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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2020

or

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

For the transition period from ___________ to ___________

Commission File Number: 001-35493

STEEL PARTNERS

STEEL PARTNERS HOLDINGS L.P.

(Exact Name of Registrant as Specified in its Charter)

Delaware	**13-3727655**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)
590 Madison Avenue, 32nd Floor **New York, New York**	**10022**
(Address of Principal Executive Offices)	(Zip Code)

(212) 520-2300
(Registrant's Telephone Number, Including Area Code)

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

Title of Each Class	Trading Symbols	Name of Each Exchange on which Registered
Common Units, $0 par	SPLP	New York Stock Exchange
6.0% Series A Preferred Units	SPLP-PRA	New York Stock Exchange

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

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

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

Large accelerated filer ☐	Accelerated filer ☑
Non-accelerated filer ☐	Smaller reporting company ☑
	Emerging growth company ☐

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

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

The number of common units outstanding as of August 6, 2020 was 24,948,713.

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PART I - FINANCIAL INFORMATION
Item 1. Financial Statements

STEEL PARTNERS HOLDINGS L.P.
Consolidated Balance Sheets
(unaudited)
(in thousands, except common units)

	June 30, 2020	December 31, 2019
ASSETS		
Current assets:		
Cash and cash equivalents	$ 107,083	$ 139,467
Marketable securities	155	220
Trade and other receivables - net of allowance for doubtful accounts of $3,232 and $2,512, respectively	163,486	175,043
Receivables from related parties	2,875	2,221
Loans receivable, including loans held for sale of $71,378 and $225,013, respectively, net	321,987	546,908
Inventories, net	143,923	151,641
Prepaid expenses and other current assets	32,172	33,689
Assets of discontinued operations	—	41,012
Total current assets	771,681	1,090,201
Long-term loans receivable, net	2,250,656	196,145
Goodwill	151,931	149,626
Other intangible assets, net	148,643	158,593
Deferred tax assets	94,552	88,645
Other non-current assets	45,000	70,616
Property, plant and equipment, net	238,109	250,225
Operating lease right-of-use assets	31,756	34,324
Long-term investments	214,719	275,836
Assets of discontinued operations	—	18,143
Total Assets	$ 3,947,047	$ 2,332,354
LIABILITIES AND CAPITAL		
Current liabilities:		
Accounts payable	$ 107,936	$ 85,817
Accrued liabilities	72,739	114,941
Deposits	362,286	615,495
Payables to related parties	687	481
Short-term debt	357	1,800
Current portion of long-term debt	14,035	14,208
Current portion of preferred unit liability	—	39,782
Other current liabilities	88,806	42,041
Liabilities of discontinued operations	—	21,256
Total current liabilities	646,846	935,821
Long-term deposits	95,717	139,222
Long-term debt	350,653	322,081
Other borrowings	2,032,236	—
Preferred unit liability	145,544	144,247
Accrued pension liabilities	183,230	183,228
Deferred tax liabilities	—	2,497
Long-term operating lease liabilities	24,649	26,458
Other non-current liabilities	38,883	14,556
Liabilities of discontinued operations	—	87,825
Total Liabilities	3,517,758	1,855,935
Commitments and Contingencies		
Capital:		
Partners' capital common units: 24,929,253 and 25,023,128 issued and outstanding (after deducting 12,647,864 and 12,647,864 units held in treasury, at cost of $198,781 and $198,781), respectively	600,578	664,035
Accumulated other comprehensive loss	(175,504)	(191,422)
Total Partners' Capital	425,074	472,613
Noncontrolling interests in consolidated entities	4,215	3,806
Total Capital	429,289	476,419
Total Liabilities and Capital	$ 3,947,047	$ 2,332,354

See accompanying Notes to Consolidated Financial Statements

STEEL PARTNERS HOLDINGS L.P.
Consolidated Statements of Operations
(unaudited)
(in thousands, except common units and per common unit data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue:				
Diversified industrial net sales	$ 252,172	$ 300,049	$ 514,472	$ 580,970
Energy net revenue	14,302	43,532	52,904	82,518
Financial services revenue	28,963	42,134	75,961	78,040
Total revenue	295,437	385,715	643,337	741,528
Costs and expenses:				
Cost of goods sold	195,199	252,548	416,278	491,015
Selling, general and administrative expenses	74,936	97,430	151,600	179,753
Asset impairment charges	—	190	617	190
Finance interest expense	3,475	4,201	6,909	8,125
Provision for loan losses	14,253	12,715	40,390	21,185
Interest expense	7,722	10,272	16,037	20,477
Realized and unrealized losses (gains) on securities, net	8,482	(36,377)	26,484	(38,486)
Other (income) expense, net	(2,000)	(1,132)	(2,967)	18
Total costs and expenses	302,067	339,847	655,348	682,277
(Loss) income from continuing operations before income taxes and equity method investments	(6,630)	45,868	(12,011)	59,251
Income tax (benefit) provision	(1,320)	14,798	(4,749)	17,800
(Income) loss of associated companies, net of taxes	(4,893)	7,118	29,614	(2,263)
Net (loss) income from continuing operations	(417)	23,952	(36,876)	43,714
Discontinued operations (see Note 3)				
Loss from discontinued operations, net of taxes	(280)	(2,918)	(2,581)	(7,058)
Net loss on deconsolidation of discontinued operations	(980)	—	(23,827)	—
Loss from discontinued operations, net of taxes	(1,260)	(2,918)	(26,408)	(7,058)
Net (loss) income	(1,677)	21,034	(63,284)	36,656
Net (income) loss attributable to noncontrolling interests in consolidated entities (continuing operations)	(191)	29	(321)	85
Net (loss) income attributable to common unitholders	$ (1,868)	$ 21,063	$ (63,605)	$ 36,741
Net (loss) income per common unit - basic				
Net (loss) income from continuing operations	$ (0.02)	$ 0.96	$ (1.49)	$ 1.75
Net loss from discontinued operations	(0.05)	(0.12)	(1.06)	(0.28)
Net (loss) income attributable to common unitholders	$ (0.07)	$ 0.84	$ (2.55)	$ 1.47
Net (loss) income per common unit - diluted				
Net (loss) income from continuing operations	$ (0.02)	$ 0.69	$ (1.49)	$ 1.27
Net loss from discontinued operations	(0.05)	(0.08)	(1.06)	(0.18)
Net (loss) income attributable to common unitholders	$ (0.07)	$ 0.61	$ (2.55)	$ 1.09
Weighted-average number of common units outstanding - basic	24,958,026	24,982,728	24,989,440	24,915,446
Weighted-average number of common units outstanding - diluted	24,958,026	39,138,599	24,989,440	39,158,510

See accompanying Notes to Consolidated Financial Statements

STEEL PARTNERS HOLDINGS L.P.
Consolidated Statements of Comprehensive (Loss) Income
(unaudited)
(in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net (loss) income	$ (1,677)	$ 21,034	$ (63,284)	$ 36,656
Other comprehensive income (loss), net of taxes:				
Gross unrealized (losses) gains on derivative financial instruments	—	(425)	—	93
Currency translation adjustments	1,373	(1,797)	(1,563)	(494)
Other comprehensive income (loss)	1,373	(2,222)	(1,563)	(401)
Comprehensive (loss) income	(304)	18,812	(64,847)	36,255
Comprehensive (income) loss attributable to noncontrolling interests	(191)	29	(321)	85
Comprehensive (loss) income attributable to common unitholders	$ (495)	$ 18,841	$ (65,168)	$ 36,340

See accompanying Notes to Consolidated Financial Statements

STEEL PARTNERS HOLDINGS L.P.
Consolidated Statements of Changes in Capital
(unaudited)
(in thousands, except common units and treasury units)

	Steel Partners Holdings L.P. Common Unitholders							
	Common Units	Treasury Units - Units	Treasury Units - Dollars	Partners' Capital	Accumulated Other Comprehensive Loss	Total Partners' Capital	Noncontrolling Interests in Consolidated Entities	Total Capital
Balance as of December 31, 2019	37,670,992	(12,647,864)	$ (198,781)	$ 664,035	$ (191,422)	$ 472,613	$ 3,806	$ 476,419
Net (loss) income	—	—	—	(61,737)	—	(61,737)	130	(61,607)
Currency translation adjustments	—	—	—	—	(2,936)	(2,936)	—	(2,936)
Equity compensation - restricted units	(9,854)	—	—	104	—	104	—	104
Deconsolidation of API (see Note 3)	—	—	—	—	17,481	17,481	—	17,481
Other, net	—	—	—	(2)	—	(2)	60	58
Balance as of March 31, 2020	37,661,138	(12,647,864)	(198,781)	602,400	(176,877)	425,523	3,996	429,519
Net (loss) income	—	—	—	(1,868)	—	(1,868)	191	(1,677)
Currency translation adjustments	—	—	—	—	1,373	1,373	—	1,373
Equity compensation - restricted units	(84,021)	—	—	49	—	49	—	49
Other, net	—	—	—	(3)	—	(3)	28	25
Balance as of June 30, 2020	37,577,117	(12,647,864)	$ (198,781)	$ 600,578	$ (175,504)	$ 425,074	$ 4,215	$ 429,289

STEEL PARTNERS HOLDINGS L.P.
Consolidated Statements of Changes in Capital
(unaudited)
(in thousands, except common units and treasury units)

	Steel Partners Holdings L.P. Common Unitholders							
	Common	Treasury Units		Partners'	Accumulated Other Comprehensive	Total Partners'	Noncontrolling Interests in Consolidated	Total
	Units	Units	Dollars	Capital	Loss	Capital	Entities	Capital
Balance as of December 31, 2018	37,436,531	(12,142,528)	$ (192,060)	$ 666,031	$ (177,244)	$ 488,787	$ 3,721	$ 492,508
Net income (loss)	—	—	—	15,678	—	15,678	(56)	15,622
Unrealized gains on derivative financial instruments	—	—	—	—	518	518	—	518
Currency translation adjustments	—	—	—	—	1,303	1,303	—	1,303
Equity compensation - restricted units	170,000	—	—	164	—	164	—	164
Purchases of SPLP common units	—	(505,336)	(6,721)	(6,721)	—	(6,721)	—	(6,721)
Balance as of March 31, 2019	37,606,531	(12,647,864)	(198,781)	675,152	(175,423)	499,729	3,665	503,394
Net income (loss)	—	—	—	21,063	—	21,063	(29)	21,034
Unrealized losses on derivative financial instruments	—	—	—	—	(425)	(425)	—	(425)
Currency translation adjustments	—	—	—	—	(1,797)	(1,797)	—	(1,797)
Equity compensation - restricted units	52,475	—	—	227	—	227	—	227
Other, net	—	—	—	(22)	—	(22)	—	(22)
Balance as of June 30, 2019	37,659,006	(12,647,864)	$ (198,781)	$ 696,420	$ (177,645)	$ 518,775	$ 3,636	$ 522,411

See accompanying Notes to Consolidated Financial Statements

STEEL PARTNERS HOLDINGS L.P.
Consolidated Statements of Cash Flows
(unaudited)
(in thousands)

	Six Months Ended June 30,	
	2020	**2019**
Cash flows from operating activities:		
Net (loss) income from continuing operations	$ (36,876)	$ 43,714
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Provision for loan losses	40,390	21,185
Loss (income) of associated companies, net of taxes	29,614	(2,263)
Realized and unrealized losses (gains) on securities, net	26,484	(38,486)
Derivative gains on economic interests in loans	(2,660)	(6,677)
Deferred income taxes	(7,209)	12,759
Depreciation and amortization	32,480	32,659
Non-cash lease expense	4,743	5,751
Equity-based compensation	256	391
Asset impairment charges	617	190
Other	2,409	602
Net change in operating assets and liabilities:		
Trade and other receivables	11,354	(46,925)
Inventories	6,714	(1,549)
Prepaid expenses and other assets	1,746	(4,017)
Accounts payable, accrued and other liabilities	(3,805)	26,294
Net decrease in loans held for sale	153,635	10,072
Net cash provided by operating activities - continuing operations	259,892	53,700
Net cash used in operating activities - discontinued operations	(1,671)	(8,100)
Total cash provided by operating activities	258,221	45,600
Cash flows from investing activities:		
Purchases of investments	(6,363)	(62,750)
Proceeds from sales of investments	2,327	—
Proceeds from maturities of investments	27,206	51,656
Loan originations, net of collections	(2,023,616)	(106,523)
Purchases of property, plant and equipment	(11,035)	(16,410)
Proceeds from sales of assets	3,067	267
Settlement of short positions, net	—	(14,611)
Acquisitions	(3,500)	(45,559)
Net cash used in investing activities - continuing operations	(2,011,914)	(193,930)
Net cash used in investing activities - discontinued operations	—	(1,734)
Net cash used in investing activities	(2,011,914)	(195,664)
Cash flows from financing activities:		
Net revolver borrowings	33,654	(26,297)
Net repayments of term loans	(6,477)	(2,389)
Purchases of the Company's common units	—	(6,721)
Net increase in other borrowings	2,032,236	—
Redemption of SPLP preferred units	(40,000)	—
Deferred finance charges	(1,474)	(815)
Net (decrease) increase in deposits	(296,714)	39,820
Net cash provided by financing activities - continuing operations	1,721,225	3,598
Net cash provided by financing activities - discontinued operations	—	5,406
Net cash provided by financing activities	1,721,225	9,004
Net change for the period	(32,468)	(141,060)
Effect of exchange rate changes on cash and cash equivalents	84	(87)
Cash, cash equivalents and restricted cash at beginning of period	139,467	347,318
Cash, cash equivalents and restricted cash at end of period	$ 107,083	$ 206,171

See accompanying Notes to Consolidated Financial Statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

All amounts used in the Notes to Consolidated Financial Statements are in thousands, except common and preferred units, per common and preferred unit, and share and per share data.

1. NATURE OF THE BUSINESS AND BASIS OF PRESENTATION

Nature of the Business

Steel Partners Holdings L.P. ("SPLP" or "Company") is a diversified global holding company that engages in multiple businesses through consolidated subsidiaries and other interests. It owns and operates businesses and has significant interests in various companies, including diversified industrial products, energy, defense, supply chain management and logistics, direct marketing, banking and youth sports. SPLP operates through the following segments: Diversified Industrial, Energy, Financial Services, and Corporate and Other, which are managed separately and offer different products and services. For additional details related to the Company's reportable segments, see Note 18 - "Segment Information." Steel Partners Holdings GP Inc. ("SPH GP"), a Delaware corporation, is the general partner of SPLP and is wholly-owned by SPLP. The Company is managed by SP General Services LLC ("Manager"), pursuant to the terms of an amended and restated management agreement ("Management Agreement") discussed in further detail in Note 17 - "Related Party Transactions."

Risks and Uncertainties

In March 2020, the World Health Organization categorized COVID-19 as a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The spread of the outbreak has caused significant disruptions in the U.S. and global economies, and economists expect the impact will be significant during the remainder of 2020. The Company is subject to risks and uncertainties as a result of the COVID-19 pandemic. The Company continues to evaluate the global risks and the slowdown in business activity related to COVID-19, including the potential impacts on its employees, customers, suppliers and financial results. As the situation surrounding COVID-19 remains fluid, it is expected to continue having a negative impact to the Company, however, it is difficult to predict the duration of the pandemic and its continued impact on the Company's business, operations, financial condition and cash flows. There is no certainty that federal, state or local regulations regarding safety measures to address the spread of COVID-19 will not adversely impact the Company's operations. As the COVID-19 pandemic progressed, the Company initiated cost reduction actions, including the waiver of management and board fees, hiring freezes, employee furloughs, staffing and force reductions, salary reductions, bonus payment deferrals and 401(k) match suspension to help mitigate the financial impact of the COVID-19 pandemic. The Company also froze all discretionary spend, implemented strict approvals for capital expenditures and is aggressively managing working capital. The Company continues to evaluate further actions as circumstances warrant.

The COVID-19 pandemic has adversely affected our consolidated financial results for the first six months of 2020. We anticipate COVID-19 may continue to have an adverse impact on our business through the third quarter and potentially beyond. While the Company developed and implemented, and continues to develop and implement, health and safety protocols, business continuity plans and crisis management protocols in an effort to try to mitigate the negative impact of COVID-19 to its employees and business, the severity of the impact of the COVID-19 pandemic on the Company's business in the remaining quarters of 2020 and beyond will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic, governmental actions that have been taken, or may be taken in the future, in response to the pandemic, and the extent and severity of the impact on the Company's customers and suppliers, all of which are uncertain and cannot be predicted. The Company's future results of operations and liquidity could be adversely impacted by delays in payments of outstanding receivable amounts beyond normal payment terms, supply chain disruptions and uncertain demand, and the impact of any initiatives or programs that the Company may undertake to address financial and operations challenges faced by its customers. As of the date of issuance of these consolidated financial statements, the extent to which the COVID-19 pandemic may materially impact the Company's financial condition, liquidity or results of operations is uncertain.

Basis of Presentation

The accompanying unaudited consolidated financial statements as of June 30, 2020 and for the three and six month periods ended June 30, 2020 and 2019, which have been prepared by the Company in accordance with the rules and regulations of the Securities and Exchange Commission ("SEC") for interim periods, include the accounts of the Company and its consolidated subsidiaries. In the opinion of management, all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation have been reflected herein. The results of operations for the three and six months ended June 30, 2020 are not necessarily indicative of the operating results for the full year. The accompanying unaudited consolidated financial statements should be read in conjunction with the Company's audited consolidated financial statements on Form 10-K for the year ended December 31, 2019, from which the consolidated balance sheet as of December 31, 2019 has been derived.

Certain financial information that is normally included in annual financial statements prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP"), but is not required for interim reporting purposes, has been condensed or omitted. Management must make estimates and assumptions that affect the consolidated financial statements and the related footnote disclosures. While management uses its best judgment, actual results may differ from those estimates. Certain reclassifications have been made to the prior period financial statements and notes to conform to the current period presentation.

On January 31, 2020, the Company announced that API Group Limited and certain of its affiliates commenced administration proceedings in the United Kingdom. The purpose of the administration proceedings is to facilitate an orderly sale or wind-down of its United Kingdom operations, which include API Laminates Limited and API Foils Holdings Limited. In the United States, API Americas Inc. voluntarily filed for Chapter 11 proceedings in Bankruptcy Court on February 2, 2020, in order to facilitate the sale or liquidation of its U.S. assets. The API entities (collectively, "API") were wholly-owned subsidiaries of the Company and were included in the Diversified Industrial segment. The Company deconsolidated API on January 31, 2020 as it no longer held a controlling financial interest as of that date. The results of API's operations are included in Discontinued operations in the accompanying statements of operations. The assets and liabilities of API as of December 31, 2019, prior to their deconsolidation, are included in Assets and Liabilities of discontinued operations, respectively, in the accompanying consolidated balance sheet. All amounts associated with API have been removed from the Company's financial statements and footnotes, and reported in discontinued operations.

During the second quarter of 2020, the Company determined that the trade receivables balance within its Energy segment was overstated. The overstatement relates primarily to trade receivables recorded prior to the current fiscal year, which have been determined to be uncollectible. To correct the overstatement, the Company recorded an adjustment for the three months ended June 30, 2020 to reduce Trade and other receivables – net of allowance for doubtful accounts and increase Selling, general and administrative expenses by $3,400, respectively.

All references made to financial data in this Quarterly Report on Form 10-Q are to the Company's continuing operations, unless specifically noted. See Note 3 - "Discontinued Operations" for additional information.

Adoption of New Accounting Standards

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. ("ASU") 2018-13, *Fair Value Measurement (Topic 820): Disclosure Framework-Changes to the Disclosure Requirements for Fair Value Measurement.* ASU 2018-13 modifies the disclosure requirements on fair value measurements. The Company adopted ASU 2018-13 on January 1, 2020. Because ASU 2018-13 affects disclosure only, the adoption of this standard did not have a material impact on the Company's consolidated financial statements.

Accounting Standards Not Yet Effective

In June 2016, the FASB issued ASU 2016-13, *Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments.* This new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including trade receivables, from an incurred loss model to an expected loss model and adds certain new required disclosures. Under the expected loss model, entities will recognize estimated credit losses over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred. In May 2019, the FASB issued ASU 2019-05, *Financial Instruments-Credit Losses (Topic 326): Targeted Transition Relief.* ASU 2019-05 provides entities with an option to irrevocably elect the fair value option, applied on an instrument-by-instrument basis for eligible instruments, that are within the scope of Subtopic 326-20, upon the adoption of Topic 326. The fair value option election does not apply to held-to-maturity debt securities. The new standards were to be effective for the Company's 2020 fiscal year with early adoption permitted for all entities in fiscal years beginning after December 15, 2018. In November 2019, the FASB issued ASU 2019-10, *Financial Instruments-Credit Losses (Topic 326), Derivatives and Hedging (Topic 815), and Leases (Topic 842): Effective Dates*. This new standard amended the effective date of Topic 326 for smaller reporting companies until January 1, 2023. A company's determination about whether it is eligible to be a smaller reporting company is based on its most recent determination as of November 15, 2019, in accordance with SEC regulations. As of this date, the Company met the SEC definition of a smaller reporting company. Therefore, the Company will not be required to adopt Topic 326 until January 1, 2023. The Company is currently evaluating the potential impact of this new guidance; however, it expects that it could have a significant impact on the Company's allowance for loan losses ("ALLL").

In August 2018, the FASB issued ASU 2018-14, *Compensation-Retirement Benefits-Defined Benefit Plans-General (Subtopic 715-20): Disclosure Framework-Changes to the Disclosure Requirements for Defined Benefit Plans.* ASU 2018-14 modifies the disclosure requirements for employers that sponsor defined benefit pension and other post-retirement plans. The amendments in ASU 2018-14 are effective for the Company's 2021 fiscal year. Because ASU 2018-14 affects disclosure only, management does not expect that the adoption of this standard will have a material impact on the Company's consolidated financial statements.

In December 2019, the FASB issued ASU 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes.* ASU 2019-12 removes specific exceptions to the general principles in Topic 740 in order to reduce the complexity of its application. ASU 2019-12 also improves consistency and simplifies existing guidance by clarifying and amending certain specific areas of Topic 740. The amendments in ASU 2019-12 are effective for the Company's 2021 fiscal year although early adoption is permitted. The Company is currently evaluating the potential impact of this new guidance.

In January 2020, the FASB issued ASU 2020-01, *Investments-Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815): Clarifying the Interactions between Topic 321, Topic 323, and Topic 815.* ASU 2020-01 clarifies the interaction between accounting standards related to equity securities, equity method investments and certain derivatives, and is expected to reduce diversity in practice and increase comparability of the accounting for these interactions. The amendments in ASU 2020-01 are effective for the Company's 2021 fiscal year, including interim periods. The Company is currently evaluating the potential impact of this new guidance, but management does not expect that the adoption of this standard will have a material impact on the Company's consolidated financial statements.

In March 2020, the FASB issued ASU 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. ASU 2020-04 is intended to provide temporary optional expedients and exceptions for applying U.S. GAAP to contracts, hedging relationships and other transactions affected by the discontinuation of the London Interbank Offered Rate, known as LIBOR, or by another reference rate expected to be discontinued. This guidance is effective beginning on March 12, 2020, and the Company may elect to apply the amendments prospectively through December 31, 2022. The Company is currently evaluating the impact this guidance may have on its consolidated financial statements and related disclosures.

2. REVENUES

Disaggregation of Revenues

Revenues are disaggregated at the Company's segment level since the segment categories depict how the nature, amount, timing and uncertainty of revenues and cash flows are affected by economic factors. For additional details related to the Company's reportable segments, see Note 18 - "Segment Information."

The following table presents the Company's revenues disaggregated by geography for the three and six months ended June 30, 2020 and 2019. The Company's revenues are primarily derived domestically. Foreign revenues are based on the country in which the legal subsidiary generating the revenue is domiciled. Revenue from any single foreign country was not material to the Company's consolidated financial statements.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
United States	$ 274,518	$ 364,743	$ 602,807	$ 698,961
Foreign [(a)]	20,919	20,972	40,530	42,567
Total revenue	$ 295,437	$ 385,715	$ 643,337	$ 741,528

(a) For the three and six months ended June 30, 2020 and 2019, foreign revenues were primarily related to the Company's Dunmore Europe GmbH business, which is domiciled in Germany.

Contract Balances

Differences in the timing of revenue recognition, billings and cash collections result in billed trade receivables, unbilled receivables (contract assets) and deferred revenue (contract liabilities) on the consolidated balance sheets.

Contract Assets

Unbilled receivables arise when the timing of billings to customers differs from the timing of revenue recognition, such as when the Company recognizes revenue over time before a customer can be billed. Contract assets are classified as Prepaid expenses and other current assets on the consolidated balance sheets. As of June 30, 2020 and December 31, 2019, the contract asset balance was $9,982 and $10,749, respectively.

Contract Liabilities

The Company records deferred revenues when cash payments are received or due in advance of the Company's performance, including amounts that are refundable, which are recorded as contract liabilities. Contract liabilities are classified as Other current liabilities on the consolidated balance sheets, based on the timing of when the Company expects to recognize revenue. As of June 30, 2020 and December 31, 2019, the contract liability balance was $7,885 and $6,737, respectively. The increase in the six months ended June 30, 2020 was primarily due to the deferral of revenue of $7,579 offset by the recognition of $6,431 of unearned revenue.

3. DISCONTINUED OPERATIONS

On January 31, 2020, the Company announced that API Group Limited and certain of its affiliates commenced administration proceedings in the United Kingdom. The purpose of the administration proceedings is to facilitate an orderly sale or wind-down of its United Kingdom operations, which include API Laminates Limited and API Foils Holdings Limited. In the United States, API Americas Inc. voluntarily filed for Chapter 11 proceedings in Bankruptcy Court on February 2, 2020, in order to facilitate the sale or liquidation of its U.S. assets. The API entities were wholly-owned subsidiaries of the Company and part of the Diversified Industrial segment. The Company deconsolidated API on January 31, 2020 as it no longer held a controlling financial interest as of that date. The Company recorded a net loss from discontinued operations, net of taxes, of $1,260 and $26,408 for the three and six months ended June 30, 2020, respectively.

The components of Loss from discontinued operations, net of taxes in the accompanying consolidated statement of operations are:

	Three Months Ended June 30, 2020	Six Months Ended June 30, 2020
Gain upon initial deconsolidation of API	$ —	$ 29,637
Loss from guarantee liability	(980)	(53,464)
Loss from operations of discontinued operation	(280)	(2,581)
Net loss on deconsolidation of API	$ (1,260)	$ (26,408)

The gain upon initial deconsolidation of $29,637 is based primarily on the Company's carrying value of API's assets, liabilities and accumulated other comprehensive loss at the time of deconsolidation. All amounts associated with API have been removed from the Company's financial statements and footnotes, and reported in discontinued operations as described herein.

As of the date of deconsolidation, API held approximately $69,220 of principal loans under the Company's senior credit agreement described in Note 9 - "Debt." Under the terms of the credit agreement, the Company and certain consolidated subsidiaries are guarantors, and accordingly, are responsible for the ultimate repayment of these loans. If the net proceeds from the sale of the assets of API are not sufficient to fully repay the loans, the Company will be responsible for any shortfall in their repayment, potentially up to their full outstanding balance. The Company recorded a guarantee liability of $53,464 as of June 30, 2020, which represents the Company's total estimated debt repayment obligation after considering actual and estimated recoveries from the sales of API's businesses and assets. The guarantee liability is included in Other current liabilities in the accompanying consolidated balance sheet as of June 30, 2020. The loss related to the guarantee is included in Net loss on deconsolidation of discontinued operations in the accompanying consolidated statement of operations for the three and six months ended June 30, 2020. Changes in the amount of the guarantee will be recorded in Net loss on deconsolidation of discontinued operations until the earlier of such time that the API debt has been repaid from the proceeds from the sale of API's businesses and assets or when the Company becomes the obligor of the debt upon completion of API's administration and bankruptcy proceedings, which are expected to be substantially completed by December 31, 2020. If the Company becomes the obligor of the debt, the guarantee liability will be removed from the Company's consolidated balance sheet, and the Company will record debt at that time for the amount of the remaining outstanding debt obligation. The Company will continue to pay interest monthly on API's outstanding debt until the debt has been repaid in full. Monthly interest is approximately $130.

On February 2, 2020, the Company became obligor to API's U.S. pension plans. Accordingly, the Company retained the previously recorded API pension obligation liability of approximately $5,238. These obligations remain recorded in Accrued pension liabilities in the accompanying consolidated balance sheet as of June 30, 2020.

The following represents the detail of Loss from discontinued operations, net of taxes in the accompanying consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue:	$ —	$ 28,488	$ 6,388	$ 59,728
Costs and expenses:				
Cost of goods sold	—	26,381	6,085	54,675
Selling, general and administrative expenses	280	4,916	2,499	10,957
Other expenses, net	—	189	385	1,275
Total costs and expenses	280	31,486	8,969	66,907
Loss before income taxes	(280)	(2,998)	(2,581)	(7,179)
Income tax benefit	—	80	—	121
Net loss	$ (280)	$ (2,918)	$ (2,581)	$ (7,058)

The following is a summary of the assets and liabilities of discontinued operations:

Assets	December 31, 2019
Current assets:	
Cash and cash equivalents	$ 8,881
Trade and other receivables	13,367
Inventories, net	16,192
Prepaid expenses and other current assets	2,572
Total current assets	41,012
Other non-current assets	50
Property, plant and equipment, net	12,052
Operating lease right-of-use-assets	6,041
Total Assets	$ 59,155
Liabilities	
Current liabilities:	
Accounts payable	$ 14,027
Accrued liabilities	4,701
Short-term debt	1,397
Other current liabilities	1,131
Total current liabilities	21,256
Long-term debt	69,055
Accrued pension liabilities	12,849
Deferred tax liabilities	1,117
Long-term operating lease liabilities	4,804
Total Liabilities	$ 109,081

On the date of the deconsolidation, the Company believes that API became a variable interest entity. As described above, as of this date the Company no longer held a controlling financial interest in API as it lacked significant decision-making ability. Therefore, the Company is not the primary beneficiary of API. The Company's total exposure to loss primarily relates to API's debt and is described above.

4. ACQUISITIONS

On April 1, 2019, the Company, through its wholly-owned subsidiary, WebBank, completed the acquisition of National Partners PFco, LLC ("National Partners"), located in Denver, Colorado, for consideration of $47,725, which includes assumed debt, including debt with a third-party that WebBank had a preexisting $10,000 participation, and was subject to a potential earn-out based on future performance. The earn-out expired on June 30, 2020 and was not paid out as the performance requirements were not met. National Partners provides commercial premium finance solutions for national insurance brokerages, independent insurance agencies and insureds in key markets throughout the United States. National Partners is included with WebBank in the Company's Financial Services segment. In connection with the acquisition, the Company recorded trade and other receivables, other intangible assets and goodwill associated with the acquisition, totaling approximately $37,195, $2,230 and $6,515, respectively, as well as other assets and liabilities. Other intangible assets consist of agent relationships of $1,800 and trade names of $430. The goodwill from the acquisition consists largely of the synergies expected from combining the operations of the two businesses. The goodwill of $6,515 is expected to be deductible for income tax purposes. The final purchase price and purchase price allocation of National Partners were finalized as of April 1, 2020, with no significant changes to preliminary amounts.

On January 23, 2020, the Company, through its wholly-owned subsidiary, OMG, Inc., completed the acquisition of Metallon, Inc. ("Metallon"), which is in the business of manufacturing plugs for the composite exterior deck market, for a cash purchase price of $3,500. The assets acquired included goodwill of $2,300, intangible assets, primarily unpatented technology, of $800 and property, plant and equipment of $400. No liabilities or contingent consideration were included in the acquisition. Prior to the acquisition, Metallon was the exclusive supplier of plugs to OMG, Inc. for composite exterior decks, and this acquisition will provide OMG, Inc. with additional control of its supply chain, production costs and overall product margin. OMG, Inc. is included in the Company's Diversified Industrial segment. The goodwill of $2,300 is expected to be deductible for income tax purposes.

5. LOANS RECEIVABLE, INCLUDING LOANS HELD FOR SALE

Major classifications of loans receivable, including loans held for sale, held by WebBank, as of June 30, 2020 and December 31, 2019 are as follows:

	Total				Current		Non-current	
	June 30, 2020	%	December 31, 2019	%	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019
Loans held for sale	$ 71,378		$ 225,013		$ 71,378	$ 225,013	$ —	$ —
Commercial real estate loans	$ 617	— %	$ 659	— %	—	—	617	659
Commercial and industrial	2,347,005	92 %	251,349	45 %	238,359	233,510	2,108,646	17,839
Consumer loans	212,603	8 %	302,714	55 %	71,210	125,067	141,393	177,647
Total loans	2,560,225	100 %	554,722	100 %	309,569	358,577	2,250,656	196,145
Less:								
Allowance for loan losses	(58,960)		(36,682)		(58,960)	(36,682)	—	—
Total loans receivable, net	$ 2,501,265		$ 518,040		250,609	321,895	2,250,656	196,145
Loans receivable, including loans held for sale [(a)]					$ 321,987	$ 546,908	$ 2,250,656	$ 196,145

(a) The carrying value is considered to be representative of fair value because the rates of interest are not significantly different from market interest rates for instruments with similar maturities.

Loans with a carrying value of approximately $6,387 and $15,737 were pledged as collateral for potential borrowings as of June 30, 2020 and December 31, 2019, respectively. WebBank serviced $2,858 and $2,898 in loans for others as of June 30, 2020 and December 31, 2019, respectively.

WebBank sold loans classified as loans held for sale of $6,919,881 and $11,306,443 during the six months ended June 30, 2020 and 2019, respectively. The sold loans were derecognized from the consolidated balance sheets. Loans classified as loans held for sale primarily consist of consumer and small business loans. Amounts added to loans held for sale during the six months ended June 30, 2020 and 2019 were $6,768,053 and $11,296,371, respectively. The reduction in loans held for sale as of June 30, 2020 reflects the impact of reduced lending by WebBank's partners due to the economic impact of COVID-19. Such factors include WebBank's partners experiencing reduced sales volume, as well as tightening their credit policies due to the increase in the U.S. unemployment rates and other factors. This in turn has reduced the volume of loans being initiated by, and then sold by, WebBank.

Allowance for Loan Losses

The ALLL represents an estimate of probable and estimable losses inherent in the loan portfolio as of the balance sheet date. The amount of the ALLL is established by analyzing the portfolio at least quarterly, and a provision for or reduction of loan losses is recorded so that the ALLL is at an appropriate level at the balance sheet date. WebBank's ALLL increased $6,539, or 12%, during the second quarter of 2020, primarily driven by the impact of COVID-19. WebBank is observing and anticipating significant economic disruption and loan performance deterioration associated with the COVID-19 pandemic. WebBank believes this will have a broad negative impact on the macro-economy and will cause estimated credit losses to materially differ from historical loss experience.

Changes in the ALLL are summarized as follows:

	Commercial Real Estate Loans	Commercial & Industrial	Consumer Loans	Total
December 31, 2019	$ 24	$ 10,920	$ 25,738	$ 36,682
Charge-offs	—	(6,213)	(13,454)	(19,667)
Recoveries	11	319	1,225	1,555
Provision	(14)	16,885	23,519	40,390
June 30, 2020	$ 21	$ 21,911	$ 37,028	$ 58,960

The ALLL and outstanding loan balances according to the Company's impairment method are summarized as follows:

June 30, 2020	Commercial Real Estate Loans	Commercial & Industrial	Consumer Loans	Total
Allowance for loan losses:				
Individually evaluated for impairment	$ 11	$ 494	$ —	$ 505
Collectively evaluated for impairment	10	21,417	37,028	58,455
Total	$ 21	$ 21,911	$ 37,028	$ 58,960
Outstanding loan balances:				
Individually evaluated for impairment	$ 11	$ 2,729	$ —	$ 2,740
Collectively evaluated for impairment	606	2,344,276	212,603	2,557,485
Total	$ 617	$ 2,347,005	$ 212,603	$ 2,560,225

December 31, 2019	Commercial Real Estate Loans	Commercial & Industrial	Consumer Loans	Total
Allowance for loan losses:				
Individually evaluated for impairment	$ 12	$ 360	$ —	$ 372
Collectively evaluated for impairment	12	10,560	25,738	36,310
Total	$ 24	$ 10,920	$ 25,738	$ 36,682
Outstanding loan balances:				
Individually evaluated for impairment	$ 12	$ 2,706	$ —	$ 2,718
Collectively evaluated for impairment	647	248,643	302,714	552,004
Total	$ 659	$ 251,349	$ 302,714	$ 554,722

Nonaccrual and Past Due Loans

Commercial and industrial loans past due 90 days or more and still accruing interest were $11,298 and $4,962 at June 30, 2020 and December 31, 2019, respectively. Consumer loans past due 90 days or more and still accruing interest were $1,624 and $3,089 at June 30, 2020 and December 31, 2019, respectively. The Company did not have any nonaccrual loans at June 30, 2020 or December 31, 2019.

Past due loans (accruing and nonaccruing) are summarized as follows:

June 30, 2020	Current	30-89 Days Past Due	90+ Days Past Due	Total Past Due	Total Loans	Recorded Investment In Accruing Loans 90+ Days Past Due	Nonaccrual Loans That Are Current [(a)]
Commercial real estate loans	$ 617	$ —	$ —	$ —	$ 617	$ —	$ —
Commercial and industrial	2,324,547	11,160	11,298	22,458	2,347,005	11,298	—
Consumer loans	207,387	3,592	1,624	5,216	212,603	1,624	—
Total loans	$ 2,532,551	$ 14,752	$ 12,922	$ 27,674	$ 2,560,225	$ 12,922	$ —

December 31, 2019	Current	30-89 Days Past Due	90+ Days Past Due	Total Past Due	Total Loans	Recorded Investment In Accruing Loans 90+ Days Past Due	Nonaccrual Loans That Are Current [(a)]
Commercial real estate loans	$ 659	$ —	$ —	$ —	$ 659	$ —	$ —
Commercial and industrial	238,025	8,362	4,962	13,324	251,349	4,962	—
Consumer loans	292,394	7,231	3,089	10,320	302,714	3,089	—
Total loans	$ 531,078	$ 15,593	$ 8,051	$ 23,644	$ 554,722	$ 8,051	$ —

(a) Represents nonaccrual loans that are not past due more than 30 days; however, full payment of principal and interest is still not expected.

Credit Quality Indicators

In addition to the past due and nonaccrual criteria, loans are analyzed using a loan grading system. Generally, internal grades are assigned to commercial loans based on the performance of the loans, financial/statistical models and loan officer judgment. For consumer loans and some commercial and industrial loans, the primary credit quality indicator is payment status. Reviews and grading of loans with unpaid principal balances of $100 or more is performed once per year. Grades follow definitions of Pass, Special Mention, Substandard and Doubtful, which are consistent with published definitions of regulatory risk classifications. The definitions of Pass, Special Mention, Substandard and Doubtful are summarized as follows:

- *Pass*: An asset in this category is a higher quality asset and does not fit any of the other categories described below. The likelihood of loss is considered remote.
- *Special Mention*: An asset in this category has a specific weakness or problem but does not currently present a significant risk of loss or default as to any material term of the loan or financing agreement.
- *Substandard*: An asset in this category has a developing or currently minor weakness or weaknesses that could result in loss or default if deficiencies are not corrected or adverse conditions arise.
- *Doubtful*: An asset in this category has an existing weakness or weaknesses that have developed into a serious risk of significant loss or default with regard to a material term of the financing agreement.

Outstanding loan balances (accruing and nonaccruing) categorized by these credit quality indicators are summarized as follows:

June 30, 2020	Non - Graded	Pass	Special Mention	Sub-standard	Doubtful	Total Loans
Commercial real estate loans	$ —	$ 606	$ —	$ 11	$ —	$ 617
Commercial and industrial	238,501	2,102,247	3,527	2,032	698	2,347,005
Consumer loans	212,603	—	—	—	—	212,603
Total loans	$ 451,104	$ 2,102,853	$ 3,527	$ 2,043	$ 698	$ 2,560,225

December 31, 2019	Non - Graded	Pass	Special Mention	Sub-standard	Doubtful	Total Loans
Commercial real estate loans	$ —	$ 647	$ —	$ 12	$ —	$ 659
Commercial and industrial	234,560	14,083	—	2,706	—	251,349
Consumer loans	302,714	—	—	—	—	302,714
Total loans	$ 537,274	$ 14,730	$ —	$ 2,718	$ —	$ 554,722

Impaired Loans

Loans are considered impaired when, based on current information and events, it is probable that WebBank will be unable to collect all amounts due according to the contractual terms of the loan agreement, including scheduled interest payments. When loans are impaired, an estimate of the amount of the balance that is impaired is made and a specific reserve is assigned to the loan based on the estimated present value of the loan's future cash flows discounted at the loan's effective interest rate, the observable market price of the loan or the fair value of the loan's underlying collateral less the cost to sell. When the impairment is based on the fair value of the loan's underlying collateral, the portion of the balance that is impaired is charged off, such that these loans do not have a specific reserve in the ALLL. Payments received on impaired loans that are accruing are recognized in interest income, according to the contractual loan agreement. WebBank recognized $77 and $57 on impaired loans for the six months ended June 30, 2020 and 2019, respectively. Payments received on impaired loans that are on nonaccrual are not recognized in interest income, but are applied as a reduction to the principal outstanding. Payments are recognized when cash is received. Information on impaired loans is summarized as follows:

June 30, 2020	Unpaid Principal Balance	Recorded Investment: With No Allowance	Recorded Investment: With Allowance	Total Recorded Investment	Related Allowance	Average Recorded Investment
Commercial real estate loans	$ 11	$ —	$ 11	$ 11	$ 11	$ 12
Commercial and industrial	2,729	—	2,729	2,729	494	3,095
Total loans	$ 2,740	$ —	$ 2,740	$ 2,740	$ 505	$ 3,107

December 31, 2019	Unpaid Principal Balance	Recorded Investment: With No Allowance	Recorded Investment: With Allowance	Total Recorded Investment	Related Allowance	Average Recorded Investment
Commercial real estate loans	$ 12	$ —	$ 12	$ 12	$ 12	$ 14
Commercial and industrial	2,706	—	2,706	2,706	360	2,746
Total loans	$ 2,718	$ —	$ 2,718	$ 2,718	$ 372	$ 2,760

During the quarter ended June 30, 2020, WebBank began issuing loans under the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"), primarily with one of its lending partners, authorized under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The loans were funded by the PPP Liquidity Facility, have terms of between 2 and 5 years, and their repayment is guaranteed by the SBA. Payments by borrowers on the loans begin six months after the note date, and interest will continue to accrue during the six-month deferment at 1%. Loans can be forgiven in whole or part (up to full principal and any accrued interest) if certain criteria are met. Loan processing fees paid to WebBank from the SBA are accounted for as loan origination fees. Net deferred fees are recognized over the life of the loan as a yield adjustment on the loans. If a loan is paid off or forgiven by the SBA prior to its maturity date, the remaining unamortized deferred fees will be recognized in interest income at that time. The PPP loans are included in Commercial and industrial loans in the table above. As of June 30, 2020, the total PPP loans and associated liabilities are $2,096,006 and $2,032,236, respectively, and included in Long-term loans receivable, net, and Other borrowings, respectively, in the consolidated balance sheet as of June 30, 2020.

The Company is offering short-term loan modifications to assist borrowers during the COVID-19 pandemic. The CARES Act along with the interagency statement issued by the federal banking agencies provides that short-term modifications made in response to COVID-19 do not need to be accounted for as a troubled debt restructuring ("TDR"). Accordingly, the Company does not account for such loan modifications as TDRs. The Company's loan modifications allow for the deferral of up to 3 months of principal and interest. The deferred interest and principal is accrued and, the Company expects to collect this amount through the life of the loan. The program is ongoing, and additional loans continue to be granted deferrals. At June 30, 2020, the Company granted approximately 11,380 short–term deferments on loan balances of $31,143, which represent 1.25% of total loan balances as of June 30, 2020. These short–term deferments are not classified as TDRs and will not be reported as past due provided that they are performing in accordance with the modified terms.

6. INVENTORIES, NET

A summary of Inventories, net is as follows:

	June 30, 2020	December 31, 2019
Finished products	$ 42,460	$ 48,484
In-process	29,420	30,913
Raw materials	48,228	46,440
Fine and fabricated precious metal in various stages of completion	25,827	29,202
	145,935	155,039
LIFO reserve	(2,012)	(3,398)
Total	$ 143,923	$ 151,641

Fine and Fabricated Precious Metal Inventory

In order to produce certain of its products, the Company purchases, maintains and utilizes precious metal inventory. The Company records certain precious metal inventory at the lower of last-in-first-out ("LIFO") cost or market value, with any adjustments recorded through Cost of goods sold. Remaining precious metal inventory is accounted for primarily at fair value.

The Company obtains certain precious metals under a fee consignment agreement with the Bank of Montreal. As of June 30, 2020 and December 31, 2019, the Company had approximately $6,452 and $6,880, respectively, of precious metals, principally silver, under consignment, which are recorded at fair value in Inventories, net with a corresponding liability for the same amount included in Accounts payable on the Company's consolidated balance sheets. Fees charged under the consignment agreement are recorded in Interest expense in the Company's consolidated statements of operations.

The Company continues to monitor the impact of COVID-19 on our customers and our inventory levels and related reserves.

	June 30, 2020	December 31, 2019
Supplemental inventory information:		
Precious metals stated at LIFO cost	$ 2,849	$ 15,660
Precious metals stated under non-LIFO cost methods, primarily at fair value	$ 20,966	$ 10,144
Market value per ounce:		
Silver	$ 17.88	$ 17.86
Gold	$ 1,767.93	$ 1,522.14
Palladium	$ 1,894.23	$ 1,935.19

7. GOODWILL AND OTHER INTANGIBLE ASSETS, NET

A reconciliation of the change in the carrying amount of goodwill by reportable segment is as follows:

	Diversified Industrial	Energy	Financial Services	Corporate and Other	Total
Balance as of December 31, 2019					
Gross goodwill	$ 180,855	$ 67,143	$ 6,515	$ 81	$ 254,594
Accumulated impairments	(40,178)	(64,790)	—	—	(104,968)
Net goodwill	140,677	2,353	6,515	81	149,626
Acquisitions [(a)]	2,300	—	—	—	2,300
Currency translation adjustments	5	—	—	—	5
Balance as of June 30, 2020					
Gross goodwill	183,160	67,143	6,515	81	256,899
Accumulated impairments	(40,178)	(64,790)	—	—	(104,968)
Net goodwill	$ 142,982	$ 2,353	$ 6,515	$ 81	$ 151,931

(a) Related to the acquisition of Metallon. See Note 4 - "Acquisitions."

A summary of Other intangible assets, net is as follows:

	June 30, 2020			December 31, 2019		
	Gross Carrying Amount	Accumulated Amortization	Net	Gross Carrying Amount	Accumulated Amortization	Net
Customer relationships	$ 213,731	$ 113,630	$ 100,101	$ 216,428	$ 109,701	$ 106,727
Trademarks, trade names and brand names	51,125	19,065	32,060	51,414	18,469	32,945
Developed technology, patents and patent applications	32,146	18,053	14,093	31,984	17,176	14,808
Other	18,764	16,375	2,389	17,963	13,850	4,113
Total	$ 315,766	$ 167,123	$ 148,643	$ 317,789	$ 159,196	$ 158,593

Trademarks with indefinite lives as of June 30, 2020 and December 31, 2019 were $11,341 and $11,320, respectively. Amortization expense related to intangible assets was $5,112 and $5,438 for the three months ended June 30, 2020 and 2019, respectively, and $10,394 and $10,703 for the six months ended June 30, 2020 and 2019, respectively. As a result of COVID-19 related declines in our youth sports business within the Energy segment, intangible assets of $617, primarily customer relationships, were fully impaired during the first quarter of 2020. The impairment is included in Asset impairment charges in the accompanying statement of operations for the six months ended June 30, 2020.

As of June 30, 2020, the Company reviewed its goodwill, other intangible assets and long-lived assets for indicators of impairment as a result of the impact of the COVID-19 pandemic. As a result of the COVID-19 pandemic, the Company believes that indicators of impairment were present for all these asset classes due to a general deterioration in macroeconomic conditions, reduced cash flow projections and a significant decline in the Company's market capitalization. Therefore, we assessed whether it was more likely than not that our goodwill, other intangible assets and long-lived assets were impaired as of June 30, 2020. We reviewed our previous forecasts and assumptions based on our current projections that are subject to various risks and uncertainties, including forecasted revenues, expenses and cash flows, the duration and extent of impact to our businesses from the COVID-19 pandemic and the reduction in the Company's market capitalization. Based on our interim impairment assessment as of June 30, 2020, we have determined that our goodwill, other intangible assets, except for our youth sports related intangibles described above, and long-lived assets are not impaired. However, as a result of the COVID-19 pandemic, it is possible in future periods that further declines in market conditions, customer demand or other potential changes in operations may increase the risk that these assets are impaired. In addition, at June 30, 2020, the goodwill related to the performance materials business, within our Diversified Industrial segment, is at risk of future impairment if the fair value of this reporting unit, and its associated assets, decrease in value due to further declines in market conditions or customer demand. The goodwill related to our energy business within our Energy segment is also at risk of future impairment if the fair value of this reporting unit, and its associated assets, decrease in value due to reductions in customer demand as a result of continued or sustained declines in the price of oil.

8. INVESTMENTS

Short-Term Investments

The Company's short-term investments primarily consist of its marketable securities portfolio. The classification of marketable securities as a current asset is based on the intended holding period and realizability of the investments. The investments are carried at fair value and totaled $155 and $220 as of June 30, 2020 and December 31, 2019, respectively. Unrealized gains (losses) on short-term investments for the three months ended June 30, 2020 and 2019 totaled $77 and $(226), respectively, and $(20) and $0 in the six months ended June 30, 2020 and 2019, respectively.

Realized Gains (Losses) on Investments

Proceeds from sales of equity securities were $1,135 and $0 in the three months ended June 30, 2020 and 2019, respectively, and $2,327 and $0 in the six months ended June 30, 2020 and 2019, respectively. The Company determines gains and losses from sales of equity securities based on specific identification of the securities sold. Gross realized gains and losses from sales of equity securities, which are reported as a component of Realized and unrealized losses (gains) on securities, net in the Company's consolidated statements of operations, were as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Gross realized gains	$ —	$ —	$ —	$ —
Gross realized losses	(27,310)	—	(43,662)	—
Realized losses, net	$ (27,310)	$ —	$ (43,662)	$ —

Long-Term Investments

The following table summarizes the Company's long-term investments as of June 30, 2020 and December 31, 2019.

	Ownership %		Long-Term Investments Balance		(Income) Loss Recorded in the Consolidated Statements of Operations			
					Three Months Ended June 30,		Six Months Ended June 30,	
	June 30, 2020	December 31, 2019	June 30, 2020	December 31, 2019	2020	2019	2020	2019
Corporate securities [(a), (d)]			$ 158,233	$ 186,777	$ (18,751)	$ (36,603)	$ (17,199)	$ (38,486)
Collateralized debt securities			655	855	$ —	$ —	$ —	$ —
Steel Connect, Inc. ("STCN") convertible notes [(b), (e)]			8,525	11,839	$ (337)	$ 1,163	$ 3,314	$ 1,506
STCN preferred stock [(c), (e)]			24,163	39,178	$ (1,130)	$ 2,049	$ 15,015	$ (2,068)
Equity method investments: [(e)]								
Carried at fair value:								
STCN common stock	29.1 %	29.4 %	10,911	26,547	$ 2,419	$ 3,065	$ 13,870	$ (1,474)
Aviat Networks, Inc. ("Aviat")	12.4 %	12.4 %	12,232	9,417	$ (5,845)	$ 841	$ (2,125)	$ (227)
Other	— %	43.8 %	—	1,223	$ —	$ —	$ (460)	$ —
Total			**$ 214,719**	**$ 275,836**				

(a) Cost basis totaled $12,753 and $58,495 at June 30, 2020 and December 31, 2019, respectively, and gross unrealized gains totaled $145,480 and $128,282 at June 30, 2020 and December 31, 2019, respectively. Primarily includes the Company's investments in the common stock of $156,578, or 5.0%, and $0, or 0.0%, of Aerojet Rocketdyne Holdings, Inc. and Babcock & Wilcox Enterprises, Inc., respectively, as of June 30, 2020 and $180,357, or 5.0%, and $4,989, or 3.0%, respectively, as of December 31, 2019.

(b) Represents investment in STCN convertible notes. The convertible notes outstanding as of December 31, 2018 matured on March 1, 2019. The Company entered into a new convertible note with STCN ("New Note") on February 28, 2019, which matures on March 1, 2024. The cost basis of the New Note totaled $14,943 as of June 30, 2020 and the gross unrealized loss was $6,418 as of June 30, 2020. The New Note is convertible into shares of STCN's common stock at an initial conversion rate of 421.2655 shares of common stock per $1,000 principal amount of the New Note (which is equivalent to an initial conversion price of approximately $2.37 per share), subject to adjustment upon the occurrence of certain events. Changes in fair value are recorded in the Company's consolidated statements of operations as the Company elected the fair value option to account for this investment. The New Notes, if converted as of June 30, 2020, when combined with STCN common and preferred shares, also if converted, owned by the Company, would result in the Company having a direct interest of approximately 48.9% of STCN's outstanding shares.

(c) Represents investment in shares of STCN preferred stock with a cost basis of $35,633. Each share of preferred stock can be converted into shares of STCN's common stock at an initial conversion price equal to $1.96 per share, subject to adjustment upon the occurrence of certain events. Changes in fair value are recorded in the Company's consolidated statements of operations as the Company elected the fair value option to account for this investment.

(d) (Income) loss from these investments is included in Realized and unrealized losses (gains) on securities, net in the consolidated statements of operations.

(e) (Income) loss from these investments is included (Income) loss of associated companies, net of taxes in the consolidated statements of operations.

The amount of unrealized gains (losses) for the three and six months ended June 30, 2020 and 2019 that relate to equity securities still held as of June 30, 2020 and 2019, respectively, was as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net (losses) gains recognized during the period on equity securities	$ (8,482)	$ 36,377	$ (26,484)	$ 38,486
Less: Net losses recognized during the period on equity securities sold during the period	(27,310)	—	(43,662)	—
Unrealized gains recognized during the period on equity securities still held at the end of the period	$ 18,828	$ 36,377	$ 17,178	$ 38,486

<u>Equity Method Investments</u>

The Company's investments in associated companies are eligible to be accounted for under the equity method of accounting; however, the Company has elected the fair value option for most of these investments. Associated companies are included in the Corporate and Other segment. Certain associated companies have a fiscal year end that differs from December 31. Additional information for SPLP's significant investments in associated companies follows:

- STCN is a supply chain business process management company serving clients in markets such as consumer electronics, communications, computing, medical devices, software and retail. STCN also owns IWCO Direct Holdings, Inc., which delivers data-driven marketing solutions for its customers, including strategy, creative and execution for omnichannel marketing campaigns, along with postal logistics programs for direct mail.
- Aviat designs, manufactures and sells a range of wireless networking solutions and services to mobile and fixed telephone service providers, private network operators, government agencies, transportation and utility companies, public safety agencies and broadcast system operators across the globe.

The following summary balance sheet amounts are for STCN as of April 30, 2020 and July 31, 2019, respectively, and the statement of operations amounts are for the three months and six months ended April 30, 2020 and 2019, respectively, which are both STCN's nearest corresponding fiscal quarters to the Company's fiscal quarters ended June 30, 2020 and 2019:

(Unaudited)	2020	2019
Summary of balance sheet amounts:		
Current assets	$ 234,250	$ 213,324
Non-current assets	550,416	518,239
Total assets	$ 784,666	$ 731,563
Current liabilities	$ 274,430	$ 256,850
Non-current liabilities	430,910	386,835
Total liabilities	705,340	643,685
Contingently redeemable preferred stock	35,175	35,186
Equity	44,151	52,692
Total liabilities and equity	$ 784,666	$ 731,563

	Three Months Ended April 30,		Six Months Ended April 30,	
(Unaudited)	2020	2019	2020	2019
Summary operating results:				
Net revenue	$ 177,351	$ 194,003	$ 392,803	$ 400,226
Gross profit	$ 33,470	$ 34,861	$ 78,719	$ 74,404
Net loss	$ (6,159)	$ (9,627)	$ (9,716)	$ (21,380)

Other Investments

WebBank has held-to-maturity ("HTM") debt securities which are carried at amortized cost and included in Other non-current assets on the Company's consolidated balance sheets. The amount and contractual maturities of HTM debt securities are noted in the table below. Actual maturities may differ from expected or contractual maturities because borrowers may have the right to call or prepay obligations with or without penalties. The securities are collateralized by unsecured consumer loans.

	June 30, 2020			
	Amortized Cost	Gross Unrealized Gains (Losses)	Estimated Fair Value	Carrying Value
Collateralized securities	$ 17,050	$ 10	$ 17,060	$ 17,050
Contractual maturities within:				
One year to five years				3,958
Five years to ten years				11,238
After ten years				1,854
Total				$ 17,050

	December 31, 2019			
	Amortized Cost	Gross Unrealized Gains (Losses)	Estimated Fair Value	Carrying Value
Collateralized securities	$ 37,896	$ (3)	$ 37,893	$ 37,896
Contractual maturities within:				
One year to five years				23,339
Five years to ten years				12,373
After ten years				2,184
Total				$ 37,896

WebBank regularly evaluates each HTM debt security whose value has declined below amortized cost to assess whether the decline in fair value is other-than-temporary. If there is an other-than-temporary impairment in the fair value of any individual security classified as HTM, WebBank writes down the security to fair value with a corresponding credit loss portion charged to earnings, and the non-credit portion charged to accumulated other comprehensive income or loss ("AOCI").

9. DEBT

Debt consists of the following:

	June 30, 2020	December 31, 2019
Short term debt:		
Foreign	$ 357	$ 1,800
Short-term debt	357	1,800
Long-term debt:		
Credit Agreement	359,402	330,700
Other debt - foreign	370	444
Other debt - domestic	4,916	5,145
Subtotal	364,688	336,289
Less: portion due within one year	14,035	14,208
Long-term debt	350,653	322,081
Total debt	$ 365,045	$ 338,089

Long-term debt as of June 30, 2020 matures in each of the next five calendar-years as follows:

	Total	2020	2021	2022	2023	2024	Thereafter
Long-term debt [(a)]	$ 364,688	$ 8,902	$ 10,313	$ 345,473	$ —	$ —	$ —

(a) As of June 30, 2020, long term debt of $14,035 is expected to mature over the following twelve months.

As of June 30, 2020, the Company's senior credit agreement, as amended ("Credit Agreement"), includes a revolving credit facility in an aggregate principal amount not to exceed $500,000 and a $187,500 term loan. The Credit Agreement covers substantially all of the Company's subsidiaries, with the exception of WebBank, and includes a $55,000 sub-facility for swing line loans and a $50,000 sub-facility for standby letters of credit. The term loan requires quarterly amortization equating to $2,500 per quarter. Borrowings under the Credit Agreement bear interest, at the borrower's option, at annual rates of either the Base Rate or the Euro-Rate, as defined, plus an applicable margin as set forth in the Credit Agreement (1.50% and 2.50%), respectively, for Base Rate and Euro-Rate borrowings at June 30, 2020), and the Credit Agreement provides for a commitment fee to be paid on unused borrowings. The weighted average interest rate on the Credit Agreement was 2.72% at June 30, 2020. At June 30, 2020, letters of credit totaling $10,558 had been issued under the Credit Agreement, including $3,242 of the letters of credit guaranteeing various insurance activities, and $7,316 for environmental and other matters. The Credit Agreement permits SPLP, the parent, to fund the dividends on its preferred units and its routine corporate expenses. Upon filing the second quarter bank certification, the Company's total availability under the Credit Agreement, which is based upon earnings and certain covenants as described in the Credit Agreement, will be approximately $231,491 as of June 30, 2020.

On November 14, 2022, the Credit Agreement will expire, and all outstanding amounts will be due and payable. The Credit Agreement is guaranteed by substantially all existing and thereafter acquired assets of the borrowers and the guarantors, as defined in the agreement, and a pledge of all of the issued and outstanding shares of capital stock of each of the borrowers' and guarantors' subsidiaries, and is fully guaranteed by the guarantors. The Credit Agreement is subject to certain mandatory prepayment provisions and restrictive and financial covenants, which include a maximum ratio limit on Total Leverage and a minimum ratio limit on Interest Coverage, as defined. The Company was in compliance with all financial covenants as of June 30, 2020.

On June 26, 2020, the Company repaid approximately $202,500 of borrowings under the Credit Agreement as the Company continually monitors the effects of the COVID-19 outbreak. On July 13, 2020, the Company borrowed approximately $100,000 under the Credit Agreement as part of a precautionary approach to increase the Company's cash position and maximize its financial flexibility in light of the current volatility in the global markets resulting from the COVID-19 outbreak. These borrowings may be used for working capital, general corporate or other permitted purposes.

The tables above do not include the debt of API as it was deconsolidated. See Note 3 - "Discontinued Operations" for further details.

10. FINANCIAL INSTRUMENTS

WebBank - Economic Interests in Loans

WebBank's derivative financial instruments represent on-going economic interests in loans made after they are sold. These derivatives are carried at fair value on a gross basis in Other non-current assets on the Company's consolidated balance sheets and are classified within Level 3 in the fair value hierarchy (see Note 15 - "Fair Value Measurements"). As of June 30, 2020, outstanding derivatives mature within 3 to 5 years. Gains and losses resulting from changes in the fair value of derivative instruments are accounted for in the Company's consolidated statements of operations in Financial services revenue. Fair value represents the estimated amounts that WebBank would receive or pay to terminate the contracts at the reporting date based on a discounted cash flow model for the same or similar instruments. WebBank does not enter into derivative contracts for speculative or trading purposes.

Precious Metal and Commodity Inventories

The Company's precious metal and commodity inventories are subject to market price fluctuations. The Company enters into commodity futures and forward contracts to mitigate the impact of price fluctuations on its precious and certain non-precious metal inventories that are not subject to fixed price contracts. The Company's hedging strategy is designed to protect it against normal volatility; therefore, abnormal price changes in these commodities or markets could negatively impact the Company's earnings.

As of June 30, 2020, the Company had the following outstanding forward contracts with settlement dates through July 2020. There were no futures contracts outstanding as of June 30, 2020.

Commodity	Amount	Notional Value	
Silver (ounces)	63,273	$	1,097
Gold (ounces)	774	$	1,330
Palladium (ounces)	460	$	873
Copper (pounds)	165,000	$	440
Tin (metric tons)	20	$	336

Fair Value Hedges. Certain forward contracts are accounted for as fair value hedges under Accounting Standards Codification ("ASC") 815 for the Company's precious metal inventory carried at fair value. These contracts hedge 5,601 ounces of silver and a majority of the Company's ounces of copper. The fair values of these derivatives are recognized as derivative assets and liabilities on the Company's consolidated balance sheets. The net changes in fair value of the derivative assets and liabilities, and the changes in the fair value of the underlying hedged inventory, are recognized in the Company's consolidated statements of operations, and such amounts principally offset each other due to the effectiveness of the hedges.

Economic Hedges. The remaining outstanding forward contracts for silver, and all the contracts for gold, palladium and tin, are accounted for as economic hedges. As these derivatives are not designated as accounting hedges under ASC 815, they are accounted for as derivatives with no hedge designation. The derivatives are marked to market with gains and losses recorded in earnings in the Company's consolidated statements of operations. The economic hedges are associated primarily with the Company's precious metal inventory valued using the LIFO method.

The forward contracts were made with a counterparty rated Aa2 by Moody's. Accordingly, the Company has determined that there is minimal credit risk of default. The Company estimates the fair value of its derivative contracts through the use of market quotes or with the assistance of brokers when market information is not available. The Company maintains collateral on account with the third-party broker which varies in amount depending on the value of open contracts.

The fair value and carrying amount of derivative instruments on the Company's consolidated balance sheets are as follows:

	Fair Value of Derivative Assets (Liabilities)					
	June 30, 2020			December 31, 2019		
	Location on Consolidated Balance Sheet	Fair Value		Location on Consolidated Balance Sheet	Fair Value	
Derivatives designated as ASC 815 hedges						
Commodity contracts	Accrued liabilities	$	(9)	Accrued liabilities	$	(46)
Derivatives not designated as ASC 815 hedges						
Commodity contracts	Accrued liabilities	$	(69)	Accrued liabilities	$	(335)
Economic interests in loans	Other non-current assets	$	14,646	Other non-current assets	$	18,633

The effects of fair value hedge accounting on the consolidated statements of operations for the three and six months ended June 30, 2020 and 2019 are not material. The effects of derivatives not designated as ASC 815 hedging instruments on the consolidated statements of operations for the three and six months ended June 30, 2020 and 2019 are as follows:

Derivatives Not Designated as Hedging Instruments:	Location of Gain (Loss) Recognized in Income	Amount of Gain (Loss) Recognized in Income Three Months Ended June 30, 2020	2019	Six Months Ended June 30, 2020	2019
Commodity contracts	Other income (expense), net	$ (329)	$ (379)	$ (736)	$ (436)
Economic interests in loans	Financial services revenue	(320)	3,791	2,660	6,677
Total		$ (649)	$ 3,412	$ 1,924	$ 6,241

Financial Instruments with Off-Balance Sheet Risk

WebBank is a party to financial instruments with off-balance sheet risk. In the normal course of business, these financial instruments include commitments to extend credit in the form of loans as part of WebBank's lending arrangements. Those instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized on the consolidated balance sheets. The contractual amounts of those instruments reflect the extent of involvement WebBank has in particular classes of financial instruments.

As of June 30, 2020 and December 31, 2019, WebBank's undisbursed loan commitments totaled $64,562 and $125,861, respectively. Commitments to extend credit are agreements to lend to a borrower who meets the lending criteria through one of WebBank's lending agreements, provided there is no violation of any condition established in the contract with the counterparty to the lending arrangement.

Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since certain of the commitments are expected to expire without the credit being extended, the total commitment amounts do not necessarily represent future cash requirements. WebBank evaluates each prospective borrower's credit worthiness on a case-by-case basis. The amount of collateral obtained, if deemed necessary by WebBank upon extension of credit, is based on management's credit evaluation of the borrower and WebBank's counterparty.

WebBank's exposure to credit loss in the event of nonperformance by the other party to the financial instrument for commitments to extend credit is represented by the contractual amount of those instruments. WebBank uses the same credit policy in making commitments and conditional obligations as it does for on balance sheet instruments.

11. PENSION AND OTHER POST-RETIREMENT BENEFITS

The Company maintains several qualified and non-qualified pension plans and other post-retirement benefit plans. The following table presents the components of pension expense for the Company's significant pension plans. The Company's other pension and post-retirement benefit plans are not significant individually or in the aggregate.

	Three Months Ended June 30, 2020	2019	Six Months Ended June 30, 2020	2019
Interest cost	$ 3,275	$ 4,449	$ 6,550	$ 8,898
Expected return on plan assets	(5,574)	(4,964)	(11,148)	(9,929)
Amortization of actuarial loss	2,849	2,484	5,698	4,968
Total	$ 550	$ 1,969	$ 1,100	$ 3,937

Pension expense is included in Selling, general and administrative expenses in the consolidated statements of operations. Required future pension contributions are estimated based upon assumptions such as discount rates on future obligations, assumed rates of return on plan assets and legislative changes. Actual future pension costs and required funding obligations will be affected by changes in the factors and assumptions described in the previous sentence, including the impact of declines in pension plan assets and interest rates, as well as other changes such as any plan termination or other acceleration events. On March 27, 2020, President Trump signed the CARES Act into law. As a result of the CARES Act, U.S. pension plan contributions that were expected to be made after March 2020 have been deferred until January 1, 2021. The Company's current expected future minimum pension contributions to its significant pension plans are $0 for the remainder of 2020, and $63,600, $32,400, $25,900, $15,700 and $5,800 in 2021, 2022, 2023, 2024 and for the five years thereafter, respectively.

12. CAPITAL AND ACCUMULATED OTHER COMPREHENSIVE LOSS

As of June 30, 2020, the Company had 24,929,253 Class A units (regular common units) outstanding.

Common Unit Repurchase Program

The Board of Directors of SPH GP has approved the repurchase of up to an aggregate of 3,000,000 of the Company's common units ("Repurchase Program"). The Repurchase Program supersedes and cancels, to the extent any amounts remain available, all previously approved repurchase programs. Any purchases made under the Repurchase Program will be made from time to time on the open market at prevailing market prices or in negotiated transactions off the market, in compliance with applicable laws and regulations. In connection with the Repurchase Program, the Company may enter into a stock purchase plan. The Repurchase Program has no termination date. The Company has purchased 2,089,177 common units for an aggregate price of approximately $33,881 under the Repurchase Program.

Incentive Award Plan

The Company's 2018 Incentive Award Plan ("2018 Plan") provides equity-based compensation through the grant of options to purchase the Company's limited partnership units, unit appreciation rights, restricted units, phantom units, substitute awards, performance awards, other unit-based awards, and includes, as appropriate, any tandem distribution equivalent rights granted with respect to an award (collectively, "LP Units"). On May 18, 2020, the Company's unitholders approved the Amended and Restated 2018 Incentive Award Plan, which increased the number of LP Units issuable under the 2018 Plan by 500,000 to a total of 1,000,000 LP Units. In 2019, 207,499 restricted units were granted under the 2018 Plan. Such units were valued based upon the market value of the Company's LP Units on the date of grant, and collectively represent approximately $2,905 of unearned compensation that will be recognized as expense ratably over the vesting period of the units. The grants have vesting periods that range from three to ten years from the date of grant.

Preferred Units

The Company's 6.0% Series A preferred units, no par value ("SPLP Preferred Units") entitle the holders to a cumulative quarterly cash or in-kind (or a combination thereof) distribution. The Company declared an in-kind distribution of approximately $2,371 to preferred unitholders for the three months ended June 30, 2020. The Company declared a cash distribution of approximately $2,725 and $5,945 to preferred unitholders for the six months ended June 30, 2020 and 2019, respectively. The SPLP Preferred Units have a term of nine years, ending February 2026, and are redeemable at any time at the Company's option at a $25 liquidation value per unit, plus any accrued and unpaid distributions (payable in cash or SPLP common units, or a combination of both, at the Company's discretion). If redeemed in common units, the number of common units to be issued will be equal to the liquidation value per unit divided by the volume weighted-average price of the common units for 60 days prior to the redemption. On February 6, 2020 ("Redemption Date"), the Company redeemed 1,600,000 units of the SPLP Preferred Units at a price equal to $25 per unit, plus an amount of $0.22 per unit, equal to any accumulated and unpaid distributions up to, but excluding, the Redemption Date, for a total payment of approximately $40,400.

The SPLP Preferred Units have no voting rights, except that holders of the preferred units have certain voting rights in limited circumstances relating to the election of directors following the failure to pay six quarterly distributions. The SPLP Preferred Units are recorded as liabilities, including accrued interest expense, on the Company's consolidated balance sheets because they have an unconditional obligation to be redeemed for cash or by issuing a variable number of SPLP common units for a monetary value that is fixed and known at inception. Because the SPLP Preferred Units are classified as liabilities, distributions thereon are recorded as a component of Interest expense in the Company's consolidated statements of operations. As of June 30, 2020, there were 6,422,128 SPLP Preferred Units outstanding, and as of December 31, 2019, there were 7,927,288 SPLP Preferred Units outstanding.

Accumulated Other Comprehensive Loss

Changes, net of tax, where applicable, in AOCI are as follows:

	Unrealized loss on available-for-sale debt securities	Unrealized (loss) gain on derivative financial instruments	Cumulative translation adjustments	Change in net pension and other benefit obligations	Total
Balance at December 31, 2019	$ (274)	$ (14)	$ (25,166)	$ (165,968)	$ (191,422)
Net other comprehensive loss attributable to common unitholders	—	—	(2,936)	—	(2,936)
Deconsolidation of API (see Note 3)	—	14	10,522	6,945	17,481
Balance at March 31, 2020	(274)	—	(17,580)	(159,023)	(176,877)
Net other comprehensive income attributable to common unitholders	—	—	1,373	—	1,373
Balance at June 30, 2020	$ (274)	$ —	$ (16,207)	$ (159,023)	$ (175,504)

	Unrealized loss on available-for-sale securities	Unrealized (loss) gain on derivative financial instruments	Cumulative translation adjustments	Change in net pension and other benefit obligations	Total
Balance at December 31, 2018	$ (274)	$ (277)	$ (23,476)	$ (153,217)	$ (177,244)
Net other comprehensive income attributable to common unitholders	—	518	1,303	—	1,821
Balance at March 31, 2019	(274)	241	(22,173)	(153,217)	(175,423)
Net other comprehensive loss attributable to common unitholders	—	(425)	(1,797)	—	(2,222)
Balance at June 30, 2019	$ (274)	$ (184)	$ (23,970)	$ (153,217)	$ (177,645)

Incentive Unit Expense

SPLP has issued to the Manager partnership profits interests in the form of incentive units, a portion of which will be classified as Class C common units of SPLP upon the attainment of certain specified performance goals by SPLP, which are determined as of the last day of each fiscal year. If the performance goals are not met for a fiscal year, no portion of the incentive units will be classified as Class C common units for that year. The number of outstanding incentive units is equal to 100% of the common units outstanding, including common units held by non-wholly-owned subsidiaries. The performance goals and expense related to the classification of a portion of the incentive units as Class C units is measured on an annual basis, but is accrued on a quarterly basis. Accordingly, the expense accrued is adjusted to reflect the fair value of the Class C common units on each interim calculation date. In the event the cumulative incentive unit expense calculated quarterly or for the full year is an amount less than the total previously accrued, the Company records a negative incentive unit expense in the quarter when such over accrual is determined. The expense is recorded in Selling, general and administrative expenses in the Company's consolidated statements of operations. No incentive unit expense was recorded in the three and six months ended June 30, 2020 and 2019.

13. INCOME TAXES

The Company recorded an income tax benefit of $1,320 and income tax provision of $14,798 for the three months ended June 30, 2020 and 2019, respectively, and an income tax benefit of $4,749 and income tax provision of $17,800 for the six months ended June 30, 2020 and 2019, respectively. The Company's tax provision represents the income tax expense or benefit of its consolidated subsidiaries that are taxable entities. Significant differences between the statutory rate and the effective tax rate include partnership losses for which no tax benefit is recognized, changes in deferred tax valuation allowances and other permanent differences. The Company's consolidated subsidiaries have recorded deferred tax valuation allowances to the extent that they believe it is more likely than not that the benefits of certain deferred tax assets will not be realized in future periods.

The CARES Act contains modifications on the limitation of business interest for tax years beginning in 2019 and 2020. The modifications to Section 163(j) increase the allowable business interest deduction from 30% of adjusted taxable income to 50% of adjusted taxable income. This modification would increase the allowable interest expense deduction of the Company and result in less taxable income. As a result of the CARES Act, it is anticipated that the Company will fully utilize all interest expense for the year ended December 31, 2020. The CARES Act, among other things, permits U.S. net operating loss ("NOL") carryovers and carrybacks to offset 100% of taxable income for taxable years beginning before 2021. In addition, the CARES Act allows NOLs incurred in 2018, 2019 and 2020 to be carried back to each of the five preceding taxable years to generate a refund of previously paid income taxes. The Company is currently evaluating the impact of the CARES Act and opportunities to utilize the NOL carryback provision.

14. NET (LOSS) INCOME PER COMMON UNIT

The following data was used in computing net (loss) income per common unit shown in the Company's consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net (loss) income from continuing operations	$ (417)	$ 23,952	$ (36,876)	$ 43,714
Net (income) loss attributable to noncontrolling interests in consolidated entities (continuing operations)	(191)	29	(321)	85
Net (loss) income from continuing operations attributable to common unitholders	(608)	23,981	(37,197)	43,799
Net loss from discontinued operations attributable to common unitholders	(1,260)	(2,918)	(26,408)	(7,058)
Net (loss) income attributable to common unitholders	(1,868)	21,063	(63,605)	36,741
Effect of dilutive securities:				
Interest expense from SPLP Preferred Units [(a), (b)]	—	2,973	—	5,945
Net (loss) income attributable to common unitholders – assuming dilution	$ (1,868)	$ 24,036	$ (63,605)	$ 42,686
Net (loss) income per common unit – basic				
Net (loss) income from continuing operations	$ (0.02)	$ 0.96	$ (1.49)	$ 1.75
Net loss from discontinued operations	(0.05)	(0.12)	(1.06)	(0.28)
Net (loss) income attributable to common unitholders	$ (0.07)	$ 0.84	$ (2.55)	$ 1.47
Net (loss) income per common unit – diluted				
Net (loss) income attributable to common unitholders	$ (0.02)	$ 0.69	$ (1.49)	$ 1.27
Net loss from discontinued operations	(0.05)	(0.08)	(1.06)	(0.18)
Net (loss) income attributable to common unitholders	$ (0.07)	$ 0.61	$ (2.55)	$ 1.09
Denominator for net (loss) income per common unit – basic	24,958,026	24,982,728	24,989,440	24,915,446
Effect of dilutive securities:				
Unvested restricted common units	—	—	—	190
SPLP Preferred Units [(a)]	—	14,155,871	—	14,242,874
Denominator for net (loss) income per common unit – diluted [(a), (b)]	24,958,026	39,138,599	24,989,440	39,158,510

(a) Assumes the SPLP Preferred Units were redeemed in common units as described in Note 12 - "Capital and Accumulated Other Comprehensive Loss."
(b) For the three months ended June 30, 2020**,** the diluted per unit calculation does not include 28,803,727 of SPLP Preferred Units and 112,025 of unvested restricted common units, since the impact would have been anti-dilutive. For the three months ended June 30, 2019**,** the diluted per unit calculation does not include 3,448 of unvested restricted common units, since the impact would have been anti-dilutive. For the six months ended June 30, 2020 the diluted per unit calculation does not include 30,454,112 of SPLP Preferred Units and 72,479 of unvested restricted common units, since the impact would have been anti-dilutive.

15. FAIR VALUE MEASUREMENTS

Assets and liabilities measured at fair value on a recurring basis in the Company's consolidated financial statements as of June 30, 2020 and December 31, 2019 are summarized by type of inputs applicable to the fair value measurements as follows:

June 30, 2020	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities [(a)]	$ 139	$ 16	$ —	$ 155
Long-term investments [(a)]	180,609	—	34,110	214,719
Precious metal and commodity inventories recorded at fair value	22,013	—	—	22,013
Economic interests in loans	—	—	14,646	14,646
Warrants	—	—	2,086	2,086
Total	$ 202,761	$ 16	$ 50,842	$ 253,619
Liabilities:				
Commodity contracts on precious metal and commodity inventories	$ —	$ 78	$ —	$ 78
Other precious metal liabilities	7,904	—	—	7,904
Total	$ 7,904	$ 78	$ —	$ 7,982

December 31, 2019	Level 1	Level 2	Level 3	Total
Assets:				
Marketable securities [(a)]	$ 170	$ 50	$ —	$ 220
Long-term investments [(a)]	222,178	—	53,658	275,836
Precious metal and commodity inventories recorded at fair value	11,377	—	—	11,377
Economic interests in loans	—	—	18,633	18,633
Warrants	—	—	2,086	2,086
Total	$ 233,725	$ 50	$ 74,377	$ 308,152
Liabilities:				
Commodity contracts on precious metal and commodity inventories	$ —	$ 381	$ —	$ 381
Other precious metal liabilities	11,481	—	—	11,481
Total	$ 11,481	$ 381	$ —	$ 11,862

(a) For additional detail of the marketable securities and long-term investments see Note 8 - "Investments."

There were no transfers of securities among the various measurement input levels during the three and six months ended June 30, 2020.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e. the "exit price") in an orderly transaction between market participants at the measurement date. Fair value measurements are broken down into three levels based on the reliability of inputs as follows:

Level 1 inputs are quoted prices in active markets for identical assets or liabilities as of the measurement date ("Level 1").

Level 2 inputs may include quoted prices in active markets for similar assets or liabilities, quoted prices in a market that is not active for identical assets or liabilities, or other inputs that can be corroborated by observable market data ("Level 2").

Level 3 inputs are unobservable for the asset or liability when there is little, if any, market activity for the asset or liability. Level 3 inputs are based on the best information available and may include data developed by the Company ("Level 3").

The fair value of the Company's financial instruments, such as cash and cash equivalents, trade and other receivables and accounts payable, approximates carrying value due to the short-term maturities of these assets and liabilities. Carrying cost approximates fair value for long-term debt, which has variable interest rates.

The precious metal and commodity inventories associated with the Company's fair value hedges (see Note 10 - "Financial Instruments") are reported at fair value. Fair values of these inventories are based on quoted market prices on commodity exchanges and are considered Level 1 measurements. The derivative instruments that the Company purchases in connection with its precious metal and commodity inventories, specifically commodity futures and forward contracts, are also valued at fair value. The futures contracts are Level 1 measurements since they are traded on a commodity exchange. The forward contracts are entered into with a counterparty and are considered Level 2 measurements.

Following is a summary of changes in assets measured using Level 3 inputs:

	Investments in Associated Companies [a]	Marketable Securities and Other [b]	Total
Balance as of December 31, 2019	$ 52,240	$ 22,137	$ 74,377
Purchases	—	204	204
Sales and cash collections	(2,033)	(6,847)	(8,880)
Realized gains	—	2,660	2,660
Unrealized gains	810	—	810
Unrealized losses	(18,329)	—	(18,329)
Balance as of June 30, 2020	$ 32,688	$ 18,154	$ 50,842
Balance as of December 31, 2018	$ 40,643	$ 21,274	$ 61,917
Purchases	14,943	—	14,943
Sales and cash collections	—	(7,557)	(7,557)
Realized gains	—	6,677	6,677
Unrealized gains	883	—	883
Balance as of June 30, 2019	$ 56,469	$ 20,394	$ 76,863

(a) Unrealized gains and losses are recorded in (Income) loss of associated companies, net of taxes in the Company's consolidated statements of operations.
(b) Realized and unrealized gains and losses are recorded in Realized and unrealized losses (gains) on securities, net or Financial services revenue in the Company's consolidated statements of operations.

Long-Term Investments - Valuation Techniques

The Company estimates the value of its investments in STCN convertible preferred stock and the New Note using a Monte Carlo simulation. Key inputs in these valuations include the trading price and volatility of STCN's common stock, the risk-free rate of return, as well as the dividend rate, conversion price, redemption date of the preferred stock and the maturity date of the note.

Marketable Securities and Other - Valuation Techniques

The Company determines the fair value of certain corporate securities and corporate obligations by incorporating and reviewing prices provided by third-party pricing services based on the specific features of the underlying securities.

The fair value of the derivatives held by WebBank (see Note 10 - "Financial Instruments") represent the estimated amounts that WebBank would receive or pay to terminate the contracts at the reporting date and is based on discounted cash flow analyses that consider credit, performance and prepayment. Unobservable inputs used in the discounted cash flow analyses are: a constant prepayment rate of 7.70% to 35.86%, a constant default rate of 0.87% to 27.49% and a discount rate of 1.97% to 26.28%.

Assets Measured at Fair Value on a Nonrecurring Basis

The Company's non-financial assets and liabilities measured at fair value on a non-recurring basis, when required, include goodwill and other intangible assets, any assets and liabilities acquired in a business combination, or its long-lived assets written down to fair value. To measure fair value for such assets and liabilities, the Company uses techniques including an income approach, a market approach and/or appraisals (Level 3 inputs). The income approach is based on a discounted cash flow analysis and calculates the fair value by estimating the after-tax cash flows attributable to an asset or liability and then discounting the after-tax cash flows to a present value using a risk-adjusted discount rate. Assumptions used in the discounted cash flow analysis ("DCF") require the exercise of significant judgment, including judgment about appropriate discount rates and terminal values, growth rates and the amount and timing of expected future cash flows. The discount rates, which are intended to reflect the risks inherent in future cash flow projections, used in the DCF are based on estimates of the weighted-average cost of capital of a market participant. Such estimates are derived from analysis of peer companies and consider the industry weighted-average return on debt and equity from a market participant perspective. A market approach values a business by considering the prices at which shares of capital stock, or related underlying assets, of reasonably comparable companies are trading in the public market or the transaction price at which similar companies have been acquired. If comparable companies are not available, the market approach is not used.

16. COMMITMENTS AND CONTINGENCIES

Environmental and Litigation Matters

As discussed in more detail below, certain of the Company's subsidiaries have been designated as potentially responsible parties ("PRPs") by federal and state agencies with respect to certain sites with which they may have had direct or indirect involvement and as defendants in certain litigation matters. Most such legal proceedings and environmental investigations involve unspecified amounts of potential damage claims or awards, are in an initial procedural phase, involve significant uncertainty as to the outcome or involve significant factual issues that need to be resolved, such that it is not possible for the Company to estimate a range of possible loss. For matters that have progressed sufficiently through the investigative process such that the Company is able to reasonably estimate a range of possible loss, an estimated range of possible loss is provided, in excess of the accrued liability (if any) for such matters. Any estimated range is or will be based on currently available information and involves elements of judgment and significant uncertainties. Any estimated range of possible loss may not represent the Company's maximum possible loss exposure. The circumstances of such legal proceedings and environmental investigations will change from time to time, and actual results may vary significantly from the current estimate. For current proceedings not specifically reported below, management does not anticipate that the liabilities, if any, arising from such proceedings would have a material effect on the financial position, liquidity or results of operations of the Company.

The environmental claims are in various stages of administrative or judicial proceedings and include demands for recovery of past governmental costs, and for future investigations and remedial actions. In many cases, the dollar amounts of the claims have not been specified and, with respect to a number of the PRP claims, have been asserted against a number of other entities for the same cost recovery or other relief as was asserted against certain of the Company's subsidiaries. The Company accrues costs associated with environmental and litigation matters on an undiscounted basis, when they become probable and reasonably estimable. As of June 30, 2020, on a consolidated basis, the Company has recorded liabilities of $2,620 and $24,815 in Accrued liabilities and Other non-current liabilities, respectively, on the consolidated balance sheet, which represent the current estimate of environmental remediation liabilities as well as reserves related to the litigation matters discussed below. Expenses relating to these costs, and any recoveries, are included in Selling, general and administrative expenses in the Company's consolidated statements of operations. In addition, the Company has insurance coverage available for several of these matters and believes that excess insurance coverage may be available as well. Estimates of the Company's liability for remediation of a particular site and the method and ultimate cost of remediation require a number of assumptions that are inherently difficult to make, and the ultimate outcome may be materially different from current estimates.

Environmental Matters

Certain subsidiaries of the Company's Handy & Harman Ltd. subsidiary ("HNH") have existing and contingent liabilities relating to environmental matters, including costs of remediation, capital expenditures, and potential fines and penalties relating to possible violations of national and state environmental laws. Those subsidiaries have remediation expenses on an ongoing basis, although such costs are continually being readjusted based upon the emergence of new techniques and alternative methods. HNH recorded liabilities of approximately $26,055 related to estimated environmental remediation costs as of June 30, 2020. HNH may have insurance coverage available for certain of these matters.

Included among these liabilities, certain HNH subsidiaries have been identified as PRPs under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") or similar state statutes at sites and are parties to administrative consent orders in connection with certain properties. Those subsidiaries may be subject to joint and several liabilities imposed by CERCLA on PRPs. Due to the technical and regulatory complexity of remedial activities and the difficulties attendant in identifying PRPs and allocating or determining liability among them, the subsidiaries are unable to reasonably estimate the ultimate cost of compliance with such laws.

Based upon information currently available, the HNH subsidiaries do not expect that their respective environmental costs, including the incurrence of additional fines and penalties, if any, will have a material adverse effect on them or that the resolution of these environmental matters will have a material adverse effect on the financial position, results of operations or cash flows of such subsidiaries or the Company, but there can be no such assurances. The Company anticipates that the subsidiaries will pay any such amounts out of their respective working capital, although there is no assurance that they will have sufficient funds to pay them. In the event that a HNH subsidiary is unable to fund its liabilities, claims could be made against its respective parent companies for payment of such liabilities.

The sites where certain HNH subsidiaries have environmental liabilities include the following:

HNH has been working with the Connecticut Department of Energy and Environmental Protection ("CTDEEP") with respect to its obligations under a 1989 consent order that applies to a former HNH manufacturing facility. An ecological risk assessment of the wetlands portion was submitted in the second quarter of 2016 to the CTDEEP for their review and approval. Company officials met with CTDEEP representatives during the second quarter of 2020 to further discuss wetlands remediation goals and plans. Additional investigation of the wetlands is expected to start in 2020, pending approval of a mutually acceptable wetlands work plan. An updated work plan to investigate the upland portion of the parcel was prepared by the Company and approved by the CTDEEP in March 2018 and completed during 2019 and 2020. Additional upland investigatory work will be required to fully define the areas requiring remediation and is also dependent upon CTDEEP requirements and approval. Based on currently known information, the Company now estimates that it may incur aggregate losses over a period of multiple years of between $10,500 to $17,500. Accordingly, during the quarter ended June 30, 2020, the Company increased its reserve for future remediation costs by $14,000, which is our best estimate within this range of potential losses. Due to the uncertainties, there can be no assurance that the final resolution of this matter will not be material to the financial position, results of operations or cash flows of HNH or the Company.

In 1986, Handy & Harman Electronic Materials Corporation ("HHEM"), a subsidiary of HNH, entered into an administrative consent order ("ACO") with the New Jersey Department of Environmental Protection ("NJDEP") with regard to certain property that it purchased in 1984 in New Jersey. The ACO involves investigation and remediation activities to be performed with regard to soil and groundwater contamination. HHEM is actively remediating the property and is continuing to investigate effective methods for achieving compliance with the ACO. Pursuant to a settlement agreement with the former owner/operator of the site, the responsibility for site investigation and remediation costs and other related costs are contractually allocated 75% to the former owner/operator and 25% jointly to HHEM and HNH, all after having the first $1,000 paid by the former owner/operator. As of June 30, 2020, total investigation and remediation costs of approximately $8,900 and $2,900 have been expended by the former owner/operator and HHEM, respectively, in accordance with the settlement agreement. Additionally, HHEM had been reimbursed indirectly through insurance coverage for a portion of the costs for which it is responsible. There is no assurance that the former owner/operator or guarantors will continue to timely reimburse HHEM for expenditures and/or will be financially capable of fulfilling their obligations under the settlement agreement and the guaranties. There is no assurance that there will be any additional insurance reimbursement. A reserve of approximately $1,400 has been established for HHEM's expected 25% share of anticipated costs at this site, which is based upon the recent selection of a final remedy, on-going operations and maintenance, additional investigations and monitored natural attenuation testing over the next 30 years. On December 18, 2019, the State of New Jersey ("State") filed a complaint against HHEM, the Company and other non-affiliated corporations related to former operations at this location. The State is seeking unspecified damages, including reimbursement for all cleanup and removal costs and other damages that the State has incurred, including the lost value of, and reasonable assessment costs for any natural resource injured as a result of the alleged discharge of hazardous substances and pollutants, as well as attorneys' fees and costs. We intend to assert all legal and procedural defenses available. Based upon currently available information, we have determined that a range of potential loss cannot be reasonably estimated at this time. There can be no assurance that the resolution of this matter will not be material to the financial position, results of operations or cash flows of HHEM, HNH or the Company.

HNH's subsidiary, SL Industries, Inc. ("SLI"), may incur environmental costs in the future as a result of the past activities of its former subsidiary, SL Surface Technologies, Inc. ("SurfTech"), in Pennsauken, New Jersey ("Pennsauken Site"), in Camden, New Jersey and at its former subsidiary, SGL Printed Circuits in Wayne, New Jersey. At the Pennsauken Site, in 2013, SLI entered into a consent decree with both the U.S. Department of Justice and the U.S. Environmental Protection Agency ("EPA") and has since completed the remediation required by the consent decree and has paid the EPA a fixed sum for its past oversight costs. Separate from the consent decree, in December 2012, the NJDEP made a settlement demand of $1,800 for past and future cleanup and removal costs and natural resource damages ("NRD"). To avoid the time and expense of litigating the matter, SLI offered to pay approximately $300 to fully resolve the claim presented by the State. SLI's settlement offer was rejected. On December 6, 2018, the State filed a complaint against SLI related to its operations at the Pennsauken Site. The State is seeking treble damages and attorneys' fees, NRD for loss of use of groundwater, as well as a request for relief that SLI pay all cleanup and removal costs that the State has incurred and will incur at the Pennsauken Site. The State did not specifically identify its alleged damages in the complaint. SLI intends to assert all legal and procedural defenses available to it. Based upon currently available information, we have determined that a range of potential loss can no longer be reasonably estimated at this time. Accordingly, there can be no assurance that the resolution of this matter will not be material to the financial position, results of operations or cash flows of SLI, HNH or the Company.

SLI reported soil contamination and a groundwater contamination in 2003 from the SurfTech site located in Camden, New Jersey. Substantial investigation and remediation work have been completed under the direction of the licensed site remediation professional ("LSRP") for the site. Additional soil excavation and chemical treatment could be initiated in the second half of 2020. Post-remediation groundwater monitoring will be conducted, and a full-scale groundwater bioremediation is expected to be implemented following completion of soil excavation. A reserve of $2,600 has been established for anticipated costs at this site, but there can be no assurance that there will not be potential additional costs associated with the site which cannot be reasonably estimated at this time. Accordingly, there can be no assurance that the resolution of this matter will not be material to the financial position, results of operations or cash flows of SLI, HNH or the Company.

SLI is currently participating in environmental assessment and cleanup at a commercial facility located in Wayne, New Jersey. Contaminated soil and groundwater have undergone remediation with the NJDEP and LSRP oversight, but contaminants of concern in groundwater and surface water, which extend off-site, remain above applicable NJDEP remediation standards. A reserve of approximately $1,400 has been established for anticipated costs, but there can be no assurance that there will not be potential additional costs associated with the site which cannot be reasonably estimated at this time. Accordingly, there can be no assurance that the resolution of this matter will not be material to the financial position, results of operations or cash flows of SLI, HNH or the Company.

Litigation Matters

On December 8, 2017, a stockholder class action, captioned Sciabacucchi v. DeMarco, et al., was filed in the Court of Chancery of the State of Delaware by a purported former stockholder of HNH challenging the Company's acquisition, through a subsidiary, of all of the outstanding shares of common stock of HNH not already owned by the Company or any of its affiliates. The action named as defendants the former members of the HNH board of directors, the Company and SPH GP, and alleged, among other things, that the defendants breached their fiduciary duties to the former public stockholders of HNH in connection with the aforementioned acquisition. The complaint sought, among other relief, unspecified monetary damages, attorneys' fees and costs. On July 9, 2019, the Company entered into a settlement of the case, solely to avoid the substantial burden, expense, inconvenience and distraction of continued litigation and to resolve each of the plaintiff's claims against the defendant parties. In the settlement, the defendants agreed to pay the plaintiff class $30,000, but denied that they engaged in any wrongdoing or committed any violation of law or breach of duty and stated that they believe they acted properly, in good faith, and in a manner consistent with their legal duties. The settlement was approved by the court on December 2, 2019. Our insurance carriers agreed to contribute an aggregate of $17,500 toward the settlement amount. The Company recorded a charge of $12,500 in Selling, general and administrative expenses in the consolidated statement of operations during the three months ended June 30, 2019, which consisted of the legal settlement of $30,000, reduced by $17,500 of insurance recoveries. The settlement was paid on December 17, 2019. The Company made a demand of an aggregate of $10,000 in further contributions from two insurance carriers, which the carriers declined, and we are pursuing claims in court to endeavor to recover this sum, although there can be no assurance as to the outcome of this litigation.

On April 13, 2018, a purported shareholder of STCN, Donald Reith, filed a verified complaint, Reith v. Lichtenstein, et al., 2018-0277 (Del. Ch.) in the Delaware Court of Chancery. The plaintiff seeks to assert claims against the Company and certain of its affiliates and against the members of STCN's board of directors in connection with the acquisition of $35,000 of STCN's Series C Preferred Stock by an affiliate of the Company and equity grants made to three individual defendants. The complaint includes claims for breach of fiduciary duty as STCN directors against all the individual defendants; claims for aiding and abetting breach of fiduciary duty against the Company; a claim for breach of fiduciary duty as controlling stockholder against the Company; and a derivative claim for unjust enrichment against the Company and the three individuals who received equity grants. The complaint demands damages in an unspecified amount for STCN and its stockholders, together with rescission, disgorgement and other equitable relief. The defendants moved to dismiss the complaint for failure to plead demand futility and failure to state a claim. On June 28, 2019, the Court of Chancery issued an opinion denying in substantial part the motion. The Company will continue to vigorously defend itself against these claims; however, the outcome of this matter is uncertain.

A subsidiary of BNS Holdings Liquidating Trust ("BNS Sub") has been named as a defendant in multiple alleged asbestos-related toxic-tort claims filed over a period beginning in 1994 through June 30, 2020. In many cases these claims involved more than 100 defendants. There remained approximately 30 pending asbestos claims as of June 30, 2020. BNS Sub believes it has significant defenses to any liability for toxic-tort claims on the merits. None of these toxic-tort claims has gone to trial and, therefore, there can be no assurance that these defenses will prevail. BNS Sub has insurance policies covering asbestos-related claims for years beginning 1974 through 1988. BNS Sub annually receives retroactive billings or credits from its insurance carriers for any increase or decrease in claims accruals as claims are filed, settled or dismissed, or as estimates of the ultimate settlement costs for the then-existing claims are revised. As of both June 30, 2020 and December 31, 2019, BNS Sub has accrued $1,349 relating to the open and active claims against BNS Sub. This accrual includes the amount of unpaid retroactive billings submitted to the Company by the insurance carriers and also the Company's best estimate of the likely costs for BNS Sub to settle these claims outside the amounts funded by insurance. There can be no assurance that the number of future claims and the related costs of defense, settlements or judgments will be consistent with the experience to-date of existing claims and that BNS Sub will not need to significantly increase its estimated liability for the costs to settle these claims to an amount that could have a material effect on the consolidated financial statements.

In the ordinary course of our business, we are subject to other periodic lawsuits, investigations, claims and proceedings, including, but not limited to, contractual disputes, employment, environmental, health and safety matters, as well as claims associated with our historical acquisitions and divestitures. There is insurance coverage available for many of the foregoing actions. Although we cannot predict with certainty the ultimate resolution of lawsuits, investigations, claims and proceedings asserted against us, we do not believe any currently pending legal proceeding to which we are a party will have a material adverse effect on our business, prospects, financial condition, cash flows, results of operations or liquidity.

17. RELATED PARTY TRANSACTIONS

Management Agreement with SP General Services LLC

SPLP is managed by the Manager, pursuant to the terms of the Management Agreement, which receives a fee at an annual rate of 1.5% of total Partners' capital ("Management Fee"), payable on the first day of each quarter and subject to quarterly adjustment. In addition, SPLP may issue to the Manager partnership profits interests in the form of incentive units, which will be classified as Class C common units of SPLP, upon the attainment of certain specified performance goals by SPLP, which are determined as of the last day of each fiscal year (see Note 12 - "Capital and Accumulated Other Comprehensive Loss" for additional information on the incentive units).

The Management Agreement is automatically renewed each December 31 for successive one-year terms unless otherwise determined at least 60 days prior to each renewal date by a majority of the Company's independent directors. The Manager agreed to waive the Management Fee from March through June 2020 in the amount of $2,186 to help mitigate the impact of COVID-19 on the Company. The Management Fee was $(591) and $1,975 for the three months ended June 30, 2020 and 2019, respectively, and $1,182 and $3,908 for the six months ended June 30, 2020 and 2019, respectively. The lower amounts for the 2020 periods reflects the waiver of the Management Fee noted above. The Management Fee is included in Selling, general and administrative expenses in the Company's consolidated statements of operations. A receivable for overpayment of the Management Fees of $591 is included in Payables to related parties on the Company's consolidated balance sheet as of June 30, 2020. Unpaid Management Fees included in Payables to related parties on the Company's consolidated balance sheet as of December 31, 2019 was $27.

SPLP will bear (or reimburse the Manager with respect to) all its reasonable costs and expenses of the managed entities, the Manager, SPH GP or their affiliates, including but not limited to: legal, tax, accounting, auditing, consulting, administrative, compliance, investor relations costs related to being a public entity rendered for SPLP or SPH GP, as well as expenses incurred by the Manager and SPH GP which are reasonably necessary for the performance by the Manager of its duties and functions under the Management Agreement and certain other expenses incurred by managers, officers, employees and agents of the Manager or its affiliates on behalf of SPLP. Reimbursable expenses incurred by the Manager in connection with its provision of services under the Management Agreement were approximately $210 and $1,429 for the three months ended June 30, 2020 and 2019, respectively and $1,152 and $3,569 for the six months ended June 30, 2020 and 2019, respectively. Unpaid amounts for reimbursable expenses were approximately $1,210 and $409 as of June 30, 2020 and December 31, 2019, respectively, and are included in Payables to related parties on the Company's consolidated balance sheets.

Corporate Services

The Company's subsidiary, Steel Services Ltd ("Steel Services"), through management services agreements with its subsidiaries and portfolio companies, provides services, which include assignment of C-Level management personnel, legal, tax, accounting, treasury, consulting, auditing, administrative, compliance, environmental health and safety, human resources, marketing, investor relations, operating group management and other similar services. In addition to its servicing agreements with SPLP and its consolidated subsidiaries, which are eliminated in consolidation, Steel Services has management services agreements with other companies considered to be related parties, including J. Howard Inc., Steel Partners, Ltd. and affiliates, and STCN. In total, Steel Services currently charges approximately $4,474 annually to these companies. All amounts billed under these service agreements are recorded as a reduction of Selling, general and administrative expenses.

Mutual Securities, Inc.

Pursuant to the Management Agreement, the Manager is responsible for selecting executing brokers. Securities transactions for SPLP are allocated to brokers on the basis of reliability, and best price and execution. The Manager has selected Mutual Securities, Inc. as an introducing broker and may direct a substantial portion of the managed entities' trades to such firm, among others. An officer of the Manager and SPH GP is affiliated with Mutual Securities, Inc. The commissions paid by SPLP to Mutual Securities, Inc. were not significant in any period.

Incentive Agreement

On March 10, 2020, the Compensation Committee of the Board of Directors of SPH GP approved the WebBank Long-Term Incentive Agreement, between a wholly-owned subsidiary of the Company and Jack Howard ("LTIP Agreement"). Mr. Howard serves as Executive Chairman of WebBank and an officer of the Manager and SPH GP.

Pursuant to the LTIP Agreement, Mr. Howard will be entitled to an incentive award ("Incentive Award") of the greater of the following:

- 3.5% of the sum of net income of WebBank for each fiscal year from January 1, 2018 to December 31, 2020 (or for such shorter term ending (i) upon a separation of Mr. Howard's service without cause, (ii) upon Mr. Howard's death or disability, or (iii) upon a change of control or related corporate transaction (as defined in the LTIP Agreement)); or

- in the event of an underwritten initial public offering (an "IPO") or a change of control prior to January 1, 2021 and subject to Mr. Howard's continued service on the date thereof, 3.5% of the difference between the fair market value of WebBank's outstanding common stock based on the IPO offering price or the value of the consideration paid in the change of control, respectively, and a base amount to be determined by the board of directors of WebFinancial Holding Corporation, WebBank's parent, adjusted for certain dividend payments and changes to capital.

Mr. Howard will not be entitled to an Incentive Award under clause (i) above for any fiscal year in which WebBank fails to achieve at least 80% of its budgeted net income, unless the board of directors grants an exception. In the event of Mr. Howard's voluntary separation of service or separation of service for cause (each as defined in the LTIP Agreement) prior to any payment of the Incentive Award, the Incentive Award and all rights thereto will immediately terminate and be forfeited.

Other

As of both June 30, 2020 and December 31, 2019, several related parties and consolidated subsidiaries had deposits totaling $1,156 at WebBank. Approximately $83 and $100 of these deposits, including interest which was not significant, have been eliminated in consolidation as of June 30, 2020 and December 31, 2019, respectively.

18. SEGMENT INFORMATION

SPLP operates through the following segments: Diversified Industrial, Energy, Financial Services, and Corporate and Other, which are managed separately and offer different products and services. The Diversified Industrial segment is comprised of manufacturers of engineered niche industrial products, including joining materials, tubing, building materials, performance materials, electrical products, cutting replacement products and services, and a packaging business. The Energy segment provides drilling and production services to the oil & gas industry and owns a youth sports business. The Financial Services segment consists primarily of the operations of WebBank, a Utah chartered industrial bank, which engages in a full range of banking activities. The Corporate and Other segment consists of several consolidated subsidiaries, including Steel Services, equity method and other investments, and cash and cash equivalents. Its income or loss includes certain unallocated general corporate expenses.

Steel Services has management services agreements with our consolidated subsidiaries and other related companies as further discussed in Note 17 - "Related Party Transactions." Steel Services charged the Diversified Industrial, Energy and Financial Services segments approximately $5,430, $1,058 and $12, respectively, for the three months ended June 30, 2020 and $11,873, $1,867 and $514, respectively, for the three months ended June 30, 2019. Steel Services charged the Diversified Industrial, Energy and Financial Services segments approximately $14,142, $2,632 and $862, respectively, for the six months ended June 30, 2020 and $17,975, $4,329 and $1,482, respectively for the six months ended June 30, 2019. These service fees are reflected as expenses in the segment income (loss) below, but are eliminated in consolidation.

During the first quarter of 2020, the Company changed the measurement methods used to determine reported segment income or loss by allocating additional expenses from the Corporate and Other segment to the Diversified Industrial, Energy and Financial Services segments. The 2019 financial information has been recast to reflect these changes on a comparable basis. Accordingly, for the three months ended June 30, 2019, the Company allocated additional expenses of $2,692 and $424 to the Diversified Industrial and Energy segments, respectively, and reduced expenses to the Financial Services segment by $206, from the Corporate and Other segment. For the six months ended June 30, 2019, the Company allocated additional expenses of $5,384 and $848 to the Diversified Industrial and Energy segments, respectively, and reduced expenses to the Financial Services segment by $412, from the Corporate and Other segment.

In addition, as described in Note 3 - "Discontinued Operations," the Company recast all 2019 financial information associated w ith API, previously included in the Diversified Industrial segment, to discontinued operations, to reflect these changes on a comparable basis.

Segment information is presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue:				
Diversified industrial net sales	$ 252,172	$ 300,049	$ 514,472	$ 580,970
Energy net revenue	14,302	43,532	52,904	82,518
Financial services revenue	28,963	42,134	75,961	78,040
Total revenue	$ 295,437	$ 385,715	$ 643,337	$ 741,528
Income (loss) from continuing operations before interest expense and income taxes:				
Diversified industrial	$ 13,162	$ 15,606	$ 28,036	$ 30,651
Energy	(5,352)	329	(5,150)	(1,426)
Financial services	(815)	14,344	3,191	27,576
Corporate and other	(1,010)	18,743	(51,665)	25,190
Income (loss) from continuing operations before interest expense and income taxes	5,985	49,022	(25,588)	81,991
Interest expense	7,722	10,272	16,037	20,477
Income tax (benefit) provision	(1,320)	14,798	(4,749)	17,800
Net (loss) income from continuing operations	$ (417)	$ 23,952	$ (36,876)	$ 43,714
(Income) loss of associated companies, net of taxes:				
Corporate and other	$ (4,893)	$ 7,118	$ 29,614	$ (2,263)
Total	$ (4,893)	$ 7,118	$ 29,614	$ (2,263)
Segment depreciation and amortization:				
Diversified industrial	$ 12,383	$ 11,868	$ 24,650	$ 23,522
Energy	3,731	4,420	7,487	8,865
Financial services	92	101	263	199
Corporate and other	39	39	80	73
Total depreciation and amortization	$ 16,245	$ 16,428	$ 32,480	$ 32,659

19. REGULATORY MATTERS

WebBank is subject to various regulatory capital requirements administered by federal banking agencies. Failure to meet minimum capital requirements can initiate certain actions by regulators that, if undertaken, could have a direct material effect on WebBank's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, WebBank must meet specific capital guidelines that involve quantitative measures of its assets, liabilities and certain off-balance sheet items as calculated under regulatory accounting practices. WebBank's capital amounts and classification are also subject to qualitative judgments by the regulators about components, risk weightings and other factors.

In July 2013, the Federal Deposit Insurance Corporation ("FDIC") approved the final rules implementing the Basel Committee on Banking Supervision's capital guidelines for U.S. banks ("Basel III"). Under the final rules, which began for WebBank on January 1, 2015 and have been fully implemented as of January 1, 2019, minimum requirements increased for both the quantity and quality of capital held by WebBank. The rules include a new common equity Tier 1 capital to risk-weighted assets ratio ("CET1 Ratio") of 4.5% and a capital conservation buffer of 2.5% of risk-weighted assets, which as fully phased-in, effectively results in a minimum CET1 Ratio of 7.0%. Basel III raised the minimum ratio of Tier 1 capital to risk-weighted assets from 4.0% to 6.0% which, with the capital conservation buffer, effectively results in a minimum Tier 1 capital ratio of 8.5% as fully phased-in, and effectively results in a minimum total capital to risk-weighted assets ratio of 10.5% (with the capital conservation buffer fully phased-in), and requires a minimum leverage ratio of 4.0%. Basel III also made changes to risk weights for certain assets and off-balance-sheet exposures. WebBank expects that its capital ratios under Basel III will continue to exceed the well capitalized minimum capital requirements, and such amounts are disclosed in the table below:

	Actual		For Capital Adequacy Purposes		Minimum Capital Adequacy With Capital Buffer		To Be Well Capitalized Under Prompt Corrective Provisions	
			Amount of Capital Required					
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of June 30, 2020								
Total Capital								
(to risk-weighted assets)	$ 174,013	29.70 %	$ 46,808	8.00 %	$ 61,435	10.50 %	$ 58,510	10.00 %
Tier 1 Capital								
(to risk-weighted assets)	$ 166,062	28.40 %	$ 35,106	6.00 %	$ 49,733	8.50 %	$ 46,808	8.00 %
Common Equity Tier 1 Capital								
(to risk-weighted assets)	$ 166,062	28.40 %	$ 26,329	4.50 %	$ 40,957	7.00 %	$ 38,031	6.50 %
Tier 1 Capital								
(to average assets)	$ 166,062	19.60 %	$ 33,834	4.00 %	n/a	n/a	$ 42,293	5.00 %
As of December 31, 2019								
Total Capital								
(to risk-weighted assets)	$ 178,930	19.50 %	$ 73,525	8.00 %	$ 96,502	10.50 %	$ 91,907	10.00 %
Tier 1 Capital								
(to risk-weighted assets)	$ 167,131	18.20 %	$ 55,144	6.00 %	$ 78,121	8.50 %	$ 73,525	8.00 %
Common Equity Tier 1 Capital								
(to risk-weighted assets)	$ 167,131	18.20 %	$ 41,358	4.50 %	$ 64,335	7.00 %	$ 59,739	6.50 %
Tier 1 Capital								
(to average assets)	$ 167,131	18.30 %	$ 36,489	4.00 %	n/a	n/a	$ 45,611	5.00 %

The Federal Reserve, Office of the Comptroller of Currency and FDIC issued an interim final rule that excludes loans pledged as collateral to the Federal Reserve's PPP Lending Facility from supplementary leverage ratio exposure and average total consolidated assets. Additionally, PPP loans will receive a zero percent risk weight under the risk-based capital rules of the federal banking agencies.

20. SUPPLEMENTAL CASH FLOW INFORMATION

The amount of Cash, cash equivalents and restricted cash as of June 30, 2020 and 2019 in the consolidated statements of cash flows is reconciled to the Company's consolidated balance sheets as follows:

	June 30,	
	2020	2019
Cash and cash equivalents	$ 107,083	$ 206,171
Restricted cash	—	—
Total cash, cash equivalents and restricted cash	$ 107,083	$ 206,171

A summary of supplemental cash flow information for the six months ended June 30, 2020 and 2019 is presented in the following table:

	Six Months Ended June 30,	
	2020	2019
Cash paid during the period for:		
Interest	$ 18,968	$ 23,848
Taxes	$ 24,370	$ 3,608

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

As used in this Form 10-Q, unless the context otherwise requires, the terms "we," "our," "SPLP" and the "Company" refer to Steel Partners Holdings L.P.

The following discussion is intended to assist you in understanding our present business and the results of operations, together with our present financial condition. This section should be read in conjunction with our Consolidated Financial Statements and the accompanying Notes contained in this Quarterly Report on Form 10-Q, along with our Annual Report on Form 10-K for the fiscal year ended December 31, 2019. All monetary amounts used in this discussion are in thousands.

OVERVIEW

SPLP is a diversified global holding company that owns and operates businesses and has significant interests in various companies, including diversified industrial products, energy, defense, supply chain management and logistics, direct marketing, banking and youth sports. SPLP operates through the following segments: Diversified Industrial, Energy, Financial Services, and Corporate and Other. Each of our companies has its own management team with significant experience in their respective industries.

The Diversified Industrial segment is comprised of manufacturers of engineered niche industrial products, with leading market positions in many of the markets they serve. Its manufacturing operations encompass joining materials, tubing, building materials, performance materials, electrical products, cutting replacement products and services, and a packaging business. These businesses have been closely monitoring the impact of COVID-19 on their operations and have been actively reducing expenses to meet declines in demand, where applicable, as a result of COVID-19. See "Risks and Uncertainties" below for additional information related to COVID-19.

The Energy segment provides drilling and production services to the oil & gas industry and owns a youth sports business. The operations of the sports business are not material to the Company. The profitability of the energy business is highly sensitive to declines in the price of crude oil. Crude oil prices hit historic lows in April 2020 as a result of COVID-19 but have since rebounded significantly. The business has undertaken cost cutting measures, including reductions in workforce, to meet the decline in demand due to the significant drop in crude oil prices. A continued or sustained decline in oil prices will negatively impact this business.

The Financial Services segment consists primarily of the operations of WebBank. WebBank engages in a full range of banking activities, including originating loans, issuing credit cards and taking deposits that are federally insured. WebBank originates and funds consumer and small business loans through lending programs with unaffiliated companies that market and service the programs ("Marketing Partners"), where the Marketing Partners subsequently purchase the loans (or interests in the loans) that are originated by WebBank. WebBank retains a portion of the loans it originates for its Marketing Partners. WebBank also has private-label financing programs that are branded for a specific retailer, manufacturer, dealer channel, proprietary network or bank card program. WebBank participates in syndicated commercial and industrial as well as asset-based credit facilities and asset-based securitizations through relationships with other financial institutions. WebBank is observing and anticipates significant economic disruption and loan performance deterioration associated with the COVID-19 pandemic. WebBank believes this will have a broad negative impact on the macro-economy and will cause estimated credit losses to materially differ from historical loss experience.

During the quarter ended June 30, 2020, WebBank began issuing loans under the Small Business Administration's ("SBA") Paycheck Protection Program ("PPP"), primarily with one of its lending partners, authorized under the Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The loans were funded by the PPP Liquidity Facility, have terms of between 2 and 5 years, and their repayment is guaranteed by the SBA. Payments by borrowers on the loans begin six months after the note date, and interest will continue to accrue during the six-month deferment at 1%. Loans can be forgiven in whole or part (up to full principal and any accrued interest) if certain criteria are met. Loan processing fees paid to WebBank from the SBA are accounted for as loan origination fees. Net deferred fees are recognized over the life of the loan as a yield adjustment on the loans. If a loan is paid off or forgiven by the SBA prior to its maturity date, the remaining unamortized deferred fees will be recognized in interest income at that time. The PPP loans are included in Commercial and industrial loans in the table above. As of June 30, 2020, the total PPP loans and associated liabilities are $2,096,006 and $2,032,236, respectively, and included in Long-term loans receivable, net, and Other borrowings, respectively, in the consolidated balance sheet as of June 30, 2020.

The Corporate and Other segment consists of several consolidated subsidiaries, including Steel Services Ltd ("Steel Services"), equity method and other investments, and cash and cash equivalents. Its income or loss includes certain unallocated general corporate expenses. Steel Services has management services agreements with our consolidated subsidiaries and other related companies. Services provided include assignment of C-Level management personnel, legal, tax, accounting, treasury, consulting, auditing, administrative, compliance, environmental health and safety, human resources, marketing, investor relations, operating group management and other similar services. For additional information on these service agreements, see Note 17 - "Related Party Transactions" to the SPLP consolidated financial statements found elsewhere in this Form 10-Q.

Risks and Uncertainties

In March 2020, the World Health Organization categorized COVID-19 as a pandemic, and the President of the United States declared the COVID-19 outbreak a national emergency. The spread of the outbreak has caused significant disruptions in the U.S. and global economies, and economists expect the impact will be significant during the remainder of 2020. The Company is subject to risks and uncertainties as a result of the COVID-19 pandemic. The Company continues to evaluate the global risks and the slowdown in business activity related to COVID-19, including the potential impacts on its employees, customers, suppliers and financial results. As the situation surrounding COVID-19 remains fluid, it is expected to continue having a negative impact to the Company, however, it is difficult to predict the duration of the pandemic and its continued impact on the Company's business, operations, financial condition and cash flows. There is no certainty that federal, state or local regulations regarding safety measures to address the spread of COVID-19 will not adversely impact the Company's operations. As the COVID-19 pandemic progressed, the Company initiated cost reduction actions, including the waiver of management and board fees, hiring freezes, employee furloughs, staffing and force reductions, salary reductions, bonus payment deferrals and 401(k) match suspension to help mitigate the financial impact of the COVID-19 pandemic. The Company also froze all discretionary spend, implemented strict approvals for capital expenditures and is aggressively managing working capital. The Company continues to evaluate further actions as circumstances warrant.

The COVID-19 pandemic has adversely affected our consolidated financial results for the first six months of 2020. We anticipate COVID-19 may continue to have an adverse impact on our business through the third quarter and potentially beyond. While the Company developed and implemented, and continues to develop and implement, health and safety protocols, business continuity plans and crisis management protocols in an effort to try to mitigate the negative impact of COVID-19 to its employees and business, the severity of the impact of the COVID-19 pandemic on the Company's business in the remaining quarters of 2020 and beyond will depend on a number of factors, including, but not limited to, the duration and severity of the pandemic, governmental actions that have been taken, or may be taken in the future, in response to the pandemic, and the extent and severity of the impact on the Company's customers and suppliers, all of which are uncertain and cannot be predicted. The Company's future results of operations and liquidity could be adversely impacted by delays in payments of outstanding receivable amounts beyond normal payment terms, supply chain disruptions and uncertain demand, and the impact of any initiatives or programs that the Company may undertake to address financial and operations challenges faced by its customers. As of the date of issuance of these consolidated financial statements, the extent to which the COVID-19 pandemic may materially impact the Company's financial condition, liquidity or results of operations is uncertain.

RESULTS OF OPERATIONS

Comparison of the Three and Six Months Ended June 30, 2020 and 2019

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	**2019**	**2020**	**2019**
Revenue	$ 295,437	$ 385,715	$ 643,337	$ 741,528
Cost of goods sold	195,199	252,548	416,278	491,015
Selling, general and administrative expenses	74,936	97,430	151,600	179,753
Asset impairment charges	—	190	617	190
Interest expense	7,722	10,272	16,037	20,477
Realized and unrealized losses (gains) on securities, net	8,482	(36,377)	26,484	(38,486)
All other expenses, net	15,728	15,784	44,332	29,328
Total costs and expenses	302,067	339,847	655,348	682,277
(Loss) income from continuing operations before income taxes and equity method investments	(6,630)	45,868	(12,011)	59,251
Income tax (benefit) provision	(1,320)	14,798	(4,749)	17,800
(Income) loss of associated companies, net of taxes	(4,893)	7,118	29,614	(2,263)
Net (loss) income from continuing operations	$ (417)	$ 23,952	$ (36,876)	$ 43,714

Revenue

Revenue for the three months ended June 30, 2020 decreased $90,278, or 23.4%, as compared to the same period last year, due to lower sales volume across all the operating segments, primarily due to the impact of COVID-19.

Revenue for the six months ended June 30, 2020 decreased $98,191, or 13.2%, as compared to the same period last year. The decrease was primarily driven by the Diversified Industrial and Energy segments due to the impact of COVID-19 during the second quarter of 2020.

Cost of Goods Sold

Cost of goods sold for the three months ended June 30, 2020 decreased $57,349, or 22.7%, as compared to the same period last year, due to decreases in the Diversified Industrial and Energy segments. The decreases in the Diversified Industrial and Energy segments in the three months ended June 30, 2020 were primarily due to the lower sales volume discussed above, and the Company's cost reduction efforts to offset the impact of COVID-19.

Cost of goods sold for the six months ended June 30, 2020 decreased $74,737, or 15.2%, as compared to the same period last year, due to decreases in the Diversified Industrial and Energy segments. The decreases in the Diversified Industrial and Energy segments in the six months ended June 30, 2020 were primarily due to the lower sales volume discussed above, and the Company's cost reduction efforts to offset the impact of COVID-19.

Selling, General and Administrative Expenses

Selling, general and administrative expenses ("SG&A") for the three months ended June 30, 2020 decreased $22,494, or 23.1%, as compared to the same period last year. The decrease was primarily due to lower sales volume and cost reduction initiatives from all the segments, partially offset by an environmental reserve charge of $14,000 in the Diversified Industrial segment related to a legacy, non-operating site. There was also a $12,500 expense associated with a legal settlement in the Corporate segment during the 2019 period.

SG&A for the six months ended June 30, 2020 decreased $28,153, or 15.7%, as compared to the same period last year, primarily due to the lower sales volume and cost reduction initiatives from all the segments, partially offset by the environmental reserve charge in the Diversified Industrial segment noted above. There was also an expense associated with a legal settlement in the Corporate segment during the 2019 period as noted above.

Asset Impairment Charges

As a result of COVID-19 related declines in our youth sports business within the Energy segment, intangible assets of $617, primarily customer relationships, were fully impaired during the first quarter of 2020.

Interest Expense

Interest expense for the three months ended June 30, 2020 decreased $2,550, or 24.8%, as compared to the same period last year. The lower interest expense for the three months ended June 30, 2020 was primarily due to lower interest rates during the second quarter of 2020, partially offset by higher borrowing levels.

Interest expense for the six months ended June 30, 2020 decreased $4,440, or 21.7%, as compared to the same period last year. The lower interest expense for the six months ended June 30, 2020 was primarily due to lower interest rates during the first half of 2020, partially offset by higher borrowing levels.

Realized and Unrealized Losses (Gains) on Securities, Net

The Company recorded losses of $8,482 for the three months ended June 30, 2020, as compared to gains of $36,377 in the same period of 2019 and losses of $26,484 for the six months ended June 30, 2020, as compared to gains of $38,486 in 2019. The change in realized and unrealized losses (gains) on securities was primarily due to a realized loss on the sale of securities in the 2020 period, as well as mark-to-market adjustments on the Company's portfolio of securities in both periods.

All Other Expenses, Net

All other expenses were relatively flat for the three months ended June 30, 2020, as compared to the same period of 2019. Higher provision for loan losses were offset by lower finance interest expense and higher investment income, as compared to the prior period.

All other expenses increased $15,004 for the six months ended June 30, 2020, as compared to the same period of 2019. Higher provision for loan losses were partially offset by lower finance interest expense and higher investment income, as compared to the prior period.

Income Tax (Benefit) Provision

The Company recorded an income tax benefit of $1,320 and income tax provision of $14,798 for the three months ended June 30, 2020 and 2019, respectively, and an income tax benefit of $4,749 and income tax provision of $17,800 for the six months ended June 30, 2020 and 2019, respectively. As a limited partnership, we are generally not responsible for federal and state income taxes, and our profits and losses are passed directly to our limited partners for inclusion in their respective income tax returns. Provision has been made for federal, state, local or foreign income taxes on the results of operations generated by our consolidated subsidiaries that are taxable entities. The difference between the effective tax rate and statutory federal rate of 21% is principally due to partnership losses for which no tax benefit is recognized, as well as changes in certain deferred tax valuation allowances and various other permanent differences.

(Income) Loss of Associated Companies, Net of Taxes

The Company recorded income from associated companies, net of taxes of $4,893 and a loss from associated companies, net of taxes of $29,614 for the three and six months ended June 30, 2020, respectively, as compared to a loss of $7,118 and income of $2,263 in the same periods of 2019. For the details of each of these investments and the related mark-to-market adjustments, see Note 8 - "Investments" to the Company's consolidated financial statements found elsewhere in this Form 10-Q.

Segment Analysis

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue:				
Diversified industrial net sales	$ 252,172	$ 300,049	$ 514,472	$ 580,970
Energy net revenue	14,302	43,532	52,904	82,518
Financial services revenue	28,963	42,134	75,961	78,040
Total revenue	$ 295,437	$ 385,715	$ 643,337	$ 741,528
Income (loss) from continuing operations before interest expense and income taxes:				
Diversified industrial	$ 13,162	$ 15,606	$ 28,036	$ 30,651
Energy	(5,352)	329	(5,150)	(1,426)
Financial services	(815)	14,344	3,191	27,576
Corporate and other	(1,010)	18,743	(51,665)	25,190
Income (loss) from continuing operations before interest expense and income taxes	5,985	49,022	(25,588)	81,991
Interest expense	7,722	10,272	16,037	20,477
Income tax (benefit) provision	(1,320)	14,798	(4,749)	17,800
Net (loss) income from continuing operations	$ (417)	$ 23,952	$ (36,876)	$ 43,714
(Income) loss of associated companies, net of taxes:				
Corporate and other	$ (4,893)	$ 7,118	$ 29,614	$ (2,263)
Total	$ (4,893)	$ 7,118	$ 29,614	$ (2,263)
Segment depreciation and amortization:				
Diversified industrial	$ 12,383	$ 11,868	$ 24,650	$ 23,522
Energy	3,731	4,420	7,487	8,865
Financial services	92	101	263	199
Corporate and other	39	39	80	73
Total depreciation and amortization	$ 16,245	$ 16,428	$ 32,480	$ 32,659

During the first quarter of 2020, the Company changed the measurement methods used to determine reported segment income or loss by allocating additional expenses from the Corporate and Other segment to the Diversified Industrial, Energy and Financial Services segments. The 2019 financial information has been recast to reflect these changes on a comparable basis. Accordingly, for the three months ended June 30, 2019, the Company allocated additional expenses of $2,692 and $424 to the Diversified Industrial and Energy segments, respectively, and reduced expenses to the Financial Services segment by $206, from the Corporate and Other segment. For the six months ended June 30, 2019, the Company allocated additional expenses of $5,384 and $848 to the Diversified Industrial and Energy segments, respectively, and reduced expenses to the Financial Services segment by $412, from the Corporate and Other segment.

In addition, as described in Note 3 - "Discontinued Operations" found elsewhere in this Form 10-Q, the Company recast all 2019 financial information associated with API Group Limited and certain of its affiliates, which were deconsolidated on January 31, 2020 and previously included in the Diversified Industrial segment, to discontinued operations, to reflect these changes on a comparable basis.

Diversified Industrial

Net sales for the three months ended June 30, 2020 decreased $47,877, or 16.0%, as compared to the same period of 2019, primarily due to lower sales volume from the building materials, electrical products, joining materials and performance materials businesses.

Segment operating income for the three months ended June 30, 2020 decreased $2,444, or 15.7%, as compared to the same period of 2019. The lower operating income was primarily due to lower gross profit as a result of declines in sales volume and an environmental reserve charge of $14,000 related a legacy, non-operating site, partially offset by lower SG&A costs driven by cost reduction actions during the 2020 period.

Net sales for the six months ended June 30, 2020 decreased by $66,498, or 11.4%, as compared to the same period of 2019. The decline in net sales was primarily due to lower sales volume from the electrical products, performance materials and joining materials businesses.

Segment operating income for the six months ended June 30, 2020 decreased by $2,615, or 8.5%, as compared to the same period of 2019. The lower operating income was primarily due to lower gross profit as a result of declines in sales volume and the environmental reserve charge of $14,000 noted above, partially offset by lower SG&A costs driven by cost reduction actions during the 2020 period.

Energy

Net revenue for the three months ended June 30, 2020 decreased $29,230, or 67.1%, as compared to the same period of 2019. The decrease in net revenue was primarily due to the adverse effects that the decline in energy prices has had on the oil services industry during the 2020 period.

Segment operating results for the three months ended June 30, 2020 decreased $5,681, as compared to the same period of 2019, primarily due to the lower sales volume and a $3,400 write-off of uncollectible trade receivables, partially offset by lower SG&A costs driven by cost reduction actions initiated during 2020 as a result of the lower sales volume.

Net revenue for the six months ended June 30, 2020 decreased by $29,614, or 35.9%, as compared to the same period of 2019. The decrease in net revenue was primarily due to the adverse effects that the decline in energy prices has had on the oil services industry during the 2020 period.

Segment operating results for the six months ended June 30, 2020 decreased by $3,724, as compared to the same period of 2019, primarily due to the lower sales volume and the $3,400 write-off of uncollectible trade receivables, partially offset by lower SG&A costs driven by cost reduction actions initiated during 2020 as a result of the lower sales volume.

Financial Services

Revenue for the three months ended June 30, 2020 decreased $13,171, or 31.3%, and $2,079, or 2.7%, in the six months ended June 30, 2020, as compared to the same periods of 2019. The decreases were primarily due to decreases in interest income and fees due to lower origination volume, as compared to the same periods of 2019.

Segment operating results for the three months ended June 30, 2020 decreased $15,159, or 105.7%, as compared to the same period of 2019. The decrease was primarily due to lower revenue as noted above and higher provision for loan losses of $1,538. Finance interest expense decreased $725 for the three months ended June 30, 2020, as compared to the same period of 2019. The higher provision for loan losses was due to increased qualitative and environmental adjustments related to economic stress driven by COVID-19. The lower finance interest expense was due to a decrease in interest rates and lower deposit balances.

Segment operating income for the six months ended June 30, 2020 decreased $24,385, or 88.4%, as compared to the same period of 2019. The lower operating income was primarily due to lower revenue, higher provision for loan losses of $19,205 and higher SG&A costs driven by increased credit performance fees associated with the larger loan balances, partially offset by lower personnel expenses driven by cost reduction actions due to the economic impact of COVID-19 and lower finance interest expense of $1,216 for the six months ended June 30, 2020. WebBank's allowance for loan losses has increased in 2020, primarily driven by the impact of COVID-19. WebBank is observing and anticipating significant economic disruption and loan performance deterioration associated with the COVID-19 pandemic. WebBank believes this will have a broad negative impact on the macro-economy and will cause estimated credit losses to materially differ from historical loss experience. The lower finance interest expense was due to a decrease in interest rates and lower deposit balances.

Corporate and Other

Segment operating loss was $1,010 and $51,665 for the three and six months ended June 30, 2020, as compared to income of $18,743 and $25,190 for the three and six months ended June 30, 2019. The change was primarily due to investment losses from both marketable securities and associated companies, partially offset by lower SG&A costs driven by cost reduction actions associated with the COVID-19 pandemic impact in the 2020 periods. Excluding the impact of investment gains and losses, Corporate SG&A decreased by $13,124 and $18,337 during the three and six months ended June 30, 2020, respectively, as compared to the same periods of 2019. There was also a legal expense associated with a legal settlement in the 2019 periods.

DISCUSSION OF CONSOLIDATED CASH FLOWS

The following table provides a summary of the Company's consolidated cash flows from continuing operations for the six months ended June 30, 2020 and 2019:

	Six Months Ended June 30,	
	2020	2019
Net cash provided by operating activities	$ 259,892	$ 53,700
Net cash used in investing activities	(2,011,914)	(193,930)
Net cash provided by financing activities	1,721,225	3,598
Net change for the period	$ (30,797)	$ (136,632)

Cash Flows from Operating Activities

Net cash provided by operating activities of continuing operations for the six months ended June 30, 2020 was $259,892. Net loss from continuing operations of $36,876 was impacted by certain non-cash items and a net improvement of $169,644 relating to changes in operating assets and liabilities. The net cash provided by changes in operating assets and liabilities was primarily due to a $153,635 decrease in loans held for sale due to a reduction in loan originations at the end of the second quarter 2020, a decrease of $11,354 in trade and other receivables, a decrease in inventories of $6,714, and a decrease in prepaid expenses and other assets of $1,746, partially offset by a net decrease in accounts payable, accrued and other liabilities of $3,805. Net cash used in discontinued operations for the six months ended June 30, 2020 was $1,671.

Net cash provided by operating activities of continuing operations for the six months ended June 30, 2019 was $53,700. Net income from continuing operations of $43,714 was impacted by certain non-cash items and a net reduction of $16,125 relating to changes in operating assets and liabilities. The net increase in operating assets and liabilities was primarily due to an increase of $46,925 in trade and other receivables due to second quarter sales volume, as compared to the fourth quarter of 2018, an increase in inventories of $1,549 to support sales growth in the Diversified Industrial segment and an increase in prepaid expenses and other assets of $4,017, partially offset by a decrease of $10,072 in loans held for sale due to the timing of loan originations, which can vary significantly from period-to-period since these loans are typically sold after origination, and a net increase in accounts payable, accrued and other liabilities of $26,294. Net cash used in discontinued operations for the six months ended June 30, 2019 was $8,100.

Cash Flows from Investing Activities

Net cash used in investing activities of continuing operations for the six months ended June 30, 2020 was $2,011,914. Significant items included an increase in loan originations, net of collections of $2,023,616, primarily due to PPP loans initiated during the second quarter, net cash paid for the Metallon, Inc. acquisition of $3,500, purchases of property, plant and equipment of $11,035, partially offset by proceeds from net sales of investments of $23,170.

Net cash used in investing activities of continuing operations for the six months ended June 30, 2019 was $193,930. Significant items included an increase in loan originations, net of collections of $106,523, primarily due to larger outstanding loan balances, net cash paid for the National Partners PFco, LLC acquisition of $45,559, purchases of property, plant and equipment of $16,410, short position settlements of $14,611 and net purchases of investments of $11,094. Net cash used in investing activities from discontinued operations for the six months ended June 30, 2019 was $1,734.

Cash Flows from Financing Activities

Net cash provided by financing activities of continuing operations for the six months ended June 30, 2020 was $1,721,225. Significant items included other borrowings driven by the PPP loans of $2,032,236 during the second quarter of 2020 and net revolver borrowings of $33,654, partially offset by payments to redeem SPLP preferred units of $40,000, term loan repayments of $6,477 and a net decrease in deposits of $296,714.

Net cash provided by financing activities of continuing operations for the six months ended June 30, 2019 was $3,598. Significant items included a net increase in deposits of $39,820, partially offset by net revolver repayments of $26,297 and cash used to purchase the Company's common units of $6,721. Net cash provided by financing activities from discontinued operations for the six months ended June 30, 2019 was $5,406.

LIQUIDITY AND CAPITAL RESOURCES

SPLP (excluding its operating subsidiaries, "Holding Company") is a diversified global holding company with assets that principally consist of the stock of its direct subsidiaries, equity method and other investments, and cash and cash equivalents. The Company works with its businesses to enhance the liquidity and operations of its businesses and increase long-term value for its unitholders and stakeholders through balance sheet improvements, capital allocation policies, and operational and growth initiatives.

The Company's senior credit facility ("Credit Agreement") consists of a revolving credit facility in an aggregate principal amount not to exceed $500,000 and a $187,500 term loan with quarterly amortization equating to $2,500 per quarter. The Credit Agreement covers substantially all of the Company's subsidiaries, with the exception of WebBank. Availability under the Credit Agreement is based upon earnings and certain covenants, including a maximum ratio limit on Total Leverage and a minimum ratio limit on Interest Coverage, as defined in the Credit Agreement. The Credit Agreement is subject to certain mandatory prepayment provisions and restrictive and financial covenants, primarily the leverage ratios described above. The Company was in compliance with all financial covenants as of June 30, 2020. If the Company does not meet its financial covenants, and if it is unable to secure necessary waivers or other amendments from its lenders on terms acceptable to management, its ability to access available lines of credit could be limited, its debt obligations could be accelerated and liquidity could be adversely affected. The Credit Agreement will expire on November 14, 2022, and all outstanding amounts will be due and payable.

On June 26, 2020, the Company repaid approximately $202,500 of borrowings under the Credit Agreement as the Company continually monitors the effects of the COVID-19 outbreak. On July 13, 2020, the Company borrowed approximately $100,000 under the Credit Agreement as part of a precautionary approach to increase the Company's cash position and maximize its financial flexibility in light of the current volatility in the global markets resulting from the COVID-19 outbreak. These borrowings may be used for working capital, general corporate or other permitted purposes.

The Holding Company and its operating businesses believe that they have access to adequate resources to meet their needs for normal operating costs, capital expenditures, pension payments, debt obligations and working capital for their existing business, as well as to fund its taxes, legal and environmental matters, for at least the next twelve months. These resources include cash and cash equivalents, investments, cash provided by operating activities and unused lines of credit. The Holding Company and its operating businesses' ability to satisfy their debt service obligations, to fund planned capital expenditures and required pension payments, and to make acquisitions or repurchase units under its common unit repurchase program will depend upon their future operating performance, which will be affected by prevailing economic conditions in the markets in which they operate, as well as financial, business and other factors, some of which are beyond their control. As indicated above, there can be no assurances that the Holding Company and its operating businesses will continue to have access to their lines of credit if their financial performance does not satisfy the financial covenants set forth in their respective financing agreements, which could also result in the acceleration of their debt obligations by their respective lenders, adversely affecting liquidity.

Management is utilizing the following strategies to continue to enhance liquidity: (1) continuing to implement improvements using the *Steel Business System* throughout all the Company's operations to increase sales and operating efficiencies, (2) supporting profitable sales growth both internally and potentially through acquisitions and (3) evaluating from time to time and as appropriate, strategic alternatives with respect to its businesses and/or assets. The Company continues to examine all of its options and strategies, including acquisitions, divestitures and other corporate transactions, to increase cash flow and stakeholder value.

As of June 30, 2020, the Company's working capital was $124,835, as compared to working capital of $154,380 as of December 31, 2019. Upon filing the second quarter bank certification, the Company's total availability under the Credit

Agreement will be approximately $231,491 as of June 30, 2020. During the six-month period of 2020, capital expenditures were $11,035, as compared to $16,410 for the same period of 2019. The Company currently expects full year capital expenditures in the range of $21,000 to $28,000 in 2020, as compared to $43,024 in 2019. The Company and its subsidiaries have ongoing commitments, which include funding of the minimum requirements of its subsidiaries' pension plans. On March 27, 2020, President Trump signed the CARES Act into law. As a result of the CARES Act, U.S. pension plan contributions that were expected to be made after March 2020 have been deferred until January 1, 2021. The Company currently expects to have required minimum contributions to its primary pension plans of $0 for the remainder of 2020, $63,600, $32,400, $25,900, $15,700 and $5,800 in 2021, 2022, 2023, 2024 and for the five years thereafter, respectively. Required future pension contributions are estimated based upon assumptions such as discount rates on future obligations, assumed rates of return on plan assets and legislative changes. Actual future pension costs and required funding obligations will be affected by changes in the factors and assumptions described in the previous sentence, including the impact of declines in pension plan assets and interest rates, as well as other changes such as any plan termination or other acceleration events.

As an additional part of a comprehensive precautionary approach to increase the Company's cash position and maximize its financial flexibility in light of the current volatility in the global markets resulting from the COVID-19 outbreak, the Board of Directors of the Company's general partner unanimously approved the waiver of all board and management fees payable from March to June 2020 and announced that it would continue reviewing this decision quarterly throughout 2020.

WebBank manages its liquidity to provide adequate funds to meet anticipated financial obligations, such as certificate of deposit maturities and to fund customer credit needs. WebBank had $50,583 and $125,047 in cash and cash equivalents, time deposits placed at other institutions and federal funds sold as of June 30, 2020 and December 31, 2019, respectively. WebBank had $40,000 in lines of credit from its correspondent banks as of both June 30, 2020 and December 31, 2019. WebBank had $17,303 and $21,287 available from the Federal Reserve discount window as of June 30, 2020 and December 31, 2019, respectively. Therefore, WebBank had a total of $107,886 and $186,334 in cash, lines of credit and access to the Federal Reserve Bank discount window as of June 30, 2020 and December 31, 2019, respectively, which represents approximately 17.9% and 19.4%, respectively, of WebBank's total assets, excluding PPP loans.

There were no material changes in the Company's contractual obligations as of June 30, 2020, as compared to those reported in the Company's annual report on Form 10-K for the year ended December 31, 2019, except for the payment of the preferred unit liability of approximately $40,000 on February 6, 2020 and the deferral of $29,600 of minimum required pension contributions from 2020 until 2021 under the CARES Act.

Off-Balance Sheet Risk

We have off-balance sheet risk related to certain financial instruments, including forward contracts and undisbursed loan commitments. For additional information regarding these arrangements, refer to Note 10 - "Financial Instruments" to the SPLP consolidated financial statements found elsewhere in this Form 10-Q.

Critical Accounting Policies

Goodwill and Other Intangible Assets, Net

Goodwill, which is not amortized, represents the difference between the purchase price and the fair value of identifiable net assets acquired in a business combination. We review goodwill for impairment annually in the fourth quarter, and test for impairment during the year if an event occurs or circumstances change that would indicate the carrying amount may be impaired. Examples of such events would include pertinent macroeconomic conditions, industry and market considerations, overall financial performance and other factors. An entity can choose between using the Step 0 approach or the Step 1 approach.

For the Step 0 approach, an entity may assess qualitative factors to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount. An entity has an unconditional option to bypass the Step 0 assessment for any reporting unit in any period and proceed directly to performing Step 1 of the goodwill impairment test. An entity may resume performing the Step 0 assessment in any subsequent period. For the Step 1 approach, which is a quantitative approach, the Company will calculate the fair value of a reporting unit and compare it to its carrying amount. There are several methods that may be used to estimate a reporting unit's fair value, including the income approach, the market approach and/or the cost approach. The amount of impairment, if any, is determined by comparing the fair value of a reporting unit with its carrying amount and recognizing an impairment charge based on the amount that the carrying amount exceeds the reporting unit's fair value. The loss recognized should not exceed the total goodwill allocated to the reporting unit.

For definite-lived intangible assets, the Company evaluates the carrying amount of such assets when circumstances indicate the carrying amount may not be recoverable. Conditions that could have an adverse impact on the cash flows and fair value of the long-lived assets are deteriorating business climate, condition of the asset or plans to dispose of the asset before the end of its useful life. If the assets' carrying amounts exceed the sum of the undiscounted cash flows, an impairment charge is recognized in the amount by which the carrying amounts exceed their fair values. The Company performs such assessments at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities, which is generally at the plant level, operating company level or the reporting unit level, depending on the level of interdependencies in the Company's operations.

Intangible assets with indefinite lives, which are only within the Diversified Industrial segment, are tested for impairment at least annually, or when events or changes in circumstances indicate that it is more likely than not that the asset is impaired. Companies can use the same two testing approaches for indefinite-lived intangibles as for goodwill.

Long-Lived Asset Testing

The Company's accounting policy for long-lived assets is to estimate the depreciable lives of property, plant and equipment, and to depreciate such assets over such lives. The Company tests long-lived assets for impairment whenever events, or changes in circumstances, indicate the carrying amount of such assets may not be recoverable. If the carrying amounts of the long-lived assets exceed the sum of the undiscounted cash flows, an impairment charge is recognized in the amount by which the carrying amounts exceeds their fair values. The Company performs such assessments at the lowest level for which identifiable cash flows are largely independent of the cash flows of other assets and liabilities, which is generally at the plant level, operating company level or the reporting unit level, depending on the level of interdependencies in the Company's operations. The Company considers various factors in determining whether an impairment test is necessary, including among other things: a significant or prolonged deterioration in operating results and projected cash flows; significant changes in the extent or manner in which assets are used; technological advances with respect to assets which would potentially render them obsolete; the Company's strategy and capital planning; and the economic climate in the markets it serves. When estimating future cash flows and if necessary, fair value, the Company makes judgments as to the expected utilization of assets and estimated future cash flows related to those assets. The Company considers historical and anticipated future results, general economic and market conditions, the impact of planned business and operational strategies and other information available at the time the estimates are made. The Company believes these estimates are reasonable; however, changes in circumstances or conditions could have a significant impact on its estimates, which might result in material impairment charges in the future. Trademarks with indefinite lives as of June 30, 2020 and December 31, 2019 were $11,341 and $11,320, respectively. Amortization expense related to intangible assets was $5,112 and $5,438 for the three months ended June 30, 2020 and 2019, respectively, and $10,394 and $10,703 for the six months ended June 30, 2020 and 2019, respectively. As discussed in Note 7 - "Goodwill and Other Intangible Assets, Net" found elsewhere in this Form 10-Q, as a result of COVID-19 related declines in our youth sports business within the Energy segment, intangible assets of $617, primarily customer relationships, were fully impaired during the first quarter of 2020.

As of June 30, 2020, the Company reviewed its goodwill, other intangible assets and long-lived assets for indicators of impairment as a result of the impact of the COVID-19 pandemic. As a result of the COVID-19 pandemic, the Company believes that indicators of impairment were present for all these asset classes due to a general deterioration in macroeconomic conditions, reduced cash flow projections and a significant decline in the Company's market capitalization. Therefore, we assessed whether it was more likely than not that our goodwill, other intangible assets and long-lived assets were impaired as of June 30, 2020. We reviewed our previous forecasts and assumptions based on our current projections that are subject to various risks and uncertainties, including forecasted revenues, expenses and cash flows, including the duration and extent of impact to our businesses from the COVID-19 pandemic and the reduction in the Company's market capitalization. Based on our interim impairment assessment as of June 30, 2020, we have determined that our goodwill, other intangible assets, except for our youth sports related intangibles described above, and long-lived assets are not impaired. However, as a result of the COVID-19 pandemic, it is possible in future periods that further declines in market conditions, customer demand or other potential changes in operations may increase the risk that these assets are impaired. In addition, at June 30, 2020, the goodwill related to the performance materials business, within our Diversified Industrial segment, is at risk of future impairment if the fair value of this reporting unit, and its associated assets, decrease in value due to further declines in market conditions or customer demand. The goodwill related to our energy business within our Energy segment is also at risk of future impairment if the fair value of this reporting unit, and its associated assets, decrease in value due to reductions in customer demand as a result of continued or sustained declines in the price of oil.

There were no other material changes to our critical accounting policies during the six months ended June 30, 2020, as compared to those reported in our 2019 Form 10-K.

Cautionary Statement Regarding Forward-Looking Statements

This report contains certain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), that reflect SPLP's current expectations and projections about its future results, performance, prospects and opportunities. SPLP identifies these forward-looking statements by using words such as "may," "should," "expect," "hope," "anticipate," "believe," "intend," "plan," "estimate" and similar expressions. These forward-looking statements are based on information currently available to the Company and are subject to risks, uncertainties and other factors that could cause its actual results, performance, prospects or opportunities in 2020 and beyond to differ materially from those expressed in, or implied by, these forward-looking statements. These factors include, without limitation, the impact of COVID-19 on business activity generally and on the Company's operations including whether facilities considered to be essential retain that designation, the continued decline of crude oil prices, customers' acceptance of our new and existing products, our ability to deploy our capital in a manner that maximizes unitholder value, the ability to consolidate and manage the Company's newly acquired businesses, the potential fluctuation in the Company's operating results, the Company's ongoing cash flow requirements for defined benefit pension plans, the cost of compliance with extensive federal and state regulatory requirements and any potential liability thereunder, the Company's need for additional financing and the terms and conditions of any financing that is consummated, the ability to identify suitable acquisition candidates or investment opportunities for our core businesses, the impact of losses in the Company's investment portfolio, the effect of rising interest rates and the phase-out of LIBOR, our ability to protect the Company's intellectual property rights, the Company's ability to manage risks inherent to conducting business internationally, the outcome of litigation or other legal proceedings in which we are involved from time to time, a significant disruption in, or breach in security of, our technology systems, labor disputes and the ability to recruit and retain experienced personnel, general economic conditions, fluctuations in demand for our products and services, the inability to realize the benefits of net operating losses of our affiliates and subsidiaries, the possible volatility of our common or preferred unit trading prices and other risks detailed from time to time in filings we make with the Securities and Exchange Commission ("SEC"). These statements involve significant risks and uncertainties, and no assurance can be given that the actual results will be consistent with these forward-looking statements. Investors should read carefully the factors described in the "Risk Factors" in Part I, Item 1A of the Company's Form 10-K for the year ended December 31, 2019 and in Part II, Item 1A of the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 for information regarding risk factors that could affect the Company's results. Any forward-looking statement made in this report speaks only as of the date hereof. Except as otherwise required by law, SPLP undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changed circumstances or any other reason.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

As required by Rule 13a-15(b) under the Exchange Act, the Company conducted an evaluation under the supervision and with the participation of its management, including the Principal Executive Officer and the Principal Financial Officer, of the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Principal Executive Officer and the Principal Financial Officer concluded that as of June 30, 2020, the Company's disclosure controls and procedures are effective in ensuring that all information required to be disclosed in reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to Company management, including the Principal Executive Officer and the Principal Financial Officer, in a manner that allows timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting during the quarter ended June 30, 2020 that have materially affected or are reasonably likely to materially affect the Company's internal control over financial reporting. In addition, we have not experienced any material impact to our internal controls over financial reporting despite the fact that many of our employees are working remotely due to the COVID-19 pandemic. We are continually monitoring and assessing the COVID-19 situation on our internal controls to minimize the impact on their design and operating effectiveness.

PART II - OTHER INFORMATION
Item 1. Legal Proceedings

The Company and its subsidiaries are parties to a variety of legal actions arising out of the normal course of business and otherwise. For further information regarding our legal proceedings, see the description of legal and environmental matters set forth in Note 16 - "Commitments and Contingencies" to the SPLP consolidated financial statements included in Part I of this Quarterly Report and incorporated herein by reference.

Item 1A. Risk Factors

There have been no material changes from the risk factors previously disclosed under the heading "Risk Factors" in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2019, as updated in the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2020.

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

(a) Not applicable

(b) Not applicable

(c) Issuer Purchases of Equity Securities

The Board of Directors of Steel Partners Holdings GP Inc., the general partner of SPLP, has approved the repurchase of up to an aggregate of 3,000,000 of the Company's common units ("Repurchase Program"). The Repurchase Program supersedes and cancels, to the extent any amounts remain available, all previously approved repurchase programs. Any purchases made under the Repurchase Program will be made from time to time on the open market at prevailing market prices or in negotiated transactions off the market, in compliance with applicable laws and regulations. In connection with the Repurchase Program, the Company may enter into a stock purchase plan. The Repurchase Program has no termination date. As of June 30, 2020, there were approximately 910,823 units that may yet be purchased under the Repurchase Program.

Item 6. Exhibits

Exhibit No.	Description
Exhibit 10.1*	Sixth Amendment, dated as of June 19, 2020, to the Credit Agreement, dated as of November 14, 2017, by and among Handy & Harman Group Ltd., SPH Group Holdings LLC, Steel Excel Inc., API Americas Inc., iGo, Inc. and Cedar 2015 Limited as Borrowers, PNC Bank, National Association, in its capacity as administrative agent, the lenders party thereto, and certain of the Borrowers' affiliates in their capacities as guarantors.
Exhibit 10.2**	First Amendment to Employment Agreement dated as of April 15, 2020 between Douglas B. Woodworth and Steel Services Ltd. (incorporated by reference to Exhibit 10.1 to Steel Partners Holding L.P.'s Current Report on Form 8-K, filed April 16, 2020).
Exhibit 10.3**	Second Amendment to Employment Agreement dated as of April 30, 2020 between Douglas B. Woodworth and Steel Services Ltd. (incorporated by reference to Exhibit 10.1 to Steel Partners Holding L.P.'s Current Report on Form 8-K, filed April 30, 2020).
Exhibit 10.4**	Third Amendment to Employment Agreement dated as of July 8, 2020 between Douglas B. Woodworth and Steel Services Ltd. (incorporated by reference to Exhibit 10.1 to Steel Partners Holding L.P.'s Current Report on Form 8-K, filed July 9, 2020).
Exhibit 10.5**	Steel Partners Holdings L.P. Amended and Restated 2018 Incentive Award Plan (incorporated by reference to Exhibit 10.1 to Steel Partners Holdings L.P.'s Current Report on Form 8-K, filed May 22, 2020).
Exhibit 31.1	Certification of Principal Executive Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002 and Rule 13a-14(a) of the Securities Exchange Act of 1934.
Exhibit 31.2	Certification of Principal Financial Officer pursuant to Section 302(a) of the Sarbanes-Oxley Act of 2002 and Rule 13a-14(a) of the Securities Exchange Act of 1934.
Exhibit 32.1	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and Rule 13a-14(b) of the Securities Exchange Act of 1934.
Exhibit 32.2	Certification of Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (18 U.S.C. 1350) and Rule 13a-14(b) of the Securities Exchange Act of 1934.
Exhibit 101.INS	Inline XBRL Instance Document
Exhibit 101.SCH	Inline XBRL Taxonomy Extension Schema
Exhibit 101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase
Exhibit 101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase
Exhibit 101.LAB	Inline XBRL Taxonomy Extension Label Linkbase
Exhibit 101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase
104	Cover Page Interactive Data File (formatted as Inline XBRL and included in Exhibit 101)

* Filed herewith.
** Management contract or compensatory plan or arrangement.

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.

Dated:	August 7, 2020	STEEL PARTNERS HOLDINGS L.P.	
		By:	Steel Partners Holdings GP Inc. Its General Partner
		By:	/s/ Douglas B. Woodworth
			Douglas B. Woodworth Chief Financial Officer (Principal Accounting Officer)

EXHIBIT 10.1

Execution Version

SIXTH AMENDMENT TO CREDIT AGREEMENT

This Sixth Amendment to Credit Agreement (the "Amendment") is made as of this 19th day of June, 2020, by and among HANDY & HARMAN GROUP LTD., a Delaware corporation, SPH GROUP HOLDINGS LLC, a Delaware limited liability company, STEEL EXCEL INC., a Delaware corporation, API AMERICAS INC., a Delaware corporation, IGO, INC., a Delaware corporation (collectively, the "US Borrowers" and each individually, a "US Borrower"), CEDAR 2015 LIMITED, a private limited company incorporated in England and Wales ("UK Borrower" and together with US Borrowers, the "Borrowers" and each individually, a "Borrower"), each of the Guarantors listed on the signature pages hereto (each, a "Guarantor" and collectively, the "Guarantors") and collectively with Borrowers, the "Loan Parties" and each is individually referred to herein as a "Loan Party"), the financial institutions which are named on the signature pages hereto as lenders (collectively, the "Lenders" and each is individually referred to as a "Lender"), and PNC BANK, NATIONAL ASSOCIATION ("PNC"), in its capacity as administrative agent (PNC, in such capacity, the "Administrative Agent") and in its capacity as a Lender.

BACKGROUND

A. On November 14, 2017, the Borrowers, Guarantors, Lenders and Administrative Agent entered into a Credit Agreement to reflect certain financing arrangements between the parties thereto (as amended, modified, renewed, extended, replaced or substituted from time to time, most recently by this Amendment, the "Credit Agreement"). All capitalized terms used herein but not otherwise defined herein shall have the meaning given to them in the Credit Agreement.

B. The Loan Parties have requested and the Administrative Agent and the Lenders have agreed, subject to the terms and conditions set forth in this Amendment, to amend certain terms and provisions of the Credit Agreement.

NOW THEREFORE, with the foregoing background hereinafter deemed incorporated by reference herein and made part hereof, the parties hereto, intending to be legally bound, promise and agree as follows:

1. Amendments to Credit Agreement. On the Effective Date (defined below):

a. the following definitions in Section 1.1 of the Credit Agreement are hereby amended and restated in their entirety as follows:

Consigned Precious Metal shall mean the gold, silver, platinum and palladium delivered by the Precious Metal Consignor to Luca s Milhaupt, Inc. and held by Lucas Milhaupt, Inc. on consignment pursuant to the terms of the applicable Consignment Agreement.

Consigned Precious Metal Indebtedness shall mean, without duplication, the sum of (x) the aggregate amount owing from time to time, by Lucas Milhaupt, Inc. and/or Borrowers to the Precious Metal Consignor in conjunction with, or related to, the Precious Metal Consignment Arrangement and (y) the Dollar Value based on the Benchmark Value (each term as defined in the applicable Consignment Agreement (or, if such terms do not appear in the applicable Consignment Agreement, the equivalent terms appearing therein) of the Consigned Precious Metal, as determined from time to time.

b. Subsection (x) of the definition of Permitted Liens is hereby amended and restated in its entirety as follows:

(x) the Liens of the Precious Metal Consignor in the Consigned Precious Metal consigned by the Precious Metal Consignor to Lucas Milhaupt, Inc. in accordance with the Precious Metal Consignment Arrangement;

c. the following definitions are hereby added to Section 1.1 of the Credit Agreement in their proper alphabetical order:

BMO shall mean Bank of Montreal.

Consignment Agreement shall mean, as the case may be (i) that certain Precious Metals Master Consignment Agreement, dated as of the Sixth Amendment Date, by and among BMO, as consignor, and Lucas Milhaupt, Inc., as consignee or (ii) any other similar precious metals consignment agreement as approved by Administrative Agent in its reasonable discretion, each as may be amended, restated, supplemented or modified from time to time with the prior written consent of Administrative Agent.

Intercreditor Letter Agreement shall mean, as the case may be (i) that certain intercreditor letter agreement by and among BMO and Administrative Agent dated as of the Sixth Amendment Date or (ii) any other similar intercreditor letter agreement by and among the applicable Precious Metal Consign or and Administrative Agent, each in form and substance reasonably satisfactory to the Administrative Agent and each as may be amended, restated, supplemented or modified from time to time with the prior written consent of Administrative Agent.

Precious Metal Consignment Arrangement shall mean the consignment arrangement established by the applicable Precious Metal Consignor, as consignor, with Lucas Milhaupt, Inc., as consignee, pursuant to the applicable Consignment Agreement and in accordance with the applicable Intercreditor Letter Agreement pursuant to which, inter alia, the applicable Precious Metal Consignor, in its capacity as a Precious Metal Consignor, is granted Liens on the Consigned Precious Metal and the proceeds thereof, such Liens being subject to the terms of the applicable Intercreditor Letter Agreement and such other documentation in form and substance reasonably satisfactory to the Administrative Agent.

Precious Metal Consignor shall mean BMO or any other precious metal consignor acceptable to Administrative Agent in its reasonable discretion.

Sixth Amendment Date shall mean June 19, 2020.

d. The definitions of Scotiabank and Scotiabank Precious Metal Consignment Arrangement in Section 1.1 of the Credit Agreement are hereby deleted in their entirety.

e. Subsection (vi) of Section 8.3.4.7 is amended by replacing the word “Scotiabank” with the word “the Precious Metal Consignor” .

2. Representations and Warranties. Each Loan Party hereby:

a. reaffirms all representations and warranties made to Administrative Agent and Lenders under the Credit Agreement and all of the other Loan Documents and confirms that all are true and correct in all material respects as of the date hereof, in each case other than representations and warranties that relate to a specific date;

b. reaffirms all of the covenants contained in the Credit Agreement and covenants to abide thereby until all Loans, Obligations and other liabilities of Loan Parties to Administrative Agent and Lenders, of whatever nature and whenever incurred, are satisfied and/or released by Administrative Agent and Lenders;

c. represents and warrants that no Potential Default or Event of Default has occurred and is continuing under any of the Loan Documents;

d. represents and warrants that since December 31, 2019, no event or development has occurred which has had or is reasonably likely to have a Material Adverse Change;

e. represents and warrants that it has the authority and legal right to execute, deliver and carry out the terms of this Amendment, and all related agreements, instruments, and documents to which such Loan Party is a party, that such actions were duly authorized by all necessary corporate or company action and that the officers executing this Amendment, and any related agreements, instruments or documents on its behalf were similarly authorized and empowered, and that neither this Amendment, or any related agreements, instruments, or documents contravenes any provisions of its Articles of Incorporation or Certificate of Formation, as applicable and Bylaws or Operating Agreement, as applicable, or of any contract or agreement to which it is a party or by which any of its properties are bound; and

f. represents and warrants that this Amendment, and all assignments, instruments, documents, and agreements executed and delivered by such Loan Party in connection herewith, are valid, binding and enforceable in accordance with their respective terms.

3. Confirmation of Indebtedness. Loan Parties confirm and acknowledge that as of the close of business on May 8, 2020, Borrowers were indebted to Administrative Agent and Lenders under the Credit Agreement in the aggregate principal amount of $446,660,737.04 for the Revolving Credit Loans and $187,500,000.00 for the Term Loans, without any deduction, defense, setoff, claim or counterclaim, plus all fees, costs and expenses incurred to date in connection with the Credit Agreement and the other Loan Documents.

4. Acknowledgment of Guarantors. Each Guarantor hereby covenants and agrees that the Continuing Agreement of Guaranty and Suretyship (US Guarantied Obligations) and the Continuing Agreement of Guaranty and Suretyship (UK Obligations), both dated November 14, 2017, as amended, restated, reaffirmed, supplemented and otherwise modified from time to time, shall remain in full force and effect and shall continue to cover the existing and future Obligations of Borrowers and each other Guarantor to Administrative Agent and Lenders under the Credit Agreement and the other Loan Documents.

5. Conditions Precedent/Effectiveness Conditions. This Amendment shall be effective upon (the "Effective Date") the satisfaction of each of the following conditions (all documents to be in form and substance reasonably satisfactory to Administrative Agent and Administrative Agent's counsel):

   a. Administrative Agent shall have received this Amendment duly executed by Lenders and all Loan Parties;

   b. Administrative Agent shall have received the fully-executed Precious Metals Master Consignment Agreement, dated as of the date hereof, by and among BMO, as consignor, and Lucas Milhaupt, Inc., as consignee, together with any other documents, instruments and agreements executed in connection therewith;

   c. Administrative Agent shall have received the fully-executed Intercreditor Letter Agreement, dated as of the date hereof, by and among BMO and Administrative Agent;

   d. Payment of the fees and expenses described Section 6 below incurred through the Effective Date;

   e. After giving effect to this Amendment, no Potential Default or Event of Default shall have occurred and be continuing;

   f. The representations and warranties set forth herein must be true and correct in all material respects; and

   g. Execution and/or delivery of all other agreements, instruments and documents requested by Administrative Agent to effectuate and implement the terms hereof.

6. Payment of Expenses. Loan Parties shall pay or reimburse Administrative Agent for its reasonable attorneys' fees and expenses in connection with the preparation, negotiation and execution of this Amendment and the documents provided for herein or related hereto.

7. Reaffirmation of the Loan Documents. Except as modified by the terms hereof, all of the terms and conditions of the Credit Agreement, as amended, and all other of the other Loan Documents, are hereby reaffirmed and shall continue in full force and effect as therein written.

8. Release. As further consideration for Administrative Agent's and Lenders' agreement to grant the accommodations set forth herein, each Loan Party hereby waives and releases and forever discharges Administrative Agent and Lenders and their respective officers, directors, attorneys, agents and employees from any liability, damage, claim, loss or expense of any kind that Loan Parties, or any of them, may have against Administrative Agent or Lender arising out of or relating to the Obligations, this Amendment or the other Loan Documents, other than any liability, damage, claim, loss or expense as a result of the gross negligence or willful misconduct of the Administrative Agent or any Lender.

9. Miscellaneous.

a. No rights are intended to be created hereunder for the benefit of any third party donee, creditor, or incidental beneficiary.

b. The headings of any paragraph of this Amendment are for convenience only and shall not be used to interpret any provision hereof.

c. No modification hereof or any agreement referred to herein shall be binding or enforceable unless in writing and signed on behalf of the party against whom enforcement is sought.

d. The terms and conditions of this Amendment shall be governed by the laws of the State of New York.

e. This Amendment may be executed in any number of counterparts and by facsimile, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement. Delivery by facsimile or electronic transmission shall bind the parties hereto.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Amendment to be executed and delivered by their duly authorized officers as of the date first above written.

BORROWERS: US BORROWERS

SPH GROUP HOLDINGS LLC
By: Steel Partners Holdings GP Inc., its Manager

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Chief Financial Officer

STEEL EXCEL INC.

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Vice President & Chief Financial Officer

API AMERICAS INC.

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Authorized Signatory

HANDY & HARMAN GROUP LTD.

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Senior Vice President

IGO, INC.

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Chief Financial Officer

UK BORROWER
CEDAR 2015 LIMITED

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Director

GUARANTORS: STEEL PARTNERS HOLDINGS L.P.
By: Steel Partners Holdings GP Inc., its General Partner

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Chief Financial Officer

SPH GROUP LLC
By: Steel Partners Holdings GP Inc., its Managing Member

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Chief Financial Officer

WEBFINANCIAL HOLDING LLC
By: WebFinancial Holding Corporation, its Managing Member

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Chief Financial Officer

DGT HOLDINGS CORP.
STEEL SERVICES LTD.
WEBFINANCIAL HOLDING CORPORATION

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Chief Financial Officer

WEBBANK HOLDING CORP.

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Authorized Signatory

BAIRNCO, LLC
BASIN WELL LOGGING WIRELINE SERVICE INC.
BLACK HAWK ENERGY SERVICES LTD.
HANDY & HARMAN
HANDY & HARMAN ELECTRONIC
MATERIALS CORPORATION
HANDY & HARMAN INTERNATIONAL, LTD.
HANDY & HARMAN OF CANADA, LIMITED
HANDY & HARMAN TUBE COMPANY, INC.
HANDYTUBE CORPORATION
INDIANA TUBE CORPORATION
JPS COMPOSITE MATERIALS CORP.
JPS INDUSTRIES HOLDINGS LLC
KASCO, LLC
LUCAS-MILHAUPT, INC.
LUCAS-MILHAUPT WARWICK LLC
MEX HOLDINGS LLC
MTE CORPORATION
OMG, INC.
OMNI TECHNOLOGIES CORPORATION OF DANVILLE
ROGUE PRESSURE SERVICES LTD.
SL DELAWARE HOLDINGS, INC.
SL INDUSTRIES, INC.
SL MONTEVIDEO TECHNOLOGY, INC.

SL POWER ELECTRONICS CORPORATION
SLMTI DS LLC
STEEL ENERGY SERVICES LTD.
SUN WELL SERVICE, INC.
WHX CS CORP.

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Senior Vice President

BASEBALL HEAVEN INC.
STEEL SPORTS INC.

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Vice President

API (USA) HOLDINGS LTD.

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Authorized Signatory

ATLANTIC SERVICE COMPANY, LIMITED

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Treasurer

Dunmore International Corp.

By: /s/ Douglas B. Woodworth
Name: Douglas B. Woodworth
Title: Treasurer

EXHIBIT 31.1

PRINCIPAL EXECUTIVE OFFICER CERTIFICATION

I, Warren G. Lichtenstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 of Steel Partners Holdings L.P.;

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:

August 7, 2020

/s/ Warren G. Lichtenstein

Warren G. Lichtenstein
Executive Chairman
of Steel Partners Holdings GP Inc.

EXHIBIT 31.2

PRINCIPAL FINANCIAL OFFICER CERTIFICATION

I, Douglas B. Woodworth, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 of Steel Partners Holdings L.P.;

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:
August 7, 2020

/s/ Douglas B. Woodworth

Douglas B. Woodworth
Chief Financial Officer
of Steel Partners Holdings GP Inc.

EXHIBIT 32.1

Certification of the Principal Executive Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Steel Partners Holdings L.P. (the “Partnership”) on Form 10-Q for the quarter ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Warren G. Lichtenstein, Executive Chairman of Steel Partners Holdings GP Inc., the general partner of the Partnership, certify, pursuant to 18 U.S.C. Section § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date:
August 7, 2020

/s/ Warren G. Lichtenstein
Warren G. Lichtenstein
Executive Chairman
of Steel Partners Holdings GP Inc.

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.

EXHIBIT 32.2

Certification of the Principal Financial Officer
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Steel Partners Holdings L.P. (the “Partnership”) on Form 10-Q for the quarter ended June 30, 2020 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Douglas B. Woodworth, Chief Financial Officer of Steel Partners Holdings GP Inc., the general partner of the Partnership, certify, pursuant to 18 U.S.C. Section § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

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

Date:	
August 7, 2020	/s/ Douglas B. Woodworth
	Douglas B. Woodworth Chief Financial Officer of Steel Partners Holdings GP Inc.

* The foregoing certification is being furnished solely pursuant to 18 U.S.C. Section 1350 and is not being filed as part of the Report or as a separate disclosure document.