



# Green Plains

Q2 2015 Business Update  
July 29, 2015

# Disclaimer

## Safe Harbor Statement under the Private Securities Litigation Reform Act of 1995

*This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Such statements are identified by the use of words such as "anticipates," "believes," "estimates," "expects," "goal," "intends," "plans," "potential," "predicts," "should," "will," and other words and terms of similar meaning in connection with any discussion of future operating or financial performance. Such statements are based on management's current expectations and are subject to various factors, risks and uncertainties that may cause actual results, outcome of events, timing and performance to differ materially from those expressed or implied by such forward-looking statements. Green Plains may experience significant fluctuations in future operating results due to a number of economic conditions, including, but not limited to, competition in the ethanol and other industries in which Green Plains operates, commodity market risks including those that may result from current weather conditions, financial market risks, counter-party risks, risks associated with changes to federal policy or regulation, risks related to closing and achieving anticipated results from acquisitions, risks associated with the joint venture to commercialize algae production and the growth potential of the algal biomass industry, and other risks detailed in Green Plains' reports filed with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2014, and in Green Plains' subsequent filings with the SEC, as well as the risks disclosed in Green Plains Partners LP's SEC filings and the impact of the recent initial public offering of Green Plains Partners LP and its operations as a separate, publicly-traded entity going forward. In addition, Green Plains is not obligated, and does not intend, to update any of its forward-looking statements at any time unless an update is required by applicable securities laws. Unpredictable or unknown factors not discussed in this release also could have material adverse effects on forward-looking statements.*

### Non-GAAP Financial Terms

*These slides contain certain "Non-GAAP financial terms" which are defined in the Appendix. Reconciliations of non-GAAP terms to the closest GAAP term (i.e., net income) are provided in the Appendix.*

# 2nd Quarter 2015 Financial & Business Highlights

## **Second Quarter Results**

- Revenue of \$744.5 million
- Generated \$24.4 million in operating income
- Net income of \$7.8 million, or \$0.19 per diluted share, compared to \$32.3 million, or \$0.82 per diluted share in 2014
- Non-ethanol operating income of \$16.4 million, compared to \$16.5 for same period in 2014
- Produced 238.7 million gallons of ethanol, 631 thousand tons of ddgs & 62.4 million pounds of corn oil

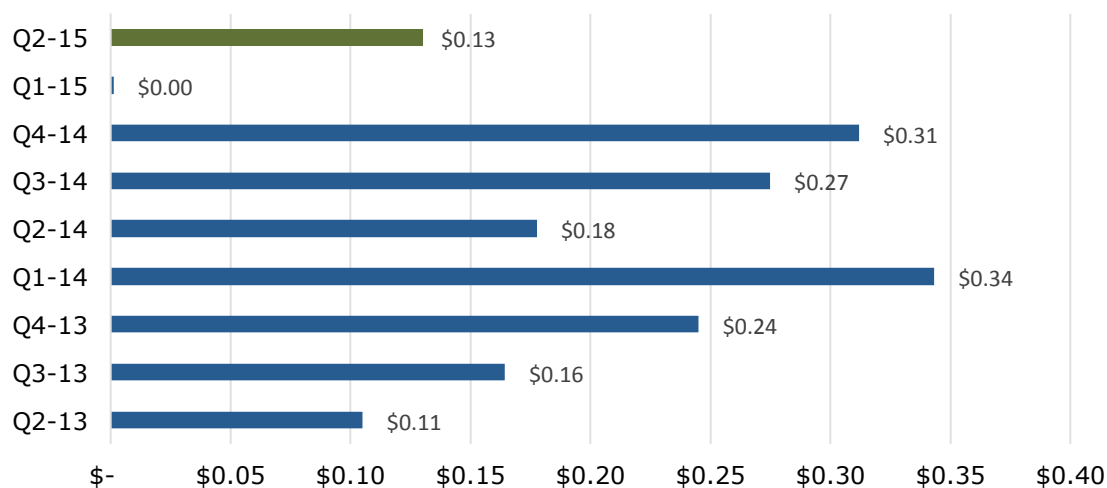
## **Business Highlights**

- On July 1, 2015, our newly-formed Partnership closed its initial public offering (the “Offering”). We contributed our downstream ethanol transportation and storage assets to the Partnership. A total of 11.5 million common units representing limited partner interests of the Partnership, which included 1.5 million common units pursuant to the underwriters’ option to purchase additional common units, were sold in the Offering at a price to the public of \$15.00 per common unit. The Partnership received net proceeds of approximately \$157.9 million from the Offering of the common units, after deducting the underwriting discount, structuring fees and offering expenses. The Partnership will use the net proceeds (i) to make a distribution to us, (ii) to pay origination fees under the Partnership’s new revolving credit facility and (iii) for general partnership purposes. After completion of the IPO, we own approximately 62.5% limited partner interest and a 2% general partner interest in the Partnership and the public owns the remaining 35.5% limited partner interest in the Partnership
- During the second quarter of 2015, Green Plains Processing LLC, a wholly-owned subsidiary of Green Plains, amended its senior secured credit facility to increase the outstanding borrowings by \$120 million. The proceeds were primarily used to refinance debt outstanding, with maturity dates ranging from November 2015 to May 2020, at certain of Green Plains’ subsidiaries and to pay fees and expenses in connection with the increased credit facility and for general corporate purposes

# Ethanol Production Segment

	Q1-13	Q2-13	Q3-13	Q4-13	Q1-14	Q2-14	Q3-14	Q4-14	Q1-15	Q2-15
Gallons Sold (in millions)	170.8	172.5	177.8	213.3	230.8	241.9	246.9	246.6	232.5	238.7
Operating Income (in millions)	\$ (2.3)	\$ 7.0	\$ 17.9	\$ 40.5	\$ 66.2	\$ 30.1	\$ 54.9	\$ 63.3	\$ (13.1)	\$ 18.2
Depreciation & Amortization (in millions)	11.2	11.1	11.4	11.7	13.0	12.8	13.0	13.6	13.4	13.5
Total	\$ 8.8	\$ 18.1	\$ 29.3	\$ 52.2	\$ 79.2	\$ 43.0	\$ 67.9	\$ 76.9	\$ 0.3	\$ 31.7
Per Gallon	\$ 0.05	\$ 0.11	\$ 0.16	\$ 0.24	\$ 0.34	\$ 0.18	\$ 0.27	\$ 0.31	\$ 0.00	\$ 0.13

Quarterly Cents Per Gallon



# Consolidated Income Statement Summary

*(in millions, except per share amounts)*

	Q2-2015	Q2-2014
Revenues	\$744.5	\$837.9
Gross profit	\$47.3	\$78.3
SG&A	\$22.9	\$19.4
Operating income	\$24.4	\$58.9
Interest expense	(\$10.6)	(\$9.7)
Income before income taxes	\$13.0	\$50.1
Net income	\$7.8	\$32.3
Earnings per share – diluted	\$0.19	\$0.82

# Condensed Balance Sheet

(in millions)

<b>ASSETS</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Current assets	\$812.8	\$910.9
Property and equipment, net	819.6	825.2
Other assets	<u>93.8</u>	<u>92.4</u>
Total assets	<u>\$1,726.2</u>	<u>\$1,828.5</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities	\$349.6	\$511.5
Long-term debt	443.5	399.5
Other liabilities	<u>125.9</u>	<u>120.1</u>
Total liabilities	919.0	1,031.1
Total stockholders' equity	<u>807.2</u>	<u>797.4</u>
Total liabilities and stockholders' equity	<u>\$1,726.2</u>	<u>\$1,828.5</u>

# Liquidity and Capital Structure

(in millions)

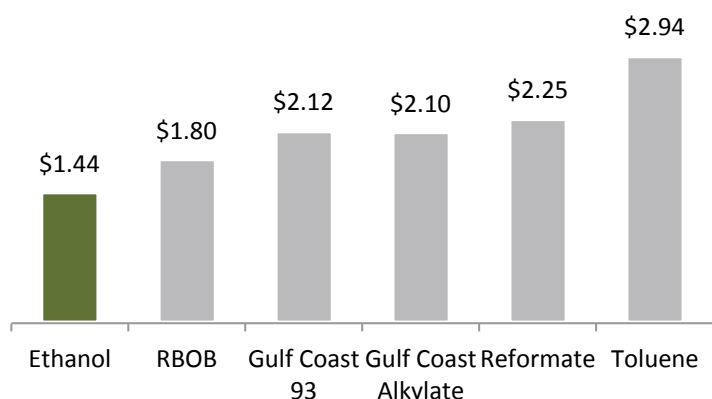
	Q2-2015	Q1-2015	Q2-2014
Gross Debt	\$652.4	\$700.2	\$631.7
Working Capital Financing	<u>\$199.6</u>	<u>\$239.4</u>	<u>\$131.5</u>
Term Debt	\$452.8	\$460.8	\$500.2
Cash & Equivalents	<u>\$417.0</u>	<u>\$420.5</u>	<u>\$374.7</u>
Net Term Debt	<u>\$35.8</u>	<u>\$40.3</u>	<u>\$125.5</u>
Stockholders' Equity	\$807.2	\$793.2	\$707.4
Book Value per Share	\$21.20	\$20.90	\$18.83
EBITDA <sup>(1)</sup> TTM	\$240.4	\$275.4	\$270.0
Term Debt/Total Capitalization	35.9%	36.7%	41.4%
Term Debt/EBITDA	1.9X	1.7X	1.9X
Ethanol Plant Debt	\$340.4	\$349.5	\$389.8
Ethanol Plant Debt per Gallon	\$0.33	\$0.34	\$0.38
Ethanol Debt Service FTM <sup>(2)</sup>	\$26.3	\$47.4	\$60.6
Ethanol Debt Service/Gallon	\$0.03	\$0.05	\$0.06

(1) Non-GAAP measure – see notes in Appendix. (2) FTM – Forward twelve months, not including sweeps

# Industry & Current Business Outlook

- Exports Jan - May 2015 were approximately 377.1 million gallons
- Refiners saving at least \$.04 per gallon on average refining for CBOB
- 85% of the gas supplied to terminals comes from refiners
  - Refiners are configured to produce 84 octane gas
  - The refiner wants the RIN
- E15 now in 129 stations in 19 states

Ethanol Versus Other Octanes <sup>(1)</sup>



*Substitute pricing reflects current low demand and is not representative of pricing in high demand substitution scenario*

Source: Bloomberg and Wall Street Research (1) Aug. 2015 futures prices 07/28/15

## Ethanol discount to gasoline

	15-Aug	15-Sep	15-Oct	15-Nov	15-Dec
RBOB	\$1.82	\$1.77	\$1.57	\$1.51	\$1.48
Ethanol	\$1.44	\$1.46	\$1.46	\$1.45	\$1.45
RB/Eth diff.	(\$0.38)	(\$0.31)	(\$0.11)	(\$0.06)	(\$0.03)

	16-Jan	16-Feb	16-Mar	16-Apr	16-May
RBOB	\$1.47	\$1.49	\$1.51	\$1.72	\$1.73
Ethanol	\$1.44	\$1.44	\$1.46	\$1.47	\$1.47
RB/Eth diff.	(\$0.03)	(\$0.05)	(\$0.05)	(\$0.25)	(\$0.26)

Spread as of 7/28/15 Source: CBOT



Thank you for joining our call today.

# Appendix

# Non-GAAP Reconciliations

(1) Green Plains uses certain "Non-GAAP" financial measures as defined by the Securities and Exchange Commission. These are measures of performance and not defined by accounting principles generally accepted in the United States, and should be considered in addition to, not in lieu of, GAAP reported measures. EBITDA defined as earnings before interest, income taxes, depreciation and amortization.

EBITDA Reconciliation (in millions)	Three Months Ended	
	June 30, 2015	June 30, 2014
Net income	\$7.8	\$32.3
Interest expense	10.6	9.7
Income tax expense	5.2	17.8
Depreciation and amortization	<u>15.7</u>	<u>14.7</u>
EBITDA	<u>\$39.3</u>	<u>\$74.5</u>

EBITDA Reconciliation (in millions)	Twelve Months Ended		
	June 30, 2015	March 31, 2015	June 30, 2014
Net income	\$88.7	\$113.0	\$110.4
Interest expense	40.2	39.3	37.0
Income tax expense	49.4	62.0	67.3
Depreciation and amortization	<u>62.1</u>	<u>61.1</u>	<u>55.3</u>
EBITDA	<u>\$240.4</u>	<u>\$275.4</u>	<u>\$270.0</u>