the respective periods. In addition, the Company has periodically issued share-based payment awards that contain non-forfeitable rights to dividends and are therefore considered participating securities. Restricted shares of common stock (participating securities) outstanding and a reconciliation of weighted average shares outstanding are as follows:

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net income available for stockholders:	\$ 4,162	\$ 5,585	\$ 6,368	\$ 10,182
Less: Adjustments for earnings attributable to participating securities	(129)	(719)	(258)	(839)
Net income used in calculating earnings per share	<u>\$ 4,033</u>	<u>\$ 4,866</u>	<u>\$ 6,110</u>	<u>\$ 9,343</u>
Weighted average shares outstanding (including participating securities)	34,985	34,708	34,931	34,670
Adjustment for participating securities	(917)	(886)	(904)	(883)
Shares used in calculating basic and diluted earnings per share	<u>34,068</u>	<u>33,822</u>	<u>34,027</u>	<u>33,787</u>

5. STOCK-BASED COMPENSATION

The Company has issued various forms of stock incentives, including incentive and non-qualified stock options, time-lapse restricted shares and performance stock unit awards under its Stock Incentive Plans to officers, selected employees and non-employee directors.

As of June 30, 2025, there were 2,556,269 shares available for grant under the Company's 2024 Stock Incentive Plan, which has a 10 year term. In addition, there were 488,299 shares available under the 2014 Stock Incentive plan that are reserved for the potential vesting of performance stock unit awards granted in 2024 and 2023.

6. WARRANTY COSTS

For its Chaparral and Robalo products, Marine Products provides a lifetime limited structural hull warranty and a transferable one-year limited warranty to the original owner. Chaparral also includes a five-year limited structural deck warranty. Warranties for additional items are provided for periods of one to five years and are not transferable. Additionally, as it relates to the second subsequent owner, a five-year transferable hull warranty and the remainder of the original one-year limited warranty on certain components are available. The five-year transferable hull warranty terminates five years after the date of the original retail purchase. Claim costs related to components are generally absorbed by the original component manufacturer. The manufacturers of the engines, generators, and navigation electronics included on our boats provide and administer their own warranties for various lengths of time.

An analysis of the warranty accruals for the six months ended June 30, 2025 and 2024 is as follows:

<i>(in thousands)</i>	2025	2024
Balance at January 1	\$ 6,228	\$ 7,078
Less: Payments made during the period	(2,304)	(2,453)
Add: Warranty provision for the period	1,918	2,162
Changes to warranty provision for prior periods	71	41
Balance at June 30	<u>\$ 5,913</u>	<u>\$ 6,828</u>

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The warranty accruals are reflected in Accrued expenses and other liabilities in the accompanying Consolidated Balance Sheets.

7. BUSINESS SEGMENT

MPC has one reportable segment — its Powerboat Manufacturing business. The Chief Operating Decision Maker (CODM) makes resource allocation and performance assessment decisions based on this segment as a whole. MPC's CODM is the Chief Executive Officer. In addition, the Company's results of operations and its financial condition are not significantly reliant upon any single customer or product model.

Significant segment expenses for the three and six months ended June 30, 2025 and 2024 are shown in the following table:

<i>(in thousands)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Materials	\$ 35,209	\$ 36,911	\$ 66,338	\$ 73,211
Overhead	6,705	6,524	12,402	12,704
Labor costs	6,926	6,884	13,313	13,862
Other cost of goods sold ⁽¹⁾	5,949	6,054	10,785	11,952
Cost of goods sold	\$ 54,789	\$ 56,373	\$ 102,838	\$ 111,729
Employment costs	\$ 4,961	\$ 4,523	\$ 8,767	\$ 9,847
Warranty expense	1,062	1,102	1,989	2,203
Other selling, general and administrative expenses ⁽²⁾	2,075	1,799	5,682	4,116
Selling, general and administrative expenses	\$ 8,098	\$ 7,424	\$ 16,438	\$ 16,166

(1) Comprised primarily of accessories cost.

(2) Includes professional fees, insurance, advertising and promotions, research and development and other costs.

8. INCOME TAXES

The Company determines its periodic income tax provision based upon the current period income and the annual estimated tax rate for the Company adjusted for discrete items including tax credits and changes to prior year estimates. The estimated tax rate is revised, if necessary, at the end of each successive interim period to the Company's current annual estimated tax rate.

Income tax provision for three months ended June 30, 2025 reflects an effective tax rate of 21.3% compared to 15.7% for the comparable period in the prior year. Income tax provision for six months ended June 30, 2025 reflects an effective tax rate of 23.7% compared to 20.0% for the comparable period in the prior year. The increase in the effective tax rate is primarily due to detrimental discrete adjustments compared to beneficial discrete adjustments in the prior year.

On July 4, 2025, the United States Congress passed budget reconciliation bill H.R.1 referred to as the One Big Beautiful Bill Act ("OBBBA"). The OBBBA contains several changes to corporate taxation including modifications to capitalization of research and development expenses, limitations on deductions for interest expense and accelerated depreciation on fixed asset additions. As the legislation was signed into law after the close of our second quarter, our operating results for the six months ended June 30, 2025, do not include any adjustments related to it. The Company is in the process of evaluating the OBBBA and has not estimated its financial impact at this time.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

9. INVENTORIES

Inventories consist of the following:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Raw materials and supplies	\$ 31,353	\$ 29,686
Work in process	12,094	9,950
Finished goods	7,738	10,324
Total inventories	<u>\$ 51,185</u>	<u>\$ 49,960</u>

10. ACCRUED EXPENSES AND OTHER LIABILITIES

Accrued expenses and other liabilities consist of the following:

<i>(in thousands)</i>	June 30, 2025	December 31, 2024
Accrued payroll and related expenses	\$ 3,006	\$ 1,668
Accrued sales incentives and discounts	2,863	3,110
Accrued warranty costs	5,913	6,228
Accrued insurance expenses	1,370	1,791
Income taxes payable	472	—
Deferred revenue	362	191
Other	894	437
Total accrued expenses and other liabilities	<u>\$ 14,880</u>	<u>\$ 13,425</u>

11. RETIREMENT PLANS

In the fourth quarter of 2024, the Board of Directors approved the termination of the Supplemental Executive Retirement Plan ("SERP"). Pursuant to the Internal Revenue Service rules, participant balances are required to be distributed between 12 and 24 months after termination. The Company currently plans to distribute the participant balances within the next 12 months through liquidation of assets currently held in the Rabbi Trust. As of June 30, 2025, the Retirement plan assets and Retirement plan liabilities related to the SERP are reported as part of current assets and current liabilities in the accompanying Consolidated Balance Sheet.

Through December 31, 2024, the Company permitted selected highly compensated employees to defer a portion of their compensation into the SERP. The Company maintains certain securities primarily in mutual funds and company-owned life insurance ("COLI") policies as a funding source to satisfy the obligation of the SERP that have been classified as trading and are stated at fair value totaling \$19.1 million as of June 30, 2025 and \$18.5 million as of December 31, 2024. Trading gains related to the SERP assets totaled \$1.0 million during the three months ended June 30, 2025, compared to trading gains of \$0.6 million during the three months ended June 30, 2024. Trading gains related to the SERP assets totaled \$0.6 million during the six months ended June 30, 2025, compared to trading gains of \$2.0 million during the six months ended June 30, 2024. The SERP assets are reported in Retirement plan assets in the accompanying Consolidated Balance Sheets and changes to the fair value of the assets are reported in Selling, general and administrative expenses in the accompanying Consolidated Statements of Operations.

The SERP liabilities include participant deferrals net of distributions and are stated at fair value of \$22.3 million as of June 30, 2025 and \$21.7 million as of December 31, 2024. The SERP liabilities are reported in the accompanying Consolidated Balance Sheets in Retirement plan liabilities and any change in the fair value is recorded as compensation cost within Selling, general and administrative expenses in the accompanying Consolidated Statements of Operations. Changes in the fair value of the SERP

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

liabilities were the result of an increase of \$1.0 million due to unrealized gains on participant balances during the three months ended June 30, 2025, compared to an increase of \$0.6 million due to unrealized gains on participant balances during the three months ended June 30, 2024. Changes in the fair value of the SERP liabilities were the result of an increase of \$0.7 million due to unrealized gains on participant balances during the six months ended June 30, 2025, compared to an increase of \$2.1 million due to unrealized gains on participant balances during the six months ended June 30, 2024.

12. FAIR VALUE MEASUREMENTS

The various inputs used to measure assets at fair value establish a hierarchy that distinguishes between assumptions based on market data (observable inputs) and the Company's assumptions (unobservable inputs). The hierarchy consists of three broad levels as follows:

1. Level 1 – Quoted market prices in active markets for identical assets or liabilities.
2. Level 2 – Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
3. Level 3 – Unobservable inputs developed using the Company's estimates and assumptions, which reflect those that market participants would use.

Trading securities are comprised of SERP assets, as described in the note titled Retirement Plans, and are recorded primarily at their net cash surrender values calculated using their net asset values, which approximate fair value, as provided by the issuing insurance company or investment company. Significant observable inputs, in addition to quoted market prices, are used to value the trading securities. The Company's policy is to recognize transfers between levels at the beginning of quarterly reporting periods.

The carrying amount of other financial instruments reported in the accompanying Consolidated Balance Sheets for current assets and current liabilities approximate their fair values because of the short-term maturity of these instruments. The Company currently does not use the fair value option to measure any of its existing financial instruments and has not determined whether or not it will elect this option for financial instruments it may acquire in the future.

13. NOTE PAYABLE TO BANK

The Company has a revolving credit agreement with Truist Bank which provides a credit facility of \$20.0 million. The facility includes: (i) a \$5.0 million sublimit for swingline loans, (ii) a \$2.5 million aggregate sublimit for all letters of credit, and (iii) a committed accordion which can increase the aggregate commitments by the greater of \$35.0 million and adjusted EBITDA (as calculated under the Credit Agreement) over the most recently completed twelve-month period. The revolving credit facility includes a full and unconditional guarantee by the Company and its consolidated domestic subsidiaries. The facility is secured by a first priority security interest in and lien on substantially all personal property of MPC and the guarantors including, without limitation, certain assets owned by the Company. The facility is scheduled to mature on November 12, 2026.

Revolving borrowings under the facility accrue interest at a rate equal to Term Secured Overnight Financing Rate (SOFR) plus the applicable percentage, as defined. The applicable percentage is between 150 and 250 basis points for all loans based on MPC's net leverage ratio plus a SOFR adjustment of 11.45 basis points. In addition, the Company pays facility fees under the agreement ranging from 25 to 45 basis points, based on MPC's net leverage ratio, on the unused revolving commitment.

The credit agreement contains certain financial covenants including: (i) a maximum consolidated leverage ratio of 2.50:1.00 and (ii) a minimum consolidated fixed charge coverage ratio of 1.25:1.00 both determined as of the end of each fiscal quarter. Additionally, the agreement contains customary covenants including affirmative and negative covenants and events of default.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
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(Unaudited)

(each with customary exceptions, thresholds and exclusions). As of June 30, 2025, the Company was in compliance with all covenants.

The Company has incurred total loan origination fees and other debt related costs associated with this revolving credit facility in the aggregate of \$195 thousand. These costs are being amortized to interest expense over the remaining term of the loan, and the remaining net balance is classified as part of Other assets in the accompanying Consolidated Balance Sheets. MPC had no outstanding borrowings under the revolving credit facility as of June 30, 2025 and December 31, 2024.

Interest expense incurred, which includes facility fees on the unused portion of the revolving credit facility and the amortization of loan costs, on the credit facility was \$22 thousand for both the three months ended June 30, 2025 and June 30, 2024. There was no interest expense paid on the credit facility for both the three months ended June 30, 2025 and June 30, 2024. Interest expense incurred was \$45 thousand for both the six months ended June 30, 2025 and June 30, 2024. Interest expense paid on the credit facility was \$13 thousand for the six months ended June 30, 2025 and none for the six months ended June 30, 2024.

14. COMMITMENTS AND CONTINGENCIES

Lawsuits:

The Company is a defendant in certain lawsuits which allege that plaintiffs have been injured or incurred damages as a result of Company business activities or the use of the Company's products. The Company is vigorously contesting these actions. Management, after consultation with legal counsel, is of the opinion that the outcome of these lawsuits will not have a material adverse effect on the financial position, results of operations or liquidity of Marine Products.

Repurchase Obligations:

The Company is a party to various agreements with third-party lenders that provide floor plan financing to qualifying dealers whereby the Company guarantees varying amounts of debt on boats in dealer inventory. The Company's obligation under these guarantees becomes effective in the case of a default under the financing arrangement between the dealer and the third-party lender. The agreements provide for the return of repossessed boats to the Company in new and unused condition subject to normal wear and tear as defined, in exchange for the Company's assumption of specified percentages of the debt obligation on those boats, up to certain contractually determined dollar limits by the lenders. The Company had no material financial impact associated with repurchases under these contractual agreements during the six months ended June 30, 2025 and June 30, 2024.

Management continues to monitor the risk of defaults and resulting repurchase obligations based in part on information provided by third-party floor plan lenders and will adjust the guarantee liability at the end of each reporting period based on information reasonably available at that time.

The Company currently has an agreement with one of the floor plan lenders whereby the contractual repurchase limit is based on the highest of the following criteria: (i) a specified percentage of the average net receivables financed by the floor plan lender for our dealers, (ii) the total average net receivables financed by the floor plan lender for our two highest dealers for the three highest monthly receivables balances during the past twelve months, or (iii) \$8.0 million, less repurchases during the prior 12 month period. As defined by the agreement, the repurchase limit for this lender was \$19.6 million as of June 30, 2025. The Company also has an agreement with an additional floorplan lender whereby the contractual repurchase limit is based on the highest of the following criteria: (i) a specified percentage of the average net receivables financed by the floor plan lender for our dealers, or (ii) \$18.8 million through June 30, 2026, reducing to \$3.0 million beginning July 1, 2026. As defined by the agreement, the repurchase limit for this lender was \$18.8 million as of June 30, 2025. The Company has contractual repurchase agreements with additional lenders with an aggregate maximum repurchase obligation of \$1.4 million with various expiration and cancellation terms of less than one year, for an aggregate repurchase obligation with all floor plan financing institutions of \$39.8 million as of June 30, 2025.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

The Company's current three-year floor plan financing agreement with a single third-party lender is being phased in to replace the majority of prior agreements with other third-party lenders. The current agreement provides for certain additional incentives to the Company and qualifying dealers over the term of the agreement, in addition to having substantially similar terms as prior arrangements.

Short-term Cash Incentive Compensation:

In addition to recording Short-Term Cash Incentive ("STCI") compensation expense for executive officers, STCI expense has been recorded for certain non-executive employees based on a percentage of Pre-Tax Profit ("PTP incentive"), defined as pretax income before goodwill adjustments and certain allocated corporate expenses. The PTP incentive, subject to a discretionary determination, is nine percent in the aggregate per year.

Total STCI expense for the reported periods are as follows:

<i>(in thousands)</i>	Three months ended		Six months ended	
	June 30,		June 30,	
	2025	2024	2025	2024
STCI expense	\$ 884	\$ 653	\$ 1,516	\$ 1,513

These amounts are included in Selling, general and administrative expenses in the accompanying Consolidated Statements of Operations.

15. SUBSEQUENT EVENT

On July 22, 2025, the Board of Directors declared a regular cash dividend of \$0.14 per share payable September 10, 2025 to common stockholders of record at the close of business August 11, 2025.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

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

OVERVIEW

Marine Products Corporation, through our wholly owned subsidiaries Chaparral and Robalo, is a leading manufacturer of recreational fiberglass powerboats. Our sales and profits are generated by selling the products that we manufacture to a network of independent dealers who in turn sell the products to retail customers. These dealers are located throughout the continental United States and in several international markets. Many of these dealers finance their inventory through third-party floorplan lenders, who pay Marine Products generally within seven to ten days after delivery of the products to the dealers.

The discussion on business and financial strategies of the Company set forth under the heading "Business Strategies" in the Company's annual report on Form 10-K for the fiscal year ended December 31, 2024 is incorporated herein by reference. There have been no significant changes in the strategies since year-end.

In executing these strategies and attempting to optimize our financial returns, management closely monitors dealer orders and inventories, the production mix of various models, and indications of demand such as consumer confidence, inflation concerns, interest rates, dealer orders placed at our annual dealer conferences, and retail attendance and orders at annual winter boat show exhibitions. We also consider trends related to certain key financial and other data, including our historical and forecasted financial results, market share, unit sales of our products, average selling price per boat, and gross profit margins, among others, as indicators of the success of our strategies. Our financial results are affected by consumer confidence — because pleasure boating is a discretionary expenditure, interest rates — because many retail customers finance the purchase of their boats, and other socioeconomic and environmental factors such as availability of leisure time, consumer preferences, demographics and the weather.

Consolidated net sales decreased 2.7% to \$67.7 million for the second quarter of 2025 in comparison to the same period of the prior year due primarily to a 13% decrease in unit sales to dealers, partially offset by a price/mix increase of 10%. Gross profit decreased to \$12.9 million in the second quarter of 2025, from \$13.2 million in the same period of the prior year. Operating income decreased to \$4.8 million for the second quarter of 2025, from \$5.8 million for the second quarter of 2024. Net income decreased to \$4.2 million in the second quarter of 2025, from \$5.6 million in the same period of the prior year. Diluted earnings per share was \$0.12 for the second quarter of 2025, down from \$0.14 for the second quarter of 2024. These results reflected a stabilization of demand and a more balanced environment. Interest rates have remained elevated, and any sustained decrease could be another catalyst for dealers and consumers to increase spending. The Company continues to focus on reducing costs and aligning production to a lower demand level.

OUTLOOK

The discussion of the outlook for 2025 is incorporated herein by reference from the Company's annual report on Form 10-K for the fiscal year ended December 31, 2024 at "Management's Discussion and Analysis of Financial Condition and Results of Operations — Outlook."

Higher selling prices for boats following rapid inflation and rising interest rates in recent years have both contributed to higher costs of boat ownership, curbing consumer demand following several years of high post-pandemic sales. We have adjusted production levels to more closely align with expected demand, however dealers remain cautious with regard to their levels of inventory.

Our financial results during the remainder of 2025 will depend on a number of factors, including economic trends, demand for discretionary products, the impact of interest rates on consumer financing options and dealer inventory carrying costs, the effectiveness of the Company's incentive programs, the success of new model launches, and the Company's ability to manage manufacturing costs. While interest rates began to decrease slightly during 2024, the Company believes it may take further interest rate relief to drive increased consumer appetite for new boat purchases. However, the impact of tariffs on prices of imported manufacturing materials and components could contribute to inflation and limit further interest rate reductions. The Company actively monitors dealer inventories and order patterns for changes in demand and adjusts production levels accordingly.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

HOW WE EVALUATE OUR OPERATIONS

We use Earnings per share, and the non-GAAP financial measures Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA), EBITDA margin and free cash flow to evaluate and analyze the Company's operating performance. We believe that presenting EBITDA and EBITDA margin enables a comparison of our operating performance consistently over various time periods without regard to changes in our capital structure. In addition, we believe that free cash flow, which measures our ability to generate additional cash from our business operations, is an important financial measure for use in evaluating Marine Products' financial condition and liquidity. Marine Products' definition of free cash flow is limited, in that it does not represent residual cash flows available for discretionary expenditures, since the measure does not deduct the payments required for debt service and other contractual obligations or payments made for business acquisitions, if any.

EBITDA and EBITDA margin have limitations as analytical tools and should not be considered as an alternative to net income, operating income, net income margin, or any other measure of financial performance presented in accordance with accounting principles generally accepted in the United States of America (GAAP). Similarly, free cash flow should be considered in addition to, rather than as a substitute for, GAAP presentation of net cash provided by operating, investing and financing activities, as a measure of our financial condition and liquidity.

See section titled Non-GAAP Financial Measures for a reconciliation of EBITDA to net income and EBITDA margin to net income margin, the most directly comparable financial measures calculated and presented in accordance with GAAP, and a reconciliation of Free Cash Flow to Operating Cash Flow, the most directly comparable financial measure calculated and presented in accordance with GAAP.

RESULTS OF OPERATIONS

Key operating and financial statistics for the three and six months ended June 30, 2025 and 2024 are as follows:

<i>(in thousands, except per share and number of boats sold)</i>	Three months ended June 30,		Six months ended June 30,	
	2025	2024	2025	2024
Net sales	\$ 67,698	\$ 69,547	\$ 126,700	\$ 138,887
Cost of goods sold	54,789	56,373	102,838	111,729
Selling, general and administrative expenses	8,098	7,424	16,438	16,166
Interest income, net	476	879	918	1,730
Income tax provision	1,125	1,044	1,974	2,540
Net income	\$ 4,162	\$ 5,585	\$ 6,368	\$ 10,182
Net income margin	6.1 %	8.0 %	5.0 %	7.3 %
Earnings per share	\$ 0.12	\$ 0.14	\$ 0.18	\$ 0.28
Net cash (used for) provided by operating activities	\$ (1,604)	\$ 3,822	\$ 9,165	\$ 19,737
Total number of boats sold	641	737	1,266	1,507
Average gross selling price per boat	\$ 94.1	\$ 85.7	\$ 89.7	\$ 83.0
Non-GAAP financial measures:				
EBITDA	\$ 5,598	\$ 6,452	\$ 9,000	\$ 12,376
EBITDA margin	8.3 %	9.3 %	7.1 %	8.9 %
Free cash flow	\$ (2,031)	\$ 3,044	\$ 8,642	\$ 18,076

THREE MONTHS ENDED JUNE 30, 2025 COMPARED TO THREE MONTHS ENDED JUNE 30, 2024

Net sales for the three months ended June 30, 2025 decreased \$1.8 million or 2.7% compared to the same period in 2024. The change in net sales during the quarter compared to the prior year was primarily due to a 13% decrease in unit sales volume, partially offset by a price/mix increase of 10%. The year-over-year decline in net sales was more modest in the second quarter of 2025 versus the same

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period of 2024 as comparisons ease and field inventories have returned to more balanced levels. The Company's field inventory in units at the end of the second quarter of 2025 were approximately 11% below the second quarter of 2024. In the second quarter of 2025, net sales outside of the United States accounted for 2.8% of net sales compared to 6.1% of net sales in the same period of the prior year.

Cost of goods sold for the three months ended June 30, 2025 was \$54.8 million compared to \$56.4 million for the comparable period in 2024, a decrease of \$1.6 million or 2.8%. Cost of goods sold as a percentage of net sales was 80.9% for the three months ended June 30, 2025 compared to 81.1% for the same period in the prior year as production schedules stabilized with demand resulting in manufacturing cost efficiencies.

Selling, general and administrative expenses for the three months ended June 30, 2025 were \$8.1 million compared to \$7.4 million for the same period in 2024, an increase of \$674 thousand or 9.1%. This increase was primarily due to an increase in research and development investments and the timing of incentive compensation accruals in the current quarter in comparison to the same period of the prior year. Selling, general and administrative expenses were 12.0% of net sales in the second quarter of 2025, compared to 10.7% for the same period in 2024.

Interest income, net for the three months ended June 30, 2025 decreased to \$476 thousand from \$879 thousand in the same period of the prior year due to lower average cash balances, as a result of the Company's special dividend paid during the second quarter of 2024. Marine Products generates interest income primarily from investments of excess cash in money market funds. Additionally, interest expense is recorded for the revolving credit facility, including fees on the unused portion of the facility and the amortization of loan costs.

Income tax provision for the three months ended June 30, 2025 was \$1.1 million compared to \$1.0 million for the same period in 2024. The effective tax rate was 21.3% for the three months ended June 30, 2025 compared to 15.7% for the same period in the prior year. The increase in effective tax rate is primarily due to detrimental discrete adjustments compared to beneficial discrete adjustments in the prior year.

Net income and diluted earnings per share. Net income decreased to \$4.2 million during the three months ended June 30, 2025, or \$0.12 diluted earnings per share, from net income of \$5.6 million during the three months ended June 30, 2024, or \$0.14 diluted earnings per share. Net income margin was 6.1% for the three months ended June 30, 2025 compared to 8.0% during the three months ended June 30, 2024. The decline in the current period was primarily due to lower net sales.

EBITDA and EBITDA margin. EBITDA was \$5.6 million during the three months ended June 30, 2025 compared to \$6.6 million during the three months ended June 30, 2024. EBITDA margin was 8.3% for the three months ended June 30, 2025 compared to 9.3% for the three months ended June 30, 2024.

Net cash (used for) provided by operating activities and Free cash flow. Net cash (used for) provided by operating activities decreased \$5.4 million to \$(1.6) million during the three months ended June 30, 2025 compared to the same period of 2024. The decrease was primarily due to lower net income coupled with net unfavorable working capital changes during the second quarter of 2025. Free cash flow decreased \$5.1 million during the three months ended June 30, 2025 compared to the same period of the prior year.

SIX MONTHS ENDED JUNE 30, 2025 COMPARED TO SIX MONTHS ENDED JUNE 30, 2024

Net sales for the six months ended June 30, 2025 decreased \$12.2 million or 8.8% compared to the same period in 2024. The change in net sales during the six months ended June 30, 2024 compared to the prior year was primarily due to a 16% decrease in unit sales volume, partially offset by a price/mix increase of 7%. In the six months ended June 30, 2025, net sales outside of the United States accounted for 5.2% of net sales compared to 6.6% of net sales in the same period of the prior year.

Cost of goods sold for the six months ended June 30, 2025 was \$102.8 million compared to \$111.7 million for the comparable period in 2024, a decrease of \$8.9 million or 8.0%. Cost of goods sold as a percentage of net sales was 81.2% for the six months ended June 30, 2025 compared to 80.4% for the same period in the prior year as production schedules stabilized with demand resulting in manufacturing cost efficiencies.

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Selling, general and administrative expenses for the six months ended June 30, 2025 were \$16.4 million compared to \$16.2 million for the comparable period in 2024, an increase of \$272 thousand or 1.7%. This increase was primarily due to higher research and development investments and the timing of incentive compensation accruals during the six months ended June 30, 2025 in comparison to the same period of the prior year. Selling, general and administrative expenses were 13.0% of net sales in the six months ended June 30, 2025, compared to 11.6% for the same period in 2024.

Interest income, net for the six months ended June 30, 2025 decreased to \$918 thousand from \$1.7 million in the same period of the prior year due to lower average cash balances, as a result of the Company's special dividend paid during the second quarter of 2024. Marine Products generates interest income primarily from investments of excess cash in money market funds. Additionally, interest expense is recorded for the revolving credit facility, including fees on the unused portion of the facility and the amortization of loan costs.

Income tax provision for the six months ended June 30, 2025 was \$2.0 million compared to \$2.5 million for the same period in 2024. The effective tax rate was 23.7% for the six months ended June 30, 2025 compared to 20.0% for the same period in the prior year. The increase in effective tax rate is primarily due to detrimental discrete adjustments compared to beneficial discrete adjustments in the prior year.

Net income and diluted earnings per share. Net income decreased to \$6.4 million during the six months ended June 30, 2025, or \$0.18 diluted earnings per share, from net income of \$10.2 million during the six months ended June 30, 2024, or \$0.28 diluted earnings per share. Net income margin was 5.0% for the six months ended June 30, 2025 compared to 7.3% during the six months ended June 30, 2024. The decline in the current period was primarily due to lower net sales.

EBITDA and EBITDA margin. EBITDA was \$9.0 million during the six months ended June 30, 2025 compared to \$12.4 million during the six months ended June 30, 2024. EBITDA margin was 7.1% for the six months ended June 30, 2025 compared to 8.9% for the six months ended June 30, 2024.

Net cash (used for) provided by operating activities and Free cash flow. Net cash (used for) provided by operating activities decreased \$10.6 million to \$9.2 million during the six months ended June 30, 2025 compared to the same period of the prior year. The decrease was primarily due to lower net income, coupled with net unfavorable working capital changes during the six months ended June 30, 2025. Free cash flow decreased \$9.4 million during the six months ended June 30, 2025 compared to the same period of the prior year.

Non-GAAP Financial Measures

Reconciliation of GAAP and non-GAAP Financial Measures

Marine Products has disclosed non-GAAP financial measures of EBITDA, EBITDA margin and free cash flow in the Results of Operations section above. These measures should not be considered in isolation or as a substitute for performance or liquidity measures prepared in accordance with GAAP.

A non-GAAP financial measure is a numerical measure of financial performance, financial position or cash flows that either 1) excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with GAAP in the statement of operations, balance sheet or statement of cash flows, or 2) includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measure so calculated and presented.

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The following are reconciliations of these non-GAAP measures with their most directly comparable GAAP measures.

(Unaudited)	Three months ended		Six months ended	
	June 30,		June 30,	
(in thousands)	2025	2024	2025	2024
Reconciliation of Net Income to EBITDA				
Net income	\$ 4,162	\$ 5,585	\$ 6,368	\$ 10,182
Adjustments:				
Add: Income tax provision	1,125	1,044	1,974	2,540
Add: Depreciation and amortization	787	702	1,576	1,384
Less: Interest income, net	476	879	918	1,730
EBITDA	\$ 5,598	\$ 6,452	\$ 9,000	\$ 12,376
Net sales	\$ 67,698	\$ 69,547	\$ 126,700	\$ 138,887
Net income margin ⁽¹⁾	6.1 %	8.0 %	5.0 %	7.3
EBITDA margin ⁽¹⁾	8.3 %	9.3 %	7.1 %	8.9

(1) Net income margin is calculated as net income divided by net sales. EBITDA margin is calculated as EBITDA divided by net sales.

(Unaudited)	Three months ended		Six months ended	
	June 30,		June 30,	
(in thousands)	2025	2024	2025	2024
Reconciliation of Operating Cash Flow to Free Cash Flow				
Net cash (used for) provided by operating activities	\$ (1,604)	\$ 3,822	\$ 9,165	\$ 19,737
Capital expenditures	(427)	(778)	(523)	(1,661)
Free cash flow	\$ (2,031)	\$ 3,044	\$ 8,642	\$ 18,076

LIQUIDITY AND CAPITAL RESOURCES

Cash Flows

The Company's cash and cash equivalents at June 30, 2025 were \$50.2 million compared to \$52.4 million at December 31, 2024. The following table sets forth the cash flows for the applicable periods:

(in thousands)	Six months ended June 30,	
	2025	2024
Net cash provided by operating activities	\$ 9,165	\$ 19,737
Net cash used for investing activities	(523)	(1,661)
Net cash used for financing activities	(10,850)	(34,897)

Cash provided by operating activities for the six months ended June 30, 2025, decreased by \$10.6 million compared to the six months ended June 30, 2024, primarily due to the decrease in net income. In addition, working capital was a use of cash of \$1.2 million in the six months ended June 30, 2025 compared to a source of cash of \$6.8 million in the same period of 2024. Working capital was a use of cash in the current period due primarily to a net unfavorable change of \$1.2 million in inventory, partially offset by net favorable changes in other components of working capital. The changes in inventory and other components of working capital were consistent with the decrease in net sales and lower production levels in the six months ended June 30, 2025 compared to the same period of the prior year, as well as the timing of payments.

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Cash used for investing activities for the six months ended June 30, 2025 decreased \$1.1 million in comparison to the same period in the prior year due to lower capital expenditures during the six months ended June 30, 2025.

Cash used for financing activities for the six months ended June 30, 2025 significantly decreased in comparison to the same period in 2024 due primarily to a special dividend paid in the second quarter of 2024.

Financial Condition and Liquidity

The Company believes that the liquidity provided by existing cash, cash equivalents and marketable securities, its overall strong capitalization, cash generated by operations and the Company's revolving credit facility will provide sufficient capital to meet the Company's requirements for at least the next twelve months. The Company's decisions about the amount of cash to be used for investing and financing purposes are influenced by its capital position and the expected amount of cash to be provided by operations.

The Company filed a shelf registration statement on Form S-3 on April 23, 2025, which was declared effective on May 5, 2025. The shelf registration includes a base prospectus and allows us to offer any combination of securities described in the prospectus, which include common stock, preferred stock, warrants, rights, depository shares, purchase contracts and units containing two or more of the foregoing in one or more offerings in an aggregate amount of up to \$150 million. The Form S-3 is intended to provide us flexibility to conduct registered sales of our securities, subject to market conditions and our future capital needs. The terms of any future offering under the shelf registration statement will be established at the time of such offering and will be described in a prospectus supplement filed with the SEC prior to the completion of any such offering.

On July 4, 2025, the United States Congress passed budget reconciliation bill H.R. 1 referred to as the One Big Beautiful Bill Act ("OBBA"). The OBBA contains several changes to corporate taxation including modifications to capitalization of research and development expenses, limitations on deductions for interest expense and accelerated depreciation on fixed asset additions. The Company is in the process of evaluating the OBBA and has not estimated its financial impact at this time.

Cash Requirements

The Company currently expects that capital expenditures in 2025 will be approximately \$2.0 to \$3.0 million, of which \$523 thousand has been spent through June 30, 2025.

The Company has repurchased an aggregate total of 6,679,572 shares in the open market under the Company stock repurchase program, which was initially adopted in 2001. As of June 30, 2025, there were 1,570,428 shares that remained available for repurchase under the current authorization. There were no shares repurchased under this program during both the three months ended June 30, 2025 and June 30, 2024.

In the fourth quarter of 2024, the Board of Directors approved the termination of the Supplemental Executive Retirement Plan ("SERP"). Pursuant to the Internal Revenue Service rules, participant balances are required to be distributed between 12 and 24 months after termination. The Company currently plans to distribute the participant balances within the next 12 months through liquidation of assets currently held in the Rabbi Trust. Both the assets and liabilities related to the SERP are now reflected as part of current assets and liabilities.

On July 22, 2025, the Board of Directors declared a regular quarterly cash dividend of \$0.14 per share payable September 10, 2025 to common stockholders of record at the close of business August 11, 2025. The Company expects to continue to pay cash dividends to common stockholders, subject to industry conditions and Marine Products' earnings, financial condition, and other relevant factors.

OFF BALANCE SHEET ARRANGEMENTS

To assist dealers in obtaining financing for the purchase of its boats for inventory, the Company has entered into agreements with various third-party floor plan lenders whereby the Company guarantees varying amounts of debt for qualifying dealers on boats in inventory. The Company's obligation under these guarantees becomes effective in the case of a default under the financing arrangement between the dealer and the third-party lender. The agreements provide for the return of all repossessed boats to the Company in new and unused condition as defined, in exchange for the Company's assumption of specified percentages of the debt

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obligation on those boats, up to certain contractually determined dollar limits which vary by lender. The Company had no material financial impact associated with repurchases under these contractual agreements during the six months ended June 30, 2025 and June 30, 2024.

Management continues to monitor the risk of defaults and resulting repurchase obligations based in part on information provided by the third-party floor plan lenders and will adjust the guarantee liability at the end of each reporting period based on information reasonably available at that time.

The Company currently has an agreement with one of the floor plan lenders whereby the contractual repurchase limit is based on the highest of the following criteria: (i) a specified percentage of the average net receivables financed by the floor plan lender for our dealers, (ii) the total average net receivables financed by the floor plan lender for our two highest dealers for the three highest monthly receivables balances during the past twelve months, or (iii) \$8.0 million, less repurchases during the prior 12 month period. As defined by the agreement, the repurchase limit for this lender was \$19.6 million as of June 30, 2025. The Company also has an agreement with an additional floorplan lender whereby the contractual repurchase limit is based on the highest of the following criteria: (i) a specified percentage of the average net receivables financed by the floor plan lender for our dealers, or (ii) \$18.75 million through June 30, 2026, reducing to \$3.0 million beginning July 1, 2026. As defined by the agreement, the repurchase limit for this lender was \$18.8 million as of June 30, 2025. The Company has contractual repurchase agreements with additional lenders with an aggregate maximum repurchase obligation of \$1.4 million with various expiration and cancellation terms of less than one year, for an aggregate repurchase obligation with all floor plan financing institutions of \$39.8 million as of June 30, 2025.

The Company's current three-year floor plan financing agreement with a single third-party lender is being phased in to replace the majority of prior agreements with other third-party lenders. The current agreement provides for certain additional incentives to the Company and qualifying dealers over the term of the agreement, in addition to having substantially similar terms as prior arrangements.

CERTAIN RELATED PARTY TRANSACTIONS

In conjunction with its spin-off from RPC, Inc. ("RPC") in 2001, the Company and RPC entered into various agreements that define their relationship after the spin-off. RPC charged the Company for its allocable share of administrative costs incurred for services rendered on behalf of Marine Products totaling \$552 thousand for the six months ended June 30, 2025 and \$590 thousand for the six months ended June 30, 2024.

Marine Products and RPC own 50% each of a limited liability company called 255 RC, LLC that was created for the joint purchase and ownership of a corporate aircraft. Marine Products recorded certain net operating costs comprised of rent and an allocable share of fixed costs of \$76 thousand for the six months ended June 30, 2025 and \$82 thousand for the six months ended June 30, 2024.

A group that includes Amy R. Kreisler and Timothy C. Rollins, each of whom is a director of the Company, certain of their family members, and certain companies under their and/or their family members' control, controls in excess of fifty percent of the Company's voting power.

Pursuant to the registration rights agreement between us and our largest stockholder, LOR, Inc. (LOR) and certain of its affiliates (collectively, the Selling Stockholders) and their permitted transferees, we have filed a Form S-3 shelf registration statement on April 23, 2025, which was declared effective on May 5, 2025, that registers the resale of up to 24,419,029 shares of our common stock, and which represents all Company securities held by the Selling Stockholders. In addition, they have the right to require, subject to certain conditions and limitations, certain piggyback registration rights with respect to registrations initiated by us.

Pursuant to the registration rights agreement between us and our largest stockholder, LOR, Inc. (LOR) and certain of its affiliates (collectively, the Selling Stockholders) and their permitted transferees, we have we have filed a Form S-3 shelf registration statement on April 23, 2025, which was declared effective on May 5, 2025, that registers the resale of up to 127,235,202 shares of our common

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stock, and which represents all Company securities held by the Selling Stockholders. In addition, they have the right to require, subject to certain conditions and limitations, certain piggy back registration rights with respect to registrations initiated by us.

CRITICAL ACCOUNTING POLICIES

The discussion of Critical Accounting Policies is incorporated herein by reference from the Company's annual report on Form 10-K for the fiscal year ended December 31, 2024. There have been no significant changes in the critical accounting policies since year-end.

IMPACT OF RECENT ACCOUNTING PRONOUNCEMENTS

See the note titled Recent Accounting Standards in the Notes of the Consolidated Financial Statements for a description of recent accounting pronouncements, including the expected dates of adoption and expected effects on results of operations and financial condition, if known.

SEASONALITY

Marine Products' quarterly operating results are affected by weather and general economic conditions. Quarterly operating results for the second quarter have historically recorded the highest sales volume for the year because this corresponds with the highest retail sales volume period. For similar reasons, quarterly operating results for the fourth quarter often record the lowest sales volume for the year. The results for any quarter are not necessarily indicative of results to be expected in any future period.

INFLATION

New boat buyers typically finance their purchases. The Company believes that the 2022 and 2023 increases in interest rates (which is generally linked to higher inflation) had reduced retail demand for smaller boats, since purchasers of smaller boats are typically more sensitive to increases in the cost of boat ownership and typically finance their purchases. Higher interest rates also impact many of our dealers, as their inventories are financed and they bear much of the carrying costs. Lastly, the Company incurs higher costs from rising interest rates because we often pay a portion of dealer floor plan interest as part of our dealer sales incentive programs.

As a result of post-pandemic supply chain disruptions and general inflation, the market prices of the raw materials and components used by the Company's manufacturing processes increased and remain elevated. In response, the Company increased the prices for its products, and they remain historically high. In 2024 and through the first and second quarters of 2025, input cost inflation was immaterial, though many items remain elevated compared to historical levels. The Company believes the cost of boat ownership has risen enough over the last several years to impact retail demand. Therefore, it may be more difficult to raise prices in the future to compensate for increased costs of raw materials and components, which could impact the Company's sales and profit margins. As discussed above, the ongoing tariff developments could result in a resumption in inflationary pressures.

FORWARD-LOOKING STATEMENTS

Certain statements made in this report that are not historical facts are "forward-looking statements" under the Private Securities Litigation Reform Act of 1995. The words "may," "should," "will," "expect," "believe," "anticipate," "intend," "plan," "seek," "project," "estimate," and similar expressions used in this document that do not relate to historical facts are intended to identify forward-looking statements. Such forward-looking statements may include, without limitation: our belief that the Company's results of operations and its financial condition are not significantly reliant upon any single customer or product model; our expectation that the Company will distribute the balances of the SERP with the next 12 months by liquidating the assets currently held in the Rabbi Trust; our plans to continue to monitor the risk of defaults and resulting repurchase obligations based in part on information provided by third-party floor plan lenders and our plans to adjust the guarantee liability at the end of each reporting period based on information reasonably available at that time; our belief that the single third-party floor plan agreement is similar to the current agreements with the existing third-party floor plan lenders and provides for certain additional incentives to the Company and qualifying dealers over the term of the agreement; our attempts to optimize financial returns by closely monitoring dealer orders and inventories, the production mix of various models, and indications of demand such as consumer confidence, inflation concerns, interest rates, dealer orders placed at our annual dealer conferences, and retail attendance and orders at annual winter boat show exhibitions; our plans to consider trends related to certain key financial and other data, including our historical and forecasted financial results, market share, unit sales of our products, average selling price per boat, and gross profit margins, among others, as indicators of the success of our

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strategies; our belief that our financial results are affected by consumer confidence — because pleasure boating is a discretionary expenditure, interest rates — because many retail customers finance the purchase of their boats, and other socioeconomic and environmental factors such as availability of leisure time, consumer preferences, demographics and the weather; our belief that our results of operations reflect a stabilization of demand and a more balanced environment; our belief that consumer sentiment remains weak due to economic uncertainty and generally elevated interest rates compared to recent history; our belief that high interest rates increase the financing cost for consumers purchasing boats, thus increasing the total cost of boat ownership; our belief that the Company continues to focus on reducing costs and aligning production to a lower demand level; our belief that higher selling prices for boats following rapid inflation and rising interest rates in recent years have both contributed to higher costs of boat ownership, curbing consumer demand following several years of high post-pandemic sales; statements regarding adjustment of production levels to more closely align with expected demand; our belief that our financial results during the remainder of 2025 will depend on a number of factors including economic trends, demand for discretionary products, the impact of interest rates on consumer financing options and dealer inventory carrying costs, the effectiveness of the Company's incentive programs, the success of new model launches, and the Company's ability to manage manufacturing costs; our belief that it may take further interest rate relief to drive increased consumer appetite for new boat purchases; our belief that the impact of tariffs on prices of imported manufacturing materials and components could contribute to inflation and limit further interest rate reductions; our plans to actively monitor dealer inventories and order patterns for changes in demand, and adjust production levels accordingly; our belief that sales comparisons to the prior year could begin to turn positive in the second half of 2025; our belief that presenting EBITDA and EBITDA margin enables a comparison of our operating performance consistently over various time periods without regard to changes in our capital structure; our belief that free cash flow is an important financial measure for use in evaluating our liquidity; our belief that the liquidity provided by existing cash, cash equivalents and marketable securities, our overall strong capitalization, cash generated by operations and the Company's revolving credit facility will provide sufficient capital to meet the Company's requirements for at least the next twelve months; statements regarding our decisions about the amount of cash to be used for investing and financing purposes and how such decisions are influenced by our capital position and the expected amount of cash to be provided by operations; our expectation that capital expenditures in 2025 will be approximately \$2.0 to \$3.0 million; our plans to evaluate funding and timing options to distribute the Supplemental Executive Retirement Plan participant balances; our expectation to continue to pay cash dividends to common stockholders, subject to industry conditions and our earnings, financial condition, and other relevant factors; our belief that our quarterly operating results are affected by weather and general economic conditions; our belief that the results for any quarter are not necessarily indicative of results to be expected in any future period; our belief that the recent increase in interest rates has reduced retail demand for smaller boats, since purchasers of smaller boats are typically more sensitive to increases in the cost of boat ownership and typically finance their purchases; our belief that higher interest rates impact our dealers, as their boat purchases are financed and they bear much of the carrying cost of holding inventories; our belief that sales declines were more modest versus prior periods; our belief that the Company incurs higher costs from rising interest rates because we often pay a portion of dealer floor plan interest costs as part of our dealer sales incentive programs; our belief that as a result of post-pandemic supply chain disruptions and general inflation, the market prices of the raw materials and components used by the Company's manufacturing processes increased and remains elevated and in response, the Company increased the prices for its products, and they remain historically high; our belief that the cost of boat ownership has risen enough to impact retail demand, therefore, it may be more difficult to raise prices in the future to compensate for increased costs of raw materials and components, which could impact the Company's sales and profit margins; our belief that the ongoing tariff developments could result in a resumption in inflationary pressures; statements regarding our assessments of market risk exposures and that we do not expect any material changes in market risk exposures or how those risks are managed; and our belief that the outcome of such litigation will not have a material effect on the financial position, results of operations or liquidity of Marine Products; and statements regarding the agreements or contracts the Company has entered into with vendors, customers, lenders, and other third-parties and the anticipated benefits or obligations arising therefrom.

Such forward-looking statements are based on certain assumptions and analyses made by our management in light of its experience and its perception of historical trends, current conditions, expected future developments and other factors it believes to be appropriate. We caution you that such statements are only predictions and not guarantees of future performance and that actual results, developments and business decisions may differ from those envisioned by the forward-looking statements. Risk factors that could cause such future events not to occur as expected include the following: our manufacturing operations are conducted in a single location, and to support our operations, several of our suppliers have also established facilities close to our manufacturing facility to provide timely delivery of fabricated components to us; as a result, catastrophic weather, civil unrest or other unanticipated events beyond our control may disrupt both our and our suppliers' ability to conduct manufacturing operations or transport our finished boats to our dealer network, and we do not own or have access to alternate manufacturing locations; economic conditions, unavailability of credit and possible decreases in the level of consumer confidence impacting discretionary spending; business interruptions due to

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adverse weather conditions, increased interest rates, increased fuel costs, unanticipated changes in consumer demand and preferences, deterioration in the quality of Marine Products' network of independent boat dealers or availability of financing of their inventory, or in our relationships with them; boat dealer defaults; our ability to insulate financial results against increasing commodity prices; competition from other boat manufacturers and dealers; continued lowering of consumer demand whether due to further increases to interest rates, overall impairment to the national and global economies, or because our designs fail to match evolving customer tastes and needs; the possibility that our strategy to increase the size of our product in response to changing market conditions may not achieve the success we anticipate; our ability to further raise prices in the future may be limited; disruptions in supplier relationships or the inability to continue to purchase construction materials in sufficient quantities and of sufficient quality at acceptable prices to meet production schedules; potential liabilities for personal injury or property damage claims relating to the use of our products; our ability to successfully identify suitable acquisition candidates or strategic partners, obtain financing on satisfactory terms, complete acquisitions or strategic alliances, integrate acquired operations into our existing operations, or expand into new markets; changes in various government laws and regulations, including environmental regulations and environmental, social and governance practices; the loss or interruption of the services of any senior management personnel or our ability to find qualified employees; our dependence on digital technologies and services and the risk of cyber-attacks, both from internal and external threats; the higher prices of materials, would increase the costs of manufacturing our products, and could negatively affect our profit margins; higher inflation, which typically results in higher interest rates that could translate into an increased cost of boat ownership which could cause prospective buyers to choose to forego or delay boat purchases; the existence of certain anti-takeover provisions in our governance documents, which could make a tender offer, change in control or takeover attempt that is opposed by Marine Products' Board of Directors more difficult or expensive; and our cash and cash equivalents are held primarily at a single financial institution. Additional discussion of factors that could cause actual results to differ from management's projections, forecasts, estimates and expectations is contained in Marine Products Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2024, and in this Form 10-Q.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is subject to interest rate risk exposure through borrowings on its credit facility. As of June 30, 2025, there were no outstanding interest-bearing advances on our credit facility, which bear interest at a floating rate.

Marine Products does not hold derivative financial instruments which could expose the Company to significant market risk. Marine Products maintains investments primarily in money market funds which are not subject to interest rate risk exposure. Marine Products does not expect any material changes in market risk exposures or how those risks are managed.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of disclosure controls and procedures — The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in its Exchange Act reports is recorded, processed, summarized and reported within the time periods specified in the Commission's rules and forms, and that such information is accumulated and communicated to its management, including the Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure.

As of the end of the period covered by this report, June 30, 2025 (the "Evaluation Date"), the Company carried out an evaluation, under the supervision and with the participation of its management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of its disclosure controls and procedures. Based upon this evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective at a reasonable assurance level as of the Evaluation Date.

Changes in internal control over financial reporting — There were no changes in the Company's internal control over financial reporting during the second quarter of 2025 which were identified in connection with management's evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Exchange Act, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Marine Products is involved in litigation from time to time in the ordinary course of its business. Marine Products does not believe that the outcome of such litigation will have a material effect on the financial position, results of operations or liquidity of Marine Products.

Item 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the year ended December 31, 2024.

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 three months ended June 30, 2025, no director or officer, as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended, of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Adoption of Amended and Restated Bylaws

On July 22, 2025, the Board of Directors approved and adopted amended and restated bylaws (the "Amended and Restated Bylaws"), which became effective the same day. Among other things, the amendments contained in the Amended and Restated Bylaws effected the following changes:

- To delete provisions providing for the closing of the Company's stock transfer books.
- To delete former Article Twenty-Ninth, which contained fee shifting provisions.
- To further enhance and refine procedural mechanics and disclosure requirements in connection with stockholder nominations of directors and submissions of proposals regarding other business at stockholder meetings (other than proposals to be included in the Company's proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended (the "Exchange Act")).
- To provide additional flexibility with respect to the signatures required on certificates evidencing Company common stock.
- To provide additional specificity with respect to the setting of record dates.

The Amended and Restated Bylaws also incorporate various other non-material updates and technical, clarifying and conforming changes. The foregoing description is qualified in its entirety by reference to the full text of the Amended and Restated Bylaws, a redlined copy of which is attached hereto as Exhibit 3.2 and is incorporated herein by reference.

MARINE PRODUCTS CORPORATION AND SUBSIDIARIES

ITEM 6. Exhibits

Exhibit Number	Description
3.1(a)	Marine Products Corporation Articles of Incorporation (incorporated herein by reference to Exhibit 3.1 to the Registrant's Registration Statement on Form 10 filed on February 13, 2001).
3.1(b)	Certificate of Amendment of Certificate of Incorporation of Marine Products Corporation executed on June 8, 2005 (incorporated herein by reference to Exhibit 99.1 to the Registrant's Current Report on Form 8-K filed June 9, 2005).
3.1(c)	Amended and Restated Certificate of Incorporation of Marine Products Corporation dated April 22, 2025 (incorporated herein by reference to Exhibit 3.1 to the Registration Statement on Form S-3 filed on April 23, 2025).
3.2	Amended and Restated By-laws of Marine Products Corporation dated July 22, 2025.
4	Restated Form of Stock Certificate of Marine Products Corporation (incorporated herein by reference to Exhibit 4.1 to the Registrant's Registration Statement to the Form 10 filed on February 13, 2001).
31.1	Section 302 certification for Chief Executive Officer.
31.2	Section 302 certification for Chief Financial Officer.
32.1	Section 906 certifications for Chief Executive Officer and Chief Financial Officer.
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

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SIGNATURES

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

MARINE PRODUCTS CORPORATION

Date: July 24, 2025

/s/ Ben M. Palmer

Ben M. Palmer

President and Chief Executive Officer

(Principal Executive Officer)

Date: July 24, 2025

/s/ Michael L. Schmit

Michael L. Schmit

Vice President, Chief Financial Officer and Corporate Secretary

(Principal Financial and Accounting Officer)

AMENDED AND RESTATED ~~BY-LAWS~~BY-LAWS
OF
MARINE PRODUCTS CORPORATION

~~JANUARY 28~~July 22, 2025

OFFICES

~~FIRST:~~FIRST: The principal office of the corporation shall be located at 2801 Buford Highway NE, Suite 300, in the City of Atlanta, Georgia, and the registered agent shall be Corporation Service Company or such other agent as the corporation shall designate.

CORPORATE SEAL

SECOND: The corporate seal shall have inscribed thereon the name of the corporation, the year of its incorporation and the words "Incorporated Delaware."

MEETINGS OF STOCKHOLDERS

THIRD: The annual meeting of stockholders for the election of directors shall be held on such date and at such place and time as may be designated from time to time by resolution of the board of directors and included in the notice of such meeting, each year, at which meeting they shall elect by ballot, by plurality vote, a board of directors and may transact such other business as may come before the meeting.

Special meetings of the stockholders may be called at any time by the chairman and shall be called by the chairman or secretary on the request in writing or by vote of a majority of the directors or at the request in writing of stockholders of record owning a majority in amount of the capital stock outstanding and entitled to vote. Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the corporation's notice of the meeting.

All such meetings of the stockholders shall be held at such place or places within or without the State of Delaware, including by remote communication such as a "virtual only" meeting or "hybrid" meeting, as may from time to time be fixed by the board of directors or as shall be specified and fixed by the respective notices or waivers of notice thereof.

Each stockholder entitled to vote shall, at every meeting of the stockholders, be entitled to one vote in person or by proxy, signed by him or her, for each share of voting stock held by him or her, but no proxy shall be voted on after the meeting of stockholders for which such proxy was solicited and which has been adjourned sine die. Such right to vote shall be subject to the right of the board of directors to close the transfer books or to fix a record date for voting stockholders as hereinafter provided and if the directors shall not have exercised such right, no share of stock shall be voted on at any election for directors which shall have been transferred on the books of the corporation within twenty days next preceding such election.

Notice of all meetings shall be given by the secretary to each stockholder of record entitled to vote not less than ten calendar days nor more than sixty calendar days before any annual or special meeting either personally, by mail or by other lawful means. If mailed, such notice shall be deemed to be given when deposited in the United States mail with postage thereon prepaid, addressed to the stockholder at such person's address as it appears on the stock transfer books of the corporation.

The holders of a majority of the stock outstanding and entitled to vote shall constitute a quorum, but the holders of a smaller amount may adjourn from time to time without further notice until a quorum is secured.

DIRECTORS

FOURTH: The property and business of this corporation shall be managed by or under the direction of the board of directors. The board of directors shall consist of between six and twelve directors, with the exact number of directors to be fixed from time to time solely by the board of directors pursuant to a resolution adopted by a majority of the board of directors then in office. At each annual meeting of stockholders, all directors will be elected for a one-year term expiring at the next annual meeting of stockholders. Each director shall hold office for the remainder of the term for which he is elected or appointed or and until his successor shall be elected and qualified, or until his death or until he shall resign.

Newly created directorships resulting from any increase in the authorized number of directors and any vacancies on the Board resulting from death, resignation, disqualification, removal or other cause may be filled by the affirmative vote of a majority of the remaining directors then in office, even if less than a quorum of the Board, or by a sole remaining director. Any director elected in accordance with the preceding sentence will hold office for the remainder of the full term of the vacant or newly created directorship and until such director's successor is elected and qualified. No decrease in the authorized number of directors will shorten the term of any incumbent director.

Except as may otherwise be required by Delaware law, any director or the entire board may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors.

POWERS OF DIRECTORS

FIFTH: The board of directors shall have, in addition to such powers as are hereinafter expressly conferred on it, all such powers as may be exercised by the corporation, subject to the provisions of the statute, the certificate of incorporation and the by-laws.

The board of directors shall have power:

To purchase or otherwise acquire property, rights or privileges for the corporation, which the corporation has power to take, at such prices and on such terms as the board of directors may deem proper.

To pay for such property, rights or privileges in whole or in part with money, stock, bonds, debentures or other securities of the corporation, or by the delivery of other property to the corporation.

To create, make and issue mortgages, bonds, deeds of trust, trust agreements and negotiable or transferable instruments and securities, secured by mortgages or otherwise, and to do every other act and thing necessary to effectuate the same.

To appoint agents, clerks, assistants, factors, employees and trustees, and to dismiss them at its discretion, to fix their duties and emoluments and to change them from time to time and to

require security as it may deem proper. Any employee appointed by the board may be given such designation or title as the board shall determine; however, any such designation or title given any such employee shall not be deemed to constitute such employee a corporate officer under ARTICLE EIGHTH of these by-laws.

To confer on any officer of the corporation the power of selecting, discharging or suspending such employees.

To determine by whom and in what manner the corporation's bills, notes, receipts, acceptances, endorsements, checks, releases, contracts or other documents shall be signed.

MEETINGS OF DIRECTORS

SIXTH: After such annual election of directors, the newly elected directors may meet for the purpose of organization, the election of officers and the transaction of other business, at such place and time as the directors may determine, and, if a majority of the directors be present at such place and time, no prior notice of such meeting shall be required to be given to the directors. The place and time of such meeting may also be fixed by written consent of the directors.

Regular meetings of the directors shall be held at such place or places, if any, on such date or dates, and at such time or times as shall have been established by the board of directors and publicized among all directors. A notice of each regular meeting shall not be required.

Special meetings of the directors may be called by the chairman, vice chairman or president or upon the request of any two directors. Two business days' notice of any special meeting of directors shall be given in writing if such notice is delivered by first class or overnight mail or one business days' notice if such notice is given orally or delivered by facsimile transmission or other form of electronic transmission reasonable under the circumstance or hand delivery.

Special meetings of the directors may be held within or without the State of Delaware at such places as is indicated in the notice or waiver of notice thereof.

A majority of the directors shall constitute a quorum, but a smaller number may adjourn from time to time, without further notice, until a quorum is secured.

The board may, by resolution passed by a majority of the whole board, designate one or more committees, each committee to consist of one or more directors of the corporation.

Any such committee to the extent provided in the directors' resolution or in these by-laws, shall have and may exercise all the powers and authority of the board in managing the affairs and business of the Corporation and may authorize affixation of the corporate seal to all papers that require it, to the fullest extent permitted by law as presently allowed under Section 141 of the Delaware General Corporation Law (the "DGCL") and as may be allowed in the future pursuant to amendments and revisions of applicable law; provided, however, that a committee may not have the power and authority to declare a dividend or to authorize the issuance of stock.

COMPENSATION OF DIRECTORS
AND MEMBERS OF COMMITTEES

SEVENTH: Directors and members of standing committees shall receive such compensation for attendance at each regular or special meeting as the board shall from time to time prescribe.

OFFICERS OF THE CORPORATION

EIGHTH: The officers of the corporation shall be a president, a secretary, a treasurer and such other officers as may from time to time be chosen by the board of directors. The board of directors in its discretion may also appoint either or both of a chairman and a vice chairman, who may or may not be an officer of the corporation. If applicable, the chairman and vice chairman shall be chosen from among the directors.

One person may hold more than one office.

The officers of the corporation shall hold office until their successors are chosen and qualify in their stead. Any officer chosen or appointed by the board of directors may be removed either with or without cause at any time by the affirmative vote of a majority of the whole board

of directors. If the office of any officer or officers becomes vacant for any reason, the vacancy may be filled by the affirmative vote of a majority of the whole board of directors or the board could eliminate the position, combine its duties with another position or fill it on an interim basis.

DUTIES OF THE CHAIRMAN

NINTH: It shall be the duty of the chairman, if any, to preside at all meetings of stockholders and directors.

DUTIES OF THE VICE CHAIRMAN

TENTH: The vice chairman, if any, shall perform such duties as shall be assigned by the chairman or the board of directors and shall be vested with all the powers and be required to perform all the duties of the chairman in the chairman's absence or disability.

DUTIES OF THE PRESIDENT

ELEVENTH: The president shall have the general supervision and direction of the other officers of the corporation and shall see that their duties are properly performed, or as designated by the Chairman or Vice Chairman.

SECRETARY

TWELFTH: The secretary shall attend all meetings of the board of directors, and all other meetings as directed by the board of directors. The secretary shall act as clerk thereof and shall record all of the proceedings of such meetings in a book kept for that purpose. The secretary shall give proper notice of meetings of stockholders and directors and shall perform such other duties as shall be assigned by the chairman, vice chairman or president of the corporation.

TREASURER

THIRTEENTH: The treasurer shall have custody of the funds and securities of the corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the corporation and shall deposit all moneys and other valuable effects in the name

and to the credit of the corporation in such depositories as may be designated by the board of directors.

The treasurer shall keep an account of stock registered and transferred in such manner and subject to such regulations as the board of directors may prescribe.

The treasurer shall give the corporation a bond, if required by the board of directors, in such sum and in form and with security satisfactory to the board of directors for the faithful performance of the duties of the office and the restoration to the corporation, in case of the treasurer's death, resignation or removal from office, of all books, papers, vouchers, money and other property of whatever kind in his possession, belonging to the corporation. The treasurer shall perform such other duties as the board of directors may from time to time prescribe or require.

DUTIES OF OFFICERS MAY BE DELEGATED

FOURTEENTH: In case of the absence or disability of any officer of the corporation or for any other reason deemed sufficient by a majority of the board, the board of directors may delegate such officer's powers or duties to any other officer or to any director for the time being.

CERTIFICATES OF STOCK; UNCERTIFICATED SHARES

FIFTEENTH: Shares of stock in the corporation may be represented by certificates or may be issued in uncertificated form in accordance with the DGCL. The issuance of shares in uncertificated form shall not affect shares already represented by a certificate until the certificate is surrendered to the corporation. Each holder of stock in the corporation represented by a certificate shall be entitled to a certificate which shall be signed by either two authorized officers of the corporation (it being understood that each of the chairman or the vice chairman or the president and any of the treasurer, an assistant treasurer, the secretary or an assistant secretary shall be an authorized officer for such purpose). If a certificate of stock be lost or destroyed, another may be issued by the corporation in its stead upon proof of such loss or destruction and the giving of a satisfactory bond of indemnity, in an amount sufficient to indemnify the corporation against any claim. A new certificate may be issued without requiring bond when, in

the judgment of the [directors corporation](#), it is proper to do so. Certificates may be signed by facsimile signature **if so ordered by the board of directors**.

TRANSFER OF STOCK

SIXTEENTH: Transfers of stock shall be made only upon the transfer books of the corporation kept at an office of the corporation or by a transfer agent designated to transfer shares of stock of the corporation. The certificate for the number of shares involved which are represented by a certificate shall be surrendered for cancellation before a new certificate is issued therefore.

The corporation shall have authority to appoint transfer agents and registrars by resolution of the board of directors.

CLOSING SETTING OF TRANSFER BOOKS RECORD DATES

SEVENTEENTH: The board of directors shall have power to close the stock transfer books of the corporation for a period not exceeding sixty days preceding the date of any meeting of stockholders or the date for payment of any dividend or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect or for a period of not exceeding sixty days in connection with obtaining the consent of stockholders for any purpose; provided, however, that in lieu of closing the stock transfer books as aforesaid, the by-laws may fix or authorize the board of directors to fix in advance a date not exceeding sixty days preceding the date of any meeting of stockholders or the date for the payment of any dividend, or the date for the allotment of rights or the date when any change or conversion or exchange of capital stock shall go into effect, or a date in connection with obtaining such consent, and in such case such stockholders and only such stockholders as shall be stockholders of record on the date so fixed shall be entitled to such notice of, and to vote at such meeting and any adjournment thereof, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, or to give such consent, as the case may be, notwithstanding any transfer of any stock on the books of the corporation after any such record date fixed as aforesaid.

SEVENTEENTH: In order that the corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the board of directors may fix in advance a record date, which record date shall not precede the date upon which the resolutions fixing the record date are adopted by the board of directors, and which record date shall, unless otherwise required by law, not be more than sixty days or less than ten days preceding the date of any meeting of stockholders. If the board of directors so fixes a date.

such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the board of directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

In order that the corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall not be more than sixty days prior to such action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

STOCKHOLDERS OF RECORD

EIGHTEENTH: The corporation shall be entitled to treat the holder of record of any share or shares of stock as the holder in fact thereof and accordingly shall not be bound to recognize any equitable or other claim to or interest in such share on the part of any other person whether or not it shall have express or other notice thereof, save as expressly provided by the laws of Delaware.

FISCAL YEAR

NINETEENTH: The fiscal year of the corporation shall begin on the first day of January in each year.

DIVIDENDS

TWENTIETH: Dividends upon the capital stock may be declared by the board of directors at any regular or special meeting and may be paid in cash or in property or in shares of the capital stock. Before paying any dividend or making any distribution of profits, the directors may set apart out of any of the funds of the corporation available for dividends a reserve or reserves for any proper purpose and may alter or abolish any such reserve or reserves.

CHECKS FOR MONEY

TWENTY-FIRST: All checks, drafts or orders for the payment of money shall be signed by the treasurer or by such other officer or officers as the board of directors may from time to time designate. No check shall be signed in blank. The board of directors also from time to time may authorize specified employees to sign checks on the corporation's accounts.

BOOKS AND RECORDS

TWENTY-SECOND: The books, accounts and records of the corporation except as otherwise required by the laws of the State of Delaware, may be kept within or without the State of Delaware, at such place or places as may from time to time be designated by the by-laws or by resolution of the Directors.

WAIVER OF NOTICES

TWENTY-THIRD: Any stockholder or director may waive, in writing, any notice, required to be given under these by-laws whether before or after the time stated therein.

INDEMNIFICATION OF DIRECTORS,
OFFICERS AND EMPLOYEES

TWENTY-FOURTH: The corporation shall indemnify and hold harmless, in the manner and to the fullest extent now or hereafter permitted by the DGCL, any person (or the estate of any person) who was or is a party to, or is involved in or threatened to be made a party to, any threatened, pending or completed action, suit or proceeding, whether or not by or in the right of

the corporation and whether civil, criminal, administrative, investigative or otherwise, by reason of the fact that such person is or was a director, officer or general counsel of the corporation, or is or was serving at the request of the corporation as a director, officer, or general counsel of another corporation, partnership, limited liability company, joint venture, trust or other enterprise, including service with respect to employee benefit plans. The indemnification provided herein shall be made if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interest of the corporation, and, with respect to any criminal action or proceeding, has no reasonable cause to believe his or her conduct was unlawful; provided, however, that, except as provided in the following paragraph, the corporation shall indemnify any such person seeking indemnification in connection with a proceeding initiated by such person only if such proceeding was authorized by the board of directors. To the full extent permitted by law, the indemnification provided herein shall include all expense, liability and loss (including attorneys' fees, judgments, fines and amounts paid or to be paid in settlement) reasonably incurred or suffered by such person. The corporation shall pay the expenses (including attorneys' fees) incurred in defending any such proceeding in advance of its final disposition upon the receipt by the corporation of a statement or statements from the claimant requesting such advance and an undertaking by or on behalf of such claimant that the claimant will repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this ARTICLE TWENTY-FOURTH or otherwise. The indemnification and advancement of expenses provided herein (a) shall not be deemed to limit the right of the corporation to indemnify any other employee or agent and advance any such expenses to the full extent provided by the law, nor shall it be deemed exclusive of any other rights to which any person seeking indemnification and advancement of expenses from the corporation may be entitled under any agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding such office, (b) is intended to be retroactive and shall be available with respect to events occurring prior to adoption of this ARTICLE TWENTY-FOURTH, and (c) shall continue as to an indemnitee who has ceased to be a director or officer and shall inure to the benefit of the indemnitee's heirs, executors and administrators. The corporation may, to the full extent permitted by law, purchase and maintain insurance on behalf of any such person against any liability which may be asserted against such person.

If a claim under this of this ARTICLE TWENTY-FOURTH is not paid in full within 30 calendar days after a written claim has been received by the corporation, the claimant may at any time thereafter bring suit against the corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall be entitled to be paid the reasonable expense of prosecuting the claim. It shall be a defense to any such action to enforce a right to indemnification (but not to an action to enforce a right to an advancement of expenses) that the claimant has not met the standard of conduct which makes it permissible under the DGCL to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the corporation.

No repeal or modification of this ARTICLE TWENTY-FOURTH shall in any way diminish or adversely affect the rights of any person in respect of any occurrence or matter arising prior to any such repeal or modification. If any provision of this ARTICLE TWENTY-FOURTH shall be held to be invalid, illegal or unenforceable for any reason whatsoever, the validity, legality and enforceability of the remaining provisions of this ARTICLE TWENTY-FOURTH shall not in any way be affected or impaired thereby.

The corporation shall not be liable to indemnify any indemnitee under this ARTICLE TWENTY-FOURTH for any amounts paid in settlement of any proceeding (or part thereof) effected without the corporation's written consent, which consent shall not be unreasonably withheld, or for any judicial award if the corporation was not given a reasonable and timely opportunity, at its expense, to participate in the defense of such proceeding. The board of directors may establish reasonable procedures for the submission of claims for indemnification pursuant to this ARTICLE TWENTY-FOURTH, determination of the entitlement of any person thereto, and review of any such determination.

NON-DISCRIMINATION STATEMENT

TWENTY-FIFTH: Consistent with the [corporation's corporation's](#) equal employment opportunity policy, nominations for the elections of directors shall be made by the board of directors and voted upon by the stockholders in a manner consistent with these by-laws and without regard to the nominee's race, color, ethnicity, religion, sex, age, national origin, veteran status, or disability.

NOTICE OF NOMINATION OF DIRECTORS

TWENTY-SIXTH: Only persons who are nominated in accordance with the following procedures shall be eligible for election as directors of the corporation. Nominations of persons for election to the board of directors may be made at any annual meeting of stockholders, or at any special meeting of stockholders called for the purpose of electing directors, (a) by or at the direction of the board of directors (or any duly authorized committee thereof) or (b) by any stockholder of the [Corporation](#) (i) who is a stockholder of record on the date of the giving of the notice provided for in this ARTICLE TWENTY-SIXTH and on the record date for the determination of stockholders entitled to vote at such meeting and (ii) who complies with the requirements and notice procedures set forth in this ARTICLE TWENTY-SIXTH. Shareholders will not be entitled to nominate any candidate for director at any annual or special meeting unless the shareholder shall have first provided notice in writing, delivered or mailed (by certified, registered or overnight mail and postage prepaid), to the secretary of the corporation at the corporation's principal executive offices so that it is received (a) not less than ninety, nor more than one hundred thirty days prior to the anniversary of the prior year's annual meeting of stockholders with respect to an annual meeting; provided, however, that in the event the annual meeting is scheduled to be held on a date more than 30 days prior to or delayed by more than 60 days after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the later of the close of business 90 days prior to such annual meeting or the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public disclosure of the date of the annual meeting was made and (b) in the case of a special meeting of stockholders called for the purpose of electing directors, not later than the close of business on the tenth day following the day on which notice of the date of the special meeting was mailed or public disclosure of the date of the special meeting was made, whichever first occurs (and in no event shall the public announcement of an adjournment of the meeting commence a new time period for a giving of a stockholder's notice under this ARTICLE).

Each such notice shall set forth, (a) with respect to each stockholder nominee:

- (i) the name, age, business address and, if known, residence address of each nominee proposed in such notice,

(ii) the principal occupation or employment of each such nominee for the past five years,

(iii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record, directly or indirectly, by the person,

(iv) as an appendix, a completed and signed questionnaire, representation and agreement required by this ARTICLE TWENTY-SIXTH,

(v) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected, and

(vi) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder;

(b) as to the stockholder giving the notice and any Stockholder Associated Person (as defined below):

(i) the name and address of such stockholder, as it appears on the corporation's books, and of any such Stockholder Associated Person,

(ii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by such stockholder and any such Stockholder Associated Person, directly or indirectly, and the date such shares were acquired,

(iii) a description of all agreements, arrangements or understandings, direct or indirect, between or among such stockholder, any such Stockholder Associated Person, each proposed nominee or any other person or persons (including their names) acting in concert with any of the foregoing, pursuant to which the nomination(s) are to be made by such stockholder,

(iv) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder or any

Stockholder Associated Person, whether or not such instrument or right shall be subject to settlement in underlying shares of capital stock, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder or Stockholder Associated Person, with respect to the securities of the corporation (collectively, a "Derivative Instrument"),

(v) a description of any rights to dividends on the stock of the corporation held of record or owned beneficially by the stockholder or any Stockholder Associated Person that are separated or separable from the underlying stock of the corporation,

(vi) a description of any proportionate interest in stock of the corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which the stockholder or any Stockholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner,

(vii) a description of any profit-sharing or any performance-related fees (other than an asset-based fee) that any stockholder giving notice or any Stockholder Associated Person is entitled to, based on any increase or decrease in the value of the stock of the corporation or Derivative Instruments thereof, if any, **including without limitation any such interests held by members of such person's immediate family sharing the same household,**

(viii) a description of any short interest in any security of the corporation of such stockholder or Stockholder Associated Person (for purposes of this provision a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security),

(ix) a description in reasonable detail of any proxy (including revocable proxies), contract, arrangement, understanding or other relationship pursuant to which the stockholder or any Stockholder Associated Person has a right to vote any shares of stock of the corporation,

(x) a representation that such stockholder is entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to nominate the person named in its notice, and

(xi) any other information relating to such stockholder or nominee that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for election of directors pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;

(c) a description of

(i) all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three years, and

(i) any agreement, arrangement or understanding with respect to the nomination between or among such stockholder and/or any Stockholder Associated Persons, and any other person, including the nominee, including any agreements, arrangements or understandings relating to any compensation or payments to be paid to any such proposed nominee(s), pertaining to the nomination(s) to be brought before the meeting of stockholders (which description shall identify the name of each other person who is party to such an agreement, arrangement or understanding), and

(ii) any other material relationships, between or among the stockholder giving the notice, any Stockholder Associated Person or their respective associates (as defined in Rule 405 under the Securities Act of 1933, as amended), or others (including nominees of the stockholder delivering notice) **acting in concert therewith**, including all information that would be required to be disclosed pursuant to Rule 404 promulgated under Regulation S-K if the stockholder giving notice, Stockholder Associated Person or any person **acting in concert therewith** were the "registrant" for purposes of such rule and the nominee of the stockholder giving notice were a director or executive of such registrant;

(d) whether such stockholder or Stockholder Associated Person intends

(i) to deliver a proxy statement and form of proxy to holders of a sufficient number of holders of the **Corporation's corporation's** voting shares to elect such nominee or nominees,

(ii) to otherwise solicit proxies from stockholders in support of such nominee or nominees and

(iii) to comply with all applicable requirements of the Exchange Act with respect to the matters set forth herein; and

(e) a representation that the stockholder giving notice and each director nominee shall provide all other information and affirmations, updates and supplements required pursuant to, and otherwise comply with, these by-laws by the applicable deadlines.

"Stockholder Associated Person" of any stockholder shall mean, with respect to any nominating stockholder or stockholder providing notice of Business (as defined below), as applicable, (i) any **other** beneficial owner of stock of the corporation **that are owned by such person on whose behalf the nomination or proposal of Business is made** and (ii) any person that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is under common control with, such person or such beneficial owner. For purposes of this definition, the terms "controls," "controlled by" and "under common control with" mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a person, whether through the ownership of voting securities, by contract or otherwise.

The stockholder submitting a notice required in accordance with this ARTICLE TWENTY-SIXTH shall (a) provide any other information reasonably requested from time to time by the corporation to determine whether such proposed nominee is qualified to serve as a director and/or independent director of the corporation under the certificate of incorporation, these bylaws, the rules or regulations of any stock exchange applicable to the corporation, any law or regulation applicable to the corporation, and any director qualification standards contained in the corporation's Corporate Governance Principles or disclosed in its annual proxy statement for the election of directors, within five business days after each such request, (b) update and supplement promptly (and in any event no later than two business days prior to the commencement of the applicable meeting of stockholders) any information provided to the corporation in the notice required by this ARTICLE TWENTY-SIXTH, or at the corporation's request pursuant to the foregoing clause (a), if any such information ceases for any reason to be accurate or complete in any material respect and (c) affirm such information as accurate and complete as of two business days prior to the commencement of the applicable meeting of stockholders. Any such affirmation, update and/or supplement must be delivered or mailed (by certified, registered or overnight mail

and postage prepaid) and received by the secretary of the corporation at the corporation's principal executive offices by the applicable deadline.

The chairman of the meeting ~~may, if the facts warrant, determine and declare to the meeting that a shareholder failed to provide notice of~~(or, in advance of any meeting of stockholders, the board of directors) shall determine whether a nomination was made in accordance with the foregoing procedure, ~~and if he or she should so determine, he or she may so declare to the meeting and the defective~~procedures and, if the proposed nomination was not made in compliance with the foregoing procedures, declare that such nomination shall be disregarded.

To be eligible to be a nominee for election as a director of the corporation, a person must deliver in accordance with the time periods prescribed for delivery of notice under this ARTICLE TWENTY-SIXTH to the secretary of the corporation a written questionnaire (in the form provided by the secretary upon written request), which includes:

(a) information, representations and agreements with respect to the background and qualification of such person and the background of any other person or entity on whose behalf the nomination is being made;

(b) a written representation and agreement that such proposed nominee:

(i) is not and will not become a party to (A) any agreement, arrangement or understanding with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the corporation, will act or vote on any issue or question (a "Voting Commitment") that has not been disclosed to the corporation or (B) any Voting Commitment that could limit or interfere with such person's ability to comply, if elected as a director of the corporation, with such person's fiduciary duties under applicable law,

(ii) is not and will not become a party to any agreement, arrangement or understanding with any person or entity other than the corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director that has not been disclosed therein,

(iii) in such person's individual capacity **and on behalf of any such person or entity on whose behalf the nomination is being made**, would be in compliance, if elected as a director of the corporation, and will comply, with all publicly disclosed corporate governance, conflict of interest, confidentiality, stock ownership and trading and other policies and guidelines of the corporation that are applicable to directors, and

(iv) currently intends to serve as a director for the full term for which he or she is standing for election;

(c) such person's written consent to being named as a nominee for election as director; and

(d) an agreement to provide supplemental information promptly (and in any event within five business days) if any of the information provided to the corporation in the questionnaire ceases to be accurate or complete in any material respect.

Notwithstanding the provisions of the by-laws, (i) (A) a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in these by-laws; provided, however that any references in these by-laws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the separate and additional requirements set forth in these by-laws with respect to nominations to be considered pursuant to ARTICLE TWENTY-SIXTH of these by-laws, and (B) if the stockholder solicits proxies with respect to director nominations, the stockholder must use a proxy card with a color other than white, which color is reserved for the corporation, and (ii) all stockholders who solicit proxies with respect to nominees for director shall comply with the requirements of Rule 14a-19 under the Exchange Act, and failure by a stockholder who solicits proxies for their own director nominees to comply with Rule 14a-19 will result in their nominees being ineligible for election to the Board.

STOCKHOLDER PROPOSALS FOR BUSINESS TO BE TRANSACTED AT MEETING

TWENTY-SEVENTH: At **any** special meeting of the stockholders, such Business (as defined below) shall be conducted as shall have been brought before the meeting by or at the direction of the board of directors. No business may be transacted at an annual meeting of

stockholders, other than Business that is either (a) specified in the notice of meeting (or any supplement thereto), given by or at the direction of the board of directors (or any duly authorized committee thereof), (b) otherwise properly brought before the annual meeting by or at the direction of the board of directors (or any duly authorized committee thereof) or (c) otherwise properly brought before the annual meeting by any stockholder of record of the corporation (i) who is a stockholder of record on the date of the giving of the notice provided for in this ARTICLE TWENTY-SEVENTH and on the record date for the determination of stockholders entitled to vote at such annual meeting, (ii) is entitled to vote at the meeting and (iii) who complies with the notice procedures set forth in this ARTICLE TWENTY-SEVENTH. With respect to this ARTICLE TWENTY-SEVENTH, "Business" shall mean all matters other than nominations of candidates for and the election of directors. Stockholder nomination of directors for election is governed solely by ARTICLE TWENTY-SIXTH of these by-laws.

In addition to any other applicable requirements (including, without limitation, SEC rules and regulations with respect to matters set forth in this ARTICLE TWENTY-SEVENTH), for Business to be properly brought before an annual meeting by a stockholder, (i) such stockholder must have given timely notice thereof in proper written form to the secretary of the corporation, (ii) such Business must be a proper matter for stockholder action under the DGCL, (iii) if the stockholder, or any Stockholder Associated Person, has provided the corporation with a Solicitation Notice (as defined herein), such stockholder or Stockholder Associated Person must, in the case of a proposal, have delivered a proxy statement and form of proxy to holders of at least the percentage of the corporation's voting shares required under applicable law to carry any such proposal, and must have included in such materials the Solicitation Notice, (iv) if no Solicitation Notice relating thereto has been timely provided pursuant to this ARTICLE TWENTY-SEVENTH, the stockholder or beneficial owner proposing such Business must not have solicited a number of proxies sufficient to have required the delivery of the Solicitation Notice under this section, and (v) if the stockholder solicits proxies with respect to a proposal, the stockholder must use a proxy card with a color other than white, which color is reserved for the corporation.

To be timely, a stockholder's notice to the secretary must be delivered to or mailed (by certified, registered or overnight mail and postage prepaid) and received by the secretary of the

corporation at the principal executive offices of the corporation not less than 90 days nor more than 130 days prior to the date of the anniversary of the previous year's annual meeting; provided, however, that in the event the annual meeting is scheduled to be held on a date more than 30 days prior to or is delayed by more than 60 days after such anniversary date, notice by the stockholder in order to be timely must be so received not later than the later of the close of business 90 days prior to such annual meeting or the tenth day following the day on which such notice of the date of the annual meeting was mailed or such public announcement of the date of the annual meeting was first made by the corporation. In no event shall the public announcement of an adjournment of an annual meeting commence a new time period for a giving of a stockholder's notice under this ARTICLE TWENTY-SEVENTH.

To be in proper written form, a stockholder's notice to the secretary must set forth as to each matter of Business such stockholder proposes to bring before the annual meeting:

(a) a brief description of the Business desired to be brought before the annual meeting, the text of the proposal (including the text of any resolutions proposed for consideration and, if such business includes a proposal to amend the by-laws, the language of the proposed amendment) and the reasons for conducting such Business at the annual meeting;

(b) as to the stockholder giving such notice and any Stockholder Associated person:

(i) the name and address of such stockholder, as it appears on the corporation's books, and of any such Stockholder Associated Person,

(ii) the class or series and number of shares of capital stock of the corporation which are owned beneficially or of record by such stockholder and any such Stockholder Associated Person, directly or indirectly, and the date such shares were acquired,

(iii) a description of all agreements, arrangements, or understandings, direct or indirect, with respect to such Business between or among the stockholder giving notice, any such Stockholder Associated Person or any other person or person (including their names) **acting in concert with any of the foregoing**, and any material interest of such stockholder or Stockholder Associated Person in such Business,

(iv) a description of any Derivative Instrument directly or indirectly owned beneficially by such stockholder or Stockholder Associated Person and any other direct or indirect opportunity to profit or share in any profit derived from any increase or decrease in the value of shares of the corporation owned by any of them,

(v) a description of any rights to dividends on the stock of the corporation held of record or owned beneficially by such stockholder or Stockholder Associated Person that are separated or separable from the underlying shares of the corporation,

(vi) a description of any proportionate interest in stock of the corporation or Derivative Instruments held, directly or indirectly, by a general or limited partnership in which such stockholder or Stockholder Associated Person is a general partner or, directly or indirectly, beneficially owns an interest in a general partner,

(vii) a description of any profit-sharing or any performance-related fees (other than an asset-based fee) that any stockholder giving notice or any Stockholder Associated Person is entitled to, based on any increase or decrease in the value of the stock of the corporation or Derivative Instruments thereof, if any, **including without limitation any such interests held by members of such person's immediate family sharing the same household,**

(viii) a description of any short interest in any security of the corporation of such stockholder, beneficial owner or Stockholder Associated Person (for purposes of this provision a person shall be deemed to have a short interest in a security if such person directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has the opportunity to profit or share in any profit derived from any decrease in the value of the subject security),

(ix) a description in reasonable detail of any proxy (including revocable proxies), contract, arrangement, understanding or other relationship pursuant to which the stockholder or any Stockholder Associated Person has a right to vote any shares of stock of the corporation,

(x) a representation that such stockholder giving notice is entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose such Business; and

(ix) all other information that would be required to be filed with the SEC if the stockholder giving notice or Stockholder Associated Persons were participants in a solicitation subject to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder;

(c) the names and addresses of other stockholders and beneficial owners known by the stockholder or beneficial owner proposing such Business to financially support the proposal, and the class and number of shares of the corporation's capital stock known to be beneficially owned by such other stockholders and beneficial owners;

(d) whether such stockholder or Stockholder Associated Person intends:

(i) to deliver a proxy statement and form of proxy to holders of a sufficient number of holders of the Corporation's corporation's voting shares required to approve or adopt such Business (an affirmative statement of such intent, a "Solicitation Notice"),

(ii) to otherwise solicit proxies from stockholders in support of such Business and

(iii) to comply with all applicable requirements of the Exchange Act with respect to the matters set forth herein; and

(e) a representation that the stockholder giving notice shall provide all other information and affirmations, updates and supplements required pursuant to, and otherwise comply with, these by-laws by the applicable deadlines.

The stockholder submitting a notice required in accordance with this ARTICLE TWENTY-SEVENTH shall (a) provide any other information reasonably requested from time to time by the corporation within five business days after each such request, (b) update and supplement promptly (and in any event no later than two business days prior to the commencement of the applicable meeting of stockholders) any information provided to the Solicitation Notice, or at the corporation's request pursuant to the foregoing clause (a), if any such information ceases for any reason to be accurate or complete in any material respect and (c) affirm such information as accurate and complete as of two business days prior to the commencement of the applicable meeting of stockholders. Any such affirmation, update and/or supplement must be delivered or mailed (by certified, registered or overnight mail and postage

prepaid) and received by the secretary of the corporation at the principal executive offices of the corporation by the applicable date.

No business shall be conducted at the annual meeting of stockholders except Business brought before the annual meeting in accordance with the procedures set forth in this ARTICLE TWENTY-SEVENTH, provided, however, that, once Business has been properly brought before the annual meeting in accordance with such procedures, nothing in this ARTICLE ~~TWENTY-SEVENTH~~TWENTY- SEVENTH shall be deemed to preclude discussion by any stockholder of any such Business. ~~If the~~The chairman of an annual meeting ~~determines that~~(or, in advance of any annual meeting of stockholders, the board of directors) shall determine whether business was ~~not~~ properly brought before the annual meeting in accordance with the foregoing procedures, ~~the chairman of the meeting may declare to the meeting that the~~and, if the business was not properly brought ~~before the meeting and such~~in compliance with the foregoing procedures, declare that the business shall not be transacted.

Notwithstanding the foregoing provisions of ARTICLE TWENTY-SEVENTH, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations thereunder with respect to the matters set forth in these by-laws; provided, however, that any references in these by-laws to the Exchange Act or the rules promulgated thereunder are not intended to and shall not limit the requirements of these by-laws applicable to nominations or proposals as to any other business to be considered pursuant to these by-laws, regardless of the stockholder's intent to utilize Rule 14a-8 under the Exchange Act or other federal laws or rules. Nothing in these by-laws shall be deemed to affect any rights (i) of stockholders to request inclusion of proposals in the corporation's proxy statement pursuant to Rule 14a-8 under the Exchange Act or (ii) of the holders of any series of preferred stock if and to the extent required by law, the certificate of incorporation or these by-laws.

FORUM SELECTION

TWENTY-EIGHTH: Unless the corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by law, the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee of the

corporation to the corporation or the corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, or (iv) any action asserting a claim governed by the internal affairs doctrine (the actions or proceedings described in clauses (i) through (iv) of this ARTICLE TWENTY-EIGHTH, collectively, an "Intracorporate Proceeding") shall be the Court of Chancery of the State of Delaware (or if the Court of Chancery does not have jurisdiction, another state court located within the State of Delaware or, if no state court located within the jurisdiction has jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court's having personal jurisdiction over the indispensable parties named as defendants. Any person or entity purchasing or otherwise acquiring any interest in shares of the capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this ARTICLE TWENTY-EIGHTH. Unless the corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act of 1933, as amended from time to time.

COST AND EXPENSES

TWENTY-NINTH: To the fullest extent permitted by law, each stockholder will be liable to the corporation (and any subsidiaries or affiliates thereof) for, and indemnify and hold harmless the corporation (and any subsidiaries or affiliates thereof) from and against, all costs, expenses, penalties, fines or other amounts, including without limitation, reasonable attorneys' and other professional fees, whether third party or internal, arising from such stockholder's breach of or failure to fully comply with any covenant, condition or provision of these by-laws or the certificate of incorporation of the corporation (including, without limitation, ARTICLE TWENTY-SIXTH through ARTICLE TWENTY-NINTH of these by-laws) or any action by or against the corporation (or any subsidiaries or affiliates thereof), including without limitation, any derivative action or proceeding brought on behalf of the corporation or any other Intracorporate Proceeding in which such stockholder is not the prevailing party, and shall pay such amounts to such indemnitee on demand, together with interest on such amounts, which interest will accrue at the lesser of the corporation's highest marginal borrowing rate and the maximum amount permitted by law, from the date such costs or the like are incurred until the receipt of payment.

AMENDMENTS OF BY-LAWS

THIRTIETH: ~~TWENTY-NINTH:~~ These by-laws may be amended, altered, repealed, or added to at any regular meeting of the stockholders or board of directors or at any special meeting called for that purpose, by affirmative vote of a majority of the stock issued and outstanding and entitled to vote or of a majority of the directors in office, as the case may be.

CERTIFICATIONS

I, Ben M. Palmer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marine Products Corporation;
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: July 24, 2025

/s/ Ben M. Palmer

Ben M. Palmer
President and Chief Executive Officer
(Principal Executive Officer)

CERTIFICATIONS

I, Michael L. Schmit, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Marine Products Corporation;
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: July 24, 2025

/s/ Michael L. Schmit

Michael L. Schmit
Vice President, Chief Financial Officer, and Corporate Secretary
(Principal Financial and Accounting Officer)

CERTIFICATION OF PERIODIC FINANCIAL REPORTS PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

To the best of their knowledge the undersigned hereby certify that the Quarterly Report on Form 10-Q of Marine Products Corporation for the period ended June 30, 2025, fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934 (15 U.S.C. Sec. 78m) and that the information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of Marine Products Corporation.

Date: July 24, 2025

/s/ Ben M. Palmer

Ben M. Palmer
President and Chief Executive Officer
(Principal Executive Officer)

Date: July 24, 2025

/s/ Michael L. Schmit

Michael L. Schmit
Vice President, Chief Financial Officer and Corporate Secretary
(Principal Financial and Accounting Officer)
