



# Green Plains

## **Green Plains Inc. and Green Plains Partners LP**

Credit Suisse 21<sup>st</sup> Annual Energy Summit

February 23, 2016

# Todd Becker

President & Chief Executive Officer



**Green Plains Inc. | NASDAQ: GPRE | [www.gpreinc.com](http://www.gpreinc.com)**

**Green Plains Partners LP | NASDAQ: GPP | [www.greenplainspartners.com](http://www.greenplainspartners.com)**

# Forward-Looking Statements



## **Green Plains Inc. Forward-Looking Statements**

*This presentation includes 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, counterparty 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, 2015, 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. 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 presentation also could have material adverse effects on forward-looking statements.*

## **Green Plains Partners LP Forward-Looking Statements**

*This presentation may include forward-looking statements within the meaning of the federal securities laws. Statements that do not relate strictly to historical or current facts are forward-looking. These statements contain words such as “possible,” “if,” “will” and “expect” and involve risks and uncertainties including, among others, that Green Plains Partners’ business plans may change as circumstances warrant because of general market conditions or other factors. Such statements are based on current expectations, forecasts and projections, including but not limited to, anticipated financial and operating results, plans, objectives, expectations and intentions that are not historical in nature. When considering these forward-looking statements, you should keep in mind the risk factors and other cautionary statements in Green Plains Partners’ SEC filings. Forward-looking statements should not be read as a guarantee of future performance or results, and may not necessarily be accurate indications of the times at, or by which, such performance or results will be achieved. Green Plains Partners undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this presentation. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation.*

# Fourth Quarter 2015 Highlights

## *Green Plains Inc.*



- Green Plains generated –
  - \$32.5 million of EBITDA
  - \$4.8 million of income before taxes and non-controlling interest
  - Record production of 261 million gallons of ethanol; 68.7 million pounds of corn oil and over 700,000 tons of distillers grain while processing 91 million bushels of corn
  - Achieved record yields of 2.88 gallons of ethanol / per bu corn and .75 pounds of corn oil / bu of corn
  - Added 35 mmgy gallons of production capacity as part of the company's ethanol production capacity expansion program
  - Completed the purchase of the 100-mmgy Hereford, Texas facility in November 2015
  - Commenced operations of the 60-mmgy ethanol production facility in Hopewell, Virginia on February 10, 2016

# Fourth Quarter 2015 Highlights

## *Green Plains Partners LP*



- Green Plains Partners generated –
  - \$14.3 million of adjusted EBITDA
  - \$14.1 million of distributable cash flow, resulting in 1.08x distribution coverage ratio
  - Increased the quarterly cash distribution by a quarter of a cent to \$0.4025 per unit or \$1.61 per unit annualized
  - Handled 248.8 million gallons of ethanol storage and throughput
  - Partnership announced the launch of a new unit-train terminal joint venture with Delek in Little Rock, Arkansas
  - Acquired the storage and transportation assets of Hopewell and Hereford for \$62.5 million on Jan. 1, 2016

**Green Plains Inc.**



Green Plains

- Green Plains is a diversified commodity-processing business with \$1.9 billion in assets and enterprise value of \$1.0 billion<sup>(1)</sup>
- We are the fourth largest ethanol producer in the U.S., processing approximately 12 million tons of corn annually
- Four operating segments:

## Ethanol Production

- 14 dry-mill ethanol plants in 8 states
- 1.2 billion gallons of ethanol
- 3.4 million tons of livestock feed
- 275 million pounds of industrial corn oil

## Agribusiness

- 56 million bushels of grain storage capacity
- 70,000-head capacity cattle feedlot with 2.8 million bushels of grain storage

## Marketing and Distribution

- 1.3 billion gallons sold over the last twelve months
- Merchant trading of 12 commodities

## Partnership

- Fuel storage and transportation services
- Downstream logistics for Green Plains' marketing and distribution

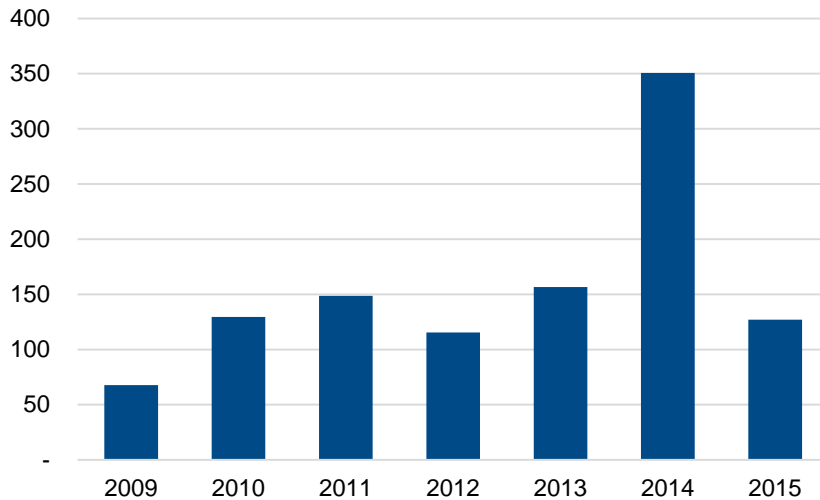
1. Based on \$675 million of total debt and \$412 million of cash and restricted cash and \$285 million of equity value in GPP as of 12.31.15

# Historical Performance



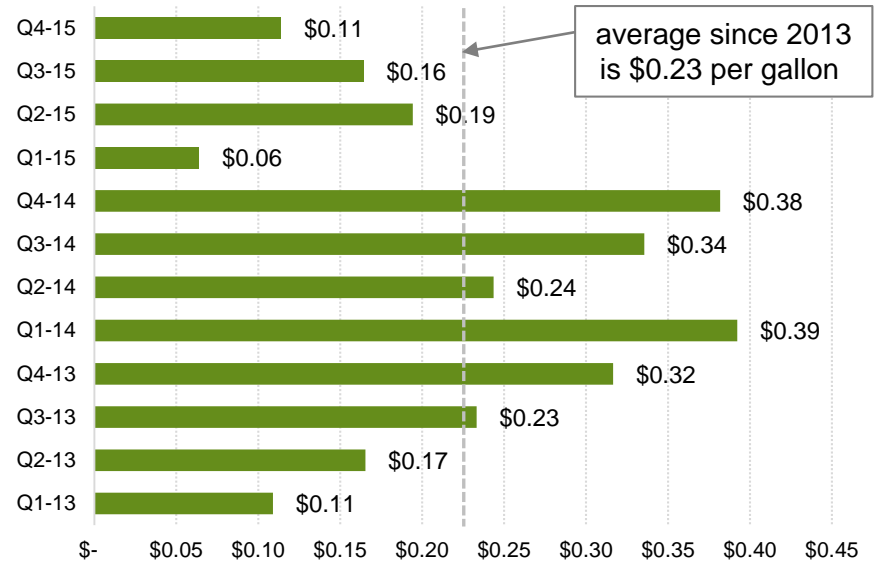
## EBITDA

(\$ millions)



*Generated \$1.1 billion of EBITDA since 2009  
22 cents per gallon on 5 billion gallons of ethanol*

## Consolidated Crush Quarterly Cents per Gallon



## Risk Management is a Core Competency

- Comprehensive risk management practice
- Employ Value at Risk to drive discipline
- Focused on operating margin management
- Consistently reducing portfolio volatility to meet obligations and strengthen balance sheet to capture opportunities

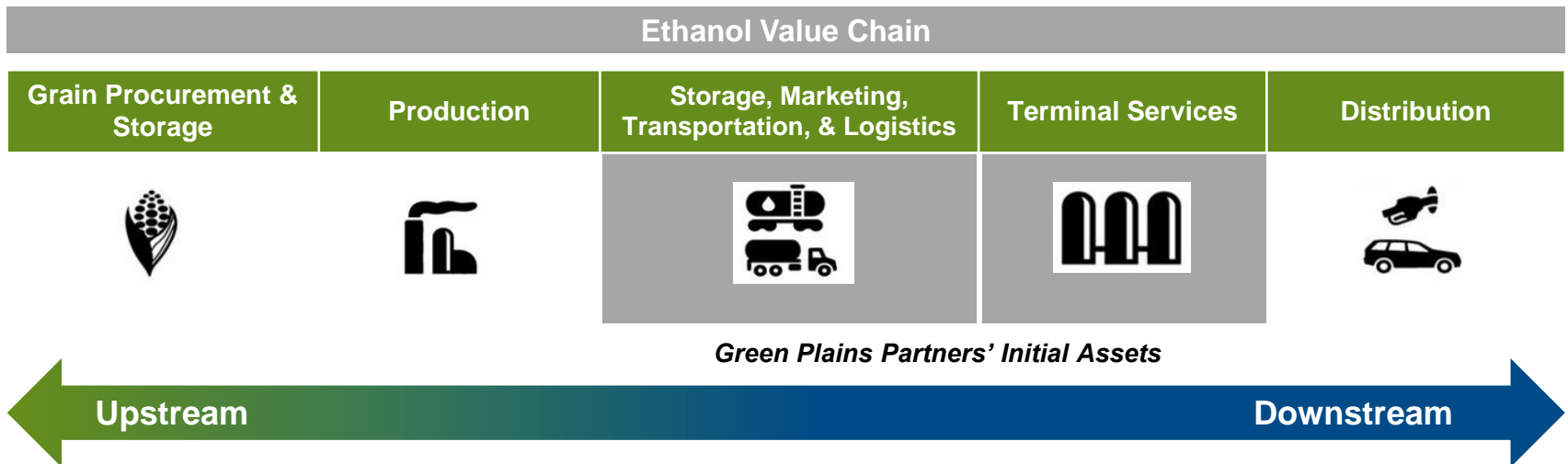


# Green Plains Partners



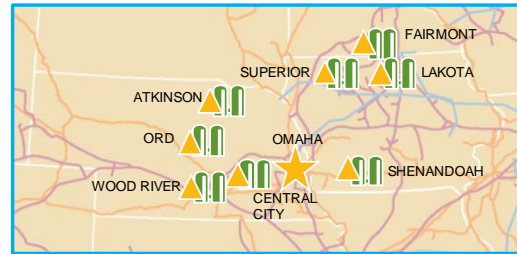
Green Plains

- Green Plains Partners LP was formed by Green Plains Inc. to provide fuel storage and transportation services by owning, operating, developing and acquiring ethanol and fuel storage tanks, terminals, transportation assets and other related assets and businesses
- Primary vehicle to expand downstream logistics activities to support Green Plains' ethanol marketing and distribution business
- Vertical integration enables Green Plains to better capture the economic value of these operations within the ethanol value chain and continue to develop downstream logistic assets



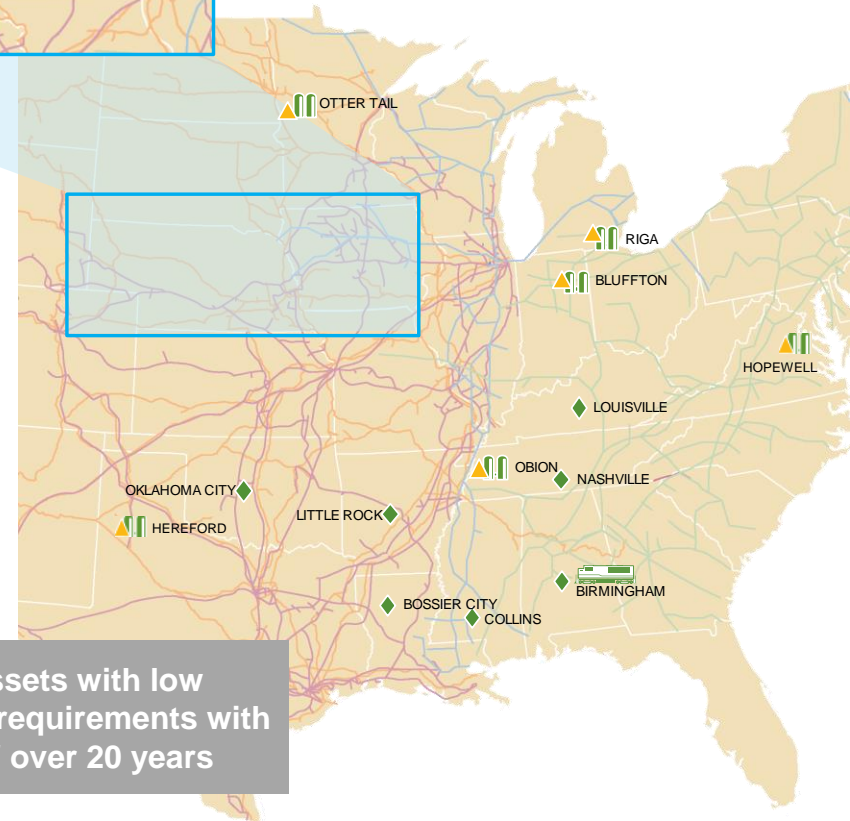
# Partnership Assets

- **Ethanol Storage Facilities**  
30 ethanol storage facilities located at or near Green Plains' 14 ethanol production plants which have a current combined ethanol production capacity of approximately 1.2 billion gallons per year
- **Fuel Terminal Facilities**  
Fuel terminal facilities at eight locations in seven south-central U.S. states. Building a new unit-train terminal in Little Rock, AR (JV with Delek)
- **Transportation Assets**  
~2,500 railcars and trucking capabilities

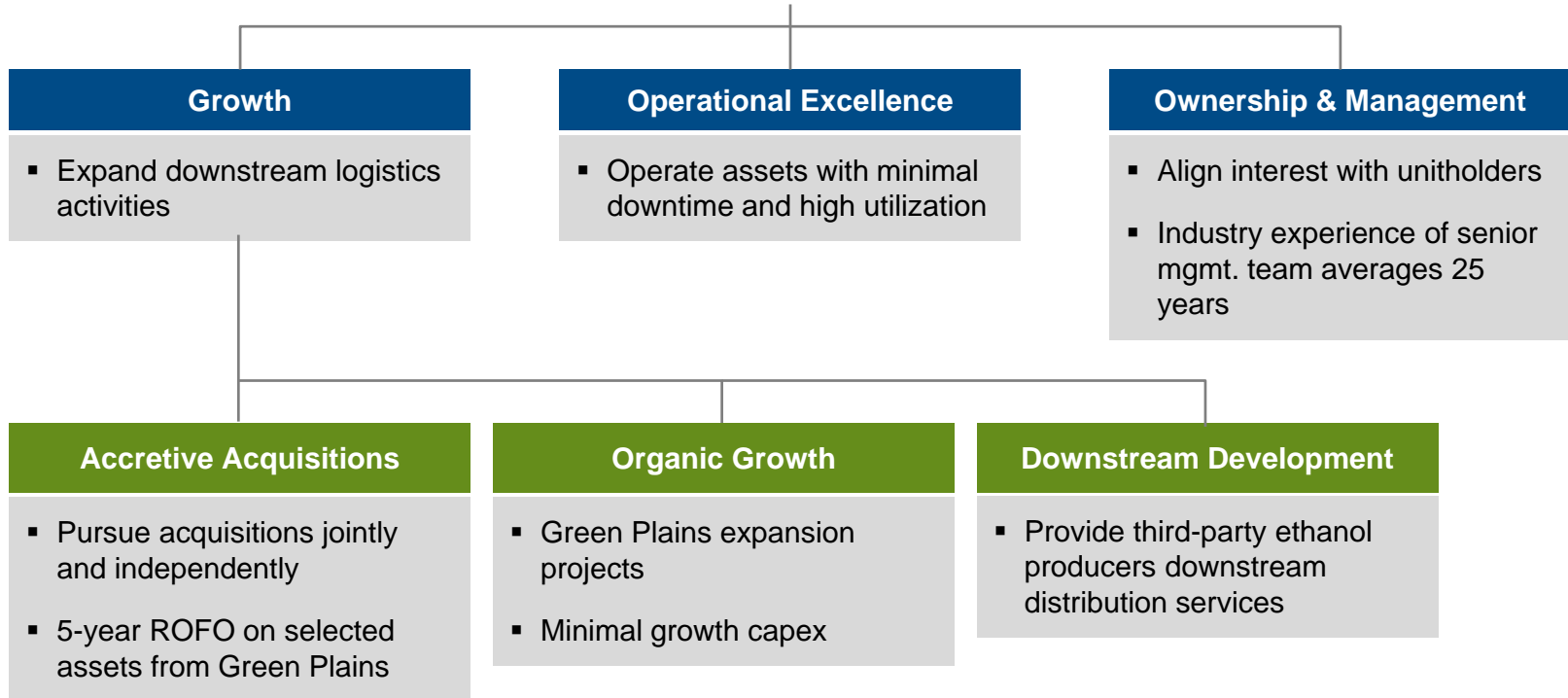


Strategically located near major rail lines in nine U.S. states enabling transportation to diverse geographic areas

- GREEN PLAINS' ASSETS**
- ★ CORPORATE HEADQUARTERS
  - ▲ ETHANOL PRODUCTION FACILITIES
- GPP's ASSETS**
- || ETHANOL STORAGE FACILITIES
  - BIOFUELS UNIT TRAIN TERMINAL
  - ◆ BIOFUELS TERMINALING FACILITIES
- RAIL SYSTEMS**
- NORFOLK SOUTHERN
  - BNSF
  - UNION PACIFIC
  - CANADIAN NATIONAL



Long-lived assets with low operating capital requirements with useful lives of over 20 years



***Green Plains has proven success providing the key elements to enhance the value of GPP's assets***

# Ethanol Industry Overview

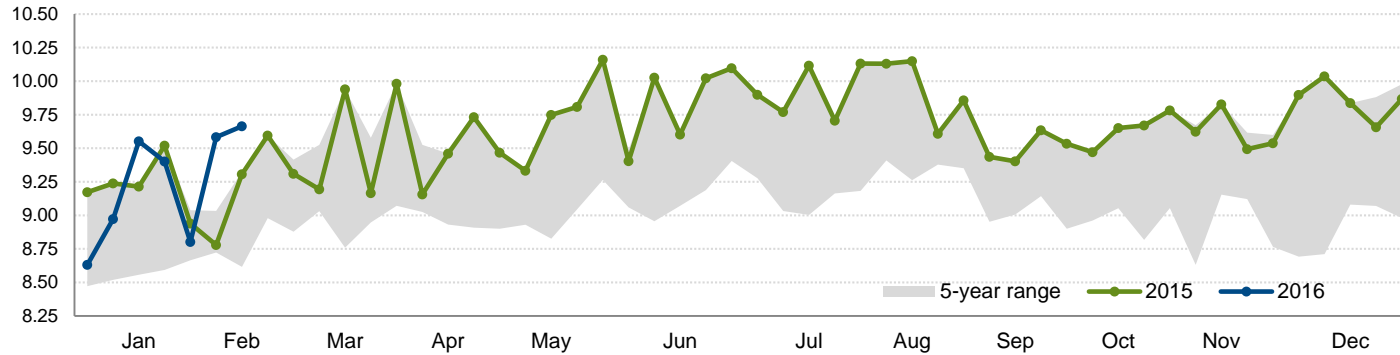


# Domestic Gasoline and Ethanol Demand

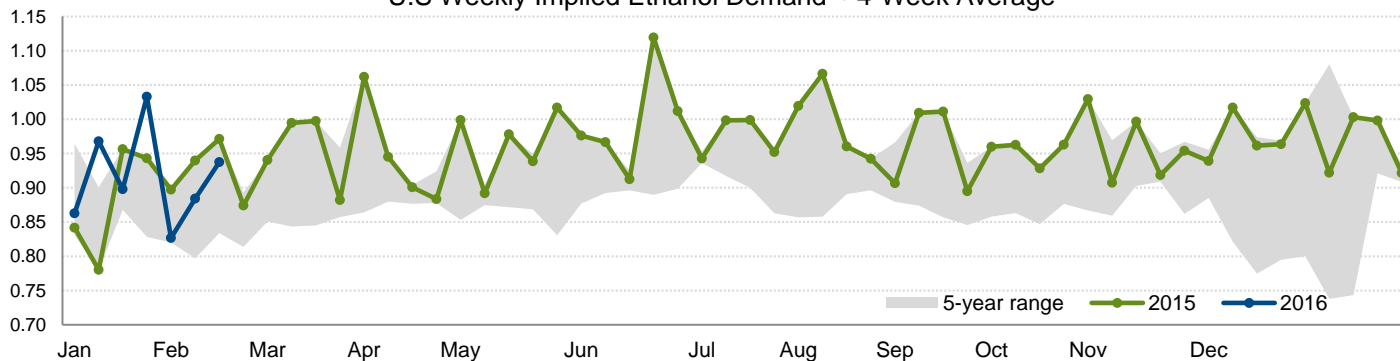


(million barrels per day)

### U.S. Weekly Implied Gasoline Demand



### U.S. Weekly Implied Ethanol Demand ~ 4-Week Average



**Domestic ethanol demand is equivalent to 15 million bushels of corn each day**

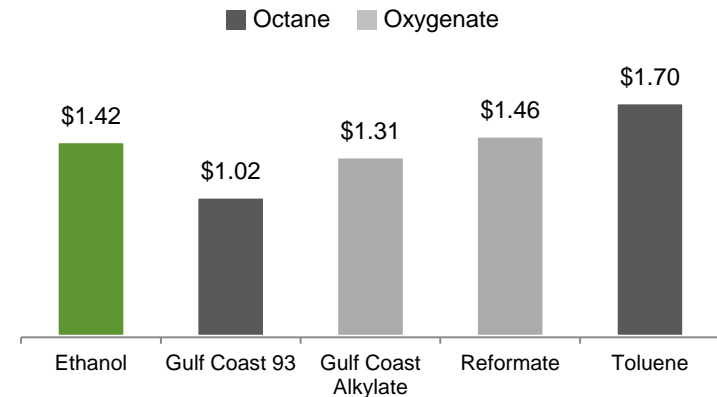
Source: EIA, February 18, 2016

# Ethanol in the Fuel Supply



- Domestic production 14.8 billion gallons in 2015
- 9.9% of the domestic gasoline supply in 2015
- RFS II mandates increasing volumes: 14.05 billion gallons in 2015, 14.5 billion gallons in 2016
- Most economical oxygenate and octane enhancer
- E15 sold at 189 stations in 23 states
- 17.4 million flex-fuel vehicles in the U.S., E85 sold at more than 3,000 stations in 47 states

## Ethanol vs. Substitutes<sup>(1)</sup>



Source: Bloomberg and Wall Street Research  
 (1) March 2016 futures prices as of Feb. 22, 2016

## Ethanol vs. Gasoline

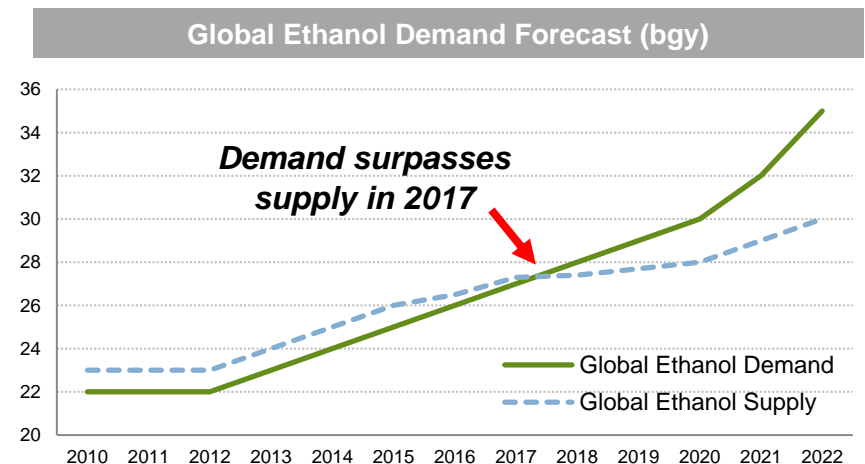
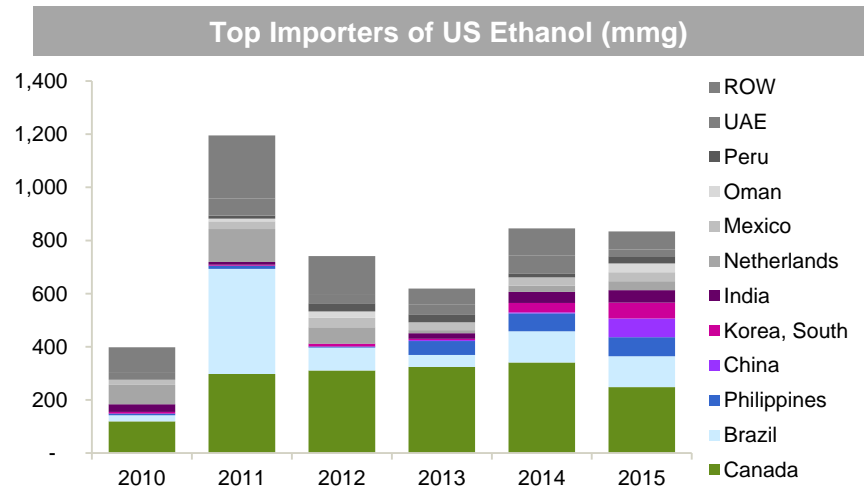
	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16
RBOB	\$1.00	\$1.25	\$1.28	\$1.29	\$1.28	\$1.27
Ethanol	\$1.42	\$1.42	\$1.43	\$1.42	\$1.41	\$1.40
<b>Ethanol Price vs. RBOB</b>	<b>\$0.42</b>	<b>\$0.17</b>	<b>\$0.14</b>	<b>\$0.13</b>	<b>\$0.13</b>	<b>\$0.14</b>
	Sep-16	Oct-16	Nov-16	Dec-16	Jan-17	Feb-17
RBOB	\$1.25	\$1.12	\$1.09	\$1.08	\$1.09	\$1.07
Ethanol	\$1.39	\$1.38	\$1.37	\$1.37	\$1.36	\$1.36
<b>Ethanol Price vs. RBOB</b>	<b>\$0.15</b>	<b>\$0.27</b>	<b>\$0.28</b>	<b>\$0.29</b>	<b>\$0.27</b>	<b>\$0.29</b>

Source: CBOT, spread as of Feb. 22, 2016

# Ethanol is a Global Product



- Global production was 25.6 billion gallons in 2015
- ~6% of domestic ethanol is marketed worldwide and competes with other sources, particularly from Brazil
- ~30 countries, including the EU, have renewable fuel standards or targets
- Global demand is growing 2-3% annually
- Net exports ~730 million gallons in 2015, 412 million gallons undenatured
- Top five destinations in 2015: Canada, Brazil, Philippines, China and South Korea
- Top growth markets: Philippines, India, South Korea and Mexico



Source: Renewable Fuels Assoc., DOE, EIA Energy Review, Wall Street Research



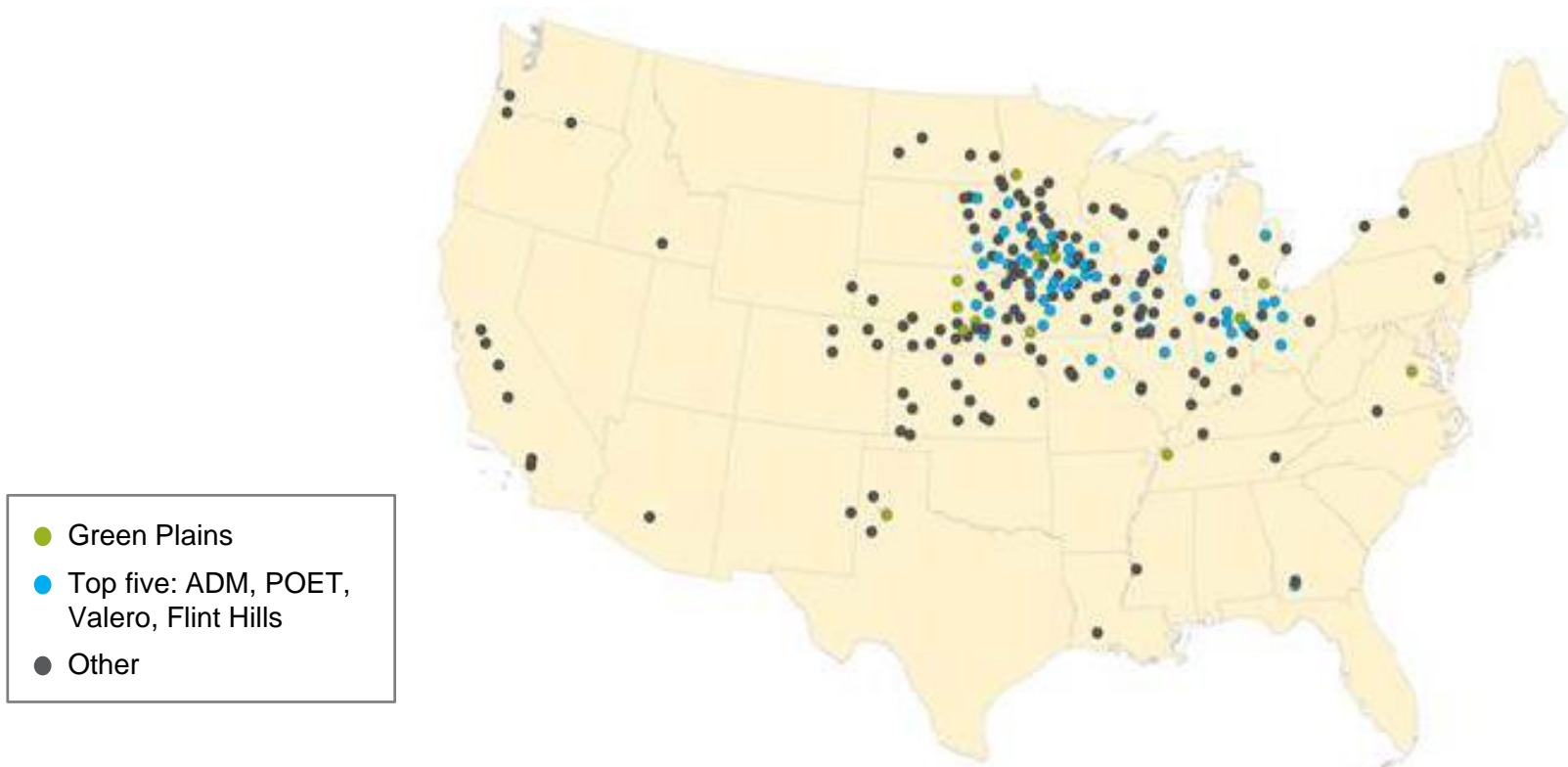
# Opportunities for Growth



# Industry Consolidation Opportunities



- Ethanol production is highly fragmented
- 216 ethanol plants in the U.S. capable of producing 15.7 bgy of ethanol
- Top five producers account for ~43% of overall production capacity

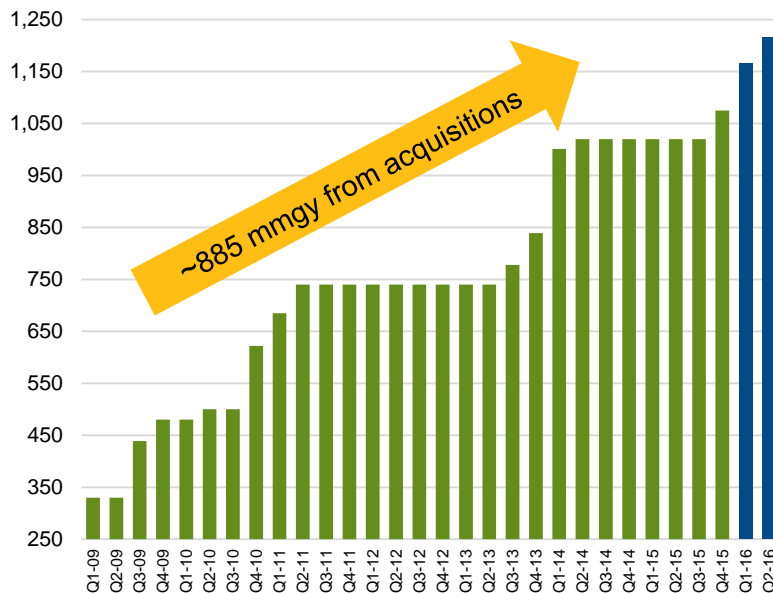


# Our Growth through Acquisitions

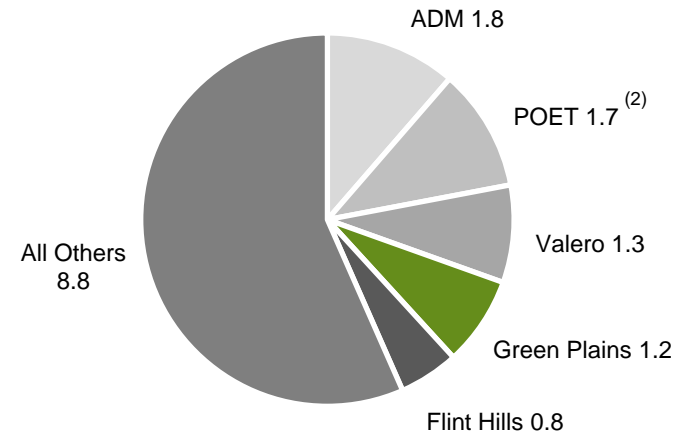


- Completed 10 acquisitions since 2009, tripling daily average production capacity
- Includes 60-mmgy ethanol production facility in Hopewell, Virginia, and 100-mmgy ethanol production facility in Hereford Texas purchased in 2015 by Green Plains
- Hopewell and Hereford storage and transportation assets were acquired by Green Plains Partners in 2016

Green Plains' Avg. Production Capacity (mmgy)



U.S. Ethanol Production Capacity (bgy)<sup>(1)</sup>



1) Renewable Fuels Association Dec 2015.

2) Green Plains is the 3<sup>rd</sup> largest consolidated owner; POET does not own 100% of all production capacity.

# Multiple Avenues for Growth

## *Green Plains & Green Plains Partners*



- Organic growth
  - Expand existing ethanol production by 85 million gallons, 35 million gallons completed (phase I)
  - Add another 100 million gallons of capacity (phase II)
  
- Accretive acquisitions
  - Pursue additional ethanol production plants; GPP contributes one-third of the cost
  - Acquire or build new downstream terminals; we bring base-load volumes
  
- Downstream distribution services development
  - Reviewing opportunities for import / export operations
  
- Alignment to grow distributions
  - Green Plains owns 100% of the general partner, incentive distribution rights and substantial limited partner interest

# Liquidity and Capital Structure

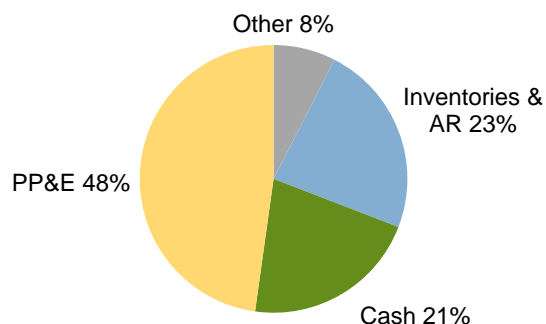


Green Plains	2010	2011	2012	2013	2014	2015
Production Capacity (mmgy)	680	740	740	1,020	1,020	1,055
EBITDA	\$129.6	\$148.6	\$115.5	\$156.6	\$350.7	\$127.8
Interest Expense	\$26.1	\$36.6	\$37.5	\$33.4	\$39.9	\$40.4
Gross Debt	\$669.0	\$636.8	\$663.3	\$735.2	\$672.8	\$675.0
Working Capital Financing	\$89.2	\$69.6	\$144.4	\$171.5	\$209.9	\$226.9
Term Debt	\$579.8	\$567.2	\$518.9	\$563.7	\$462.9	\$448.1
Cash & Cash Equivalents	\$261.0	\$194.6	\$280.1	\$299.0	\$455.3	\$411.9
Net Term Debt	\$318.8	\$372.6	\$238.8	\$264.7	\$7.6	\$36.2
Stockholder's Equity	\$497.6	\$505.4	\$490.5	\$545.4	\$797.4	\$797.8
Term Debt / Total Capitalization	53.8%	52.9%	51.4%	50.8%	36.7%	36.0%
Term Debt / EBITDA	4.5x	3.8x	4.5x	3.6x	1.3x	3.5x
EBITDA / Interest Expense	5.0x	4.1x	3.1x	4.7x	8.8x	3.2x

Green Plains Partners	2015
Adjusted EBITDA <sup>(1)</sup>	\$54.7
Debt	\$62.5
Debt / EBITDA	1.1x

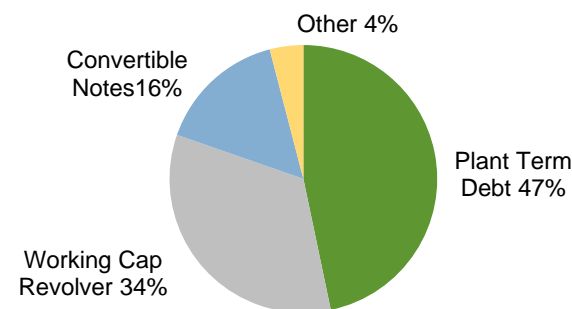
1) Last half of 2015 annualized

Assets as of Dec. 31, 2015



**Total Assets: \$1,929 million**

Debt as of Dec. 31, 2015



**Total Debt: \$675 million**

# Creating Shareholder Value



- Acquire related assets or add adjacencies to the portfolio
- Expand organically and implement proven processes
- Grow dividends
- Pay down debt
- Repurchase shares

**Thank You**



Green Plains



# Green Plains

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**Green Plains Partners LP | NASDAQ: GPP | [www.greenplainspartners.com](http://www.greenplainspartners.com)**



# Appendix



Green Plains

# Consolidated Income Statement

## Green Plains Inc.



*(in millions, except per share amounts)*

	Q4-2015	Q4-2014	FY-2015	FY-2014
Revenues	\$739.9	\$829.9	\$2,965.6	\$3,235.6
Cost and expenses	\$727.2	\$756.0	\$2,904.5	\$2,949.3
Operating income	\$12.7	\$73.9	\$61.1	\$286.3
Other income (expense)	(\$8.0)	(\$9.3)	(\$39.6)	(\$35.8)
Income before taxes	\$4.8	\$64.6	\$21.5	\$250.4
Net income	\$0.7	\$42.2	\$15.2	\$159.5
Net income attributable to Green Plains	\$(3.6)	\$42.2	\$7.1	\$159.5
Earnings per share – diluted	\$(0.09)	\$1.07	\$0.18	\$3.96

# Non-GAAP Reconciliation

## Green Plains Partners LP



(in millions)

For the three months ended	Dec. 31, 2015	Sept. 30, 2015
Net income	\$12.1	\$10.9
Interest expense	0.2	0.2
Income tax expense	–	–
Depreciation and amortization	1.4	1.6
Transaction costs	0.5	0.4
Unit-based compensation	0.1	–
Adjusted EBITDA	<u>\$14.3</u>	<u>\$13.1</u>
Less:		
Interest paid and payable	0.1	0.1
Maintenance capital expenditures	0.1	0.1
Distributable cash flow <sup>(1)</sup>	<u>\$14.1</u>	<u>\$12.9</u>
Distribution declared <sup>(2)</sup>	<u>\$13.1</u>	<u>\$13.0</u>
Coverage ratio	1.08x	0.99x

1) Distributable cash flow for periods before July 1, 2015, is not considered meaningful.

2) Represents distributions declared for the applicable quarter and paid in the subsequent quarter.

# Condensed Balance Sheet

*Green Plains Inc.*



*(in millions)*

<b>Assets</b>	<b>Dec. 31, 2015</b>	<b>Dec. 31, 2014</b>
Current assets	\$912.6	\$910.9
Property and equipment, net	922.0	825.2
Other assets	94.7	92.4
<b>Total assets</b>	<b>\$1,929.3</b>	<b>\$1,828.5</b>
<b>Liabilities and Stockholders' Equity</b>		
Current liabilities	\$438.7	\$511.5
Long-term debt	443.5	399.5
Other liabilities	88.2	120.1
<b>Total liabilities</b>	<b>\$970.4</b>	<b>\$1,031.1</b>
<b>Total Green Plains stockholders' equity</b>	<b>797.8</b>	<b>797.4</b>
Noncontrolling interest	161.1	—
<b>Total liabilities and stockholders' equity</b>	<b>\$1,929.3</b>	<b>\$1,828.5</b>

# Non-GAAP Reconciliation

Green Plains Inc.



(in millions)

For the three months ended	Dec. 31, 2015	Dec. 31, 2014
Net income	\$0.7	\$42.2
Interest expense	10.4	10.1
Income tax expense	4.1	22.4
Depreciation and amortization	17.3	16.4
EBITDA	\$32.5	\$91.1

For the twelve months ended	Dec. 31, 2015	Sept. 30, 2015	June 30, 2015
Net income	\$15.2	\$53.2	\$88.7
Interest expense	40.4	40.1	40.2
Income tax expense	6.2	24.5	49.4
Depreciation and amortization	66.0	63.6	62.1
EBITDA	\$127.8	\$181.4	\$240.4

# Condensed Balance Sheet

## Green Plains Partners LP



(in millions)

<b>Assets</b>	<b>Dec. 31, 2015</b>	<b>Dec. 31, 2014</b>
Current assets	\$33.9	\$12.0
Property and equipment, net	35.4	37.9
Other assets	20.3	30.1
<b>Total assets</b>	<b>\$89.6</b>	<b>\$80.0</b>
<b>Liabilities and Partners' Capital</b>		
Current liabilities	\$13.6	\$1.7
Long-term debt	8.1	8.1
Other liabilities	2.4	2.9
<b>Total liabilities</b>	<b>\$24.1</b>	<b>\$12.7</b>
<b>Total partners' capital</b>	<b>65.5</b>	<b>67.3</b>
<b>Total liabilities and partners' capital</b>	<b>\$89.6</b>	<b>\$80.0</b>

# Consolidated Income Statement

## Green Plains Partners LP

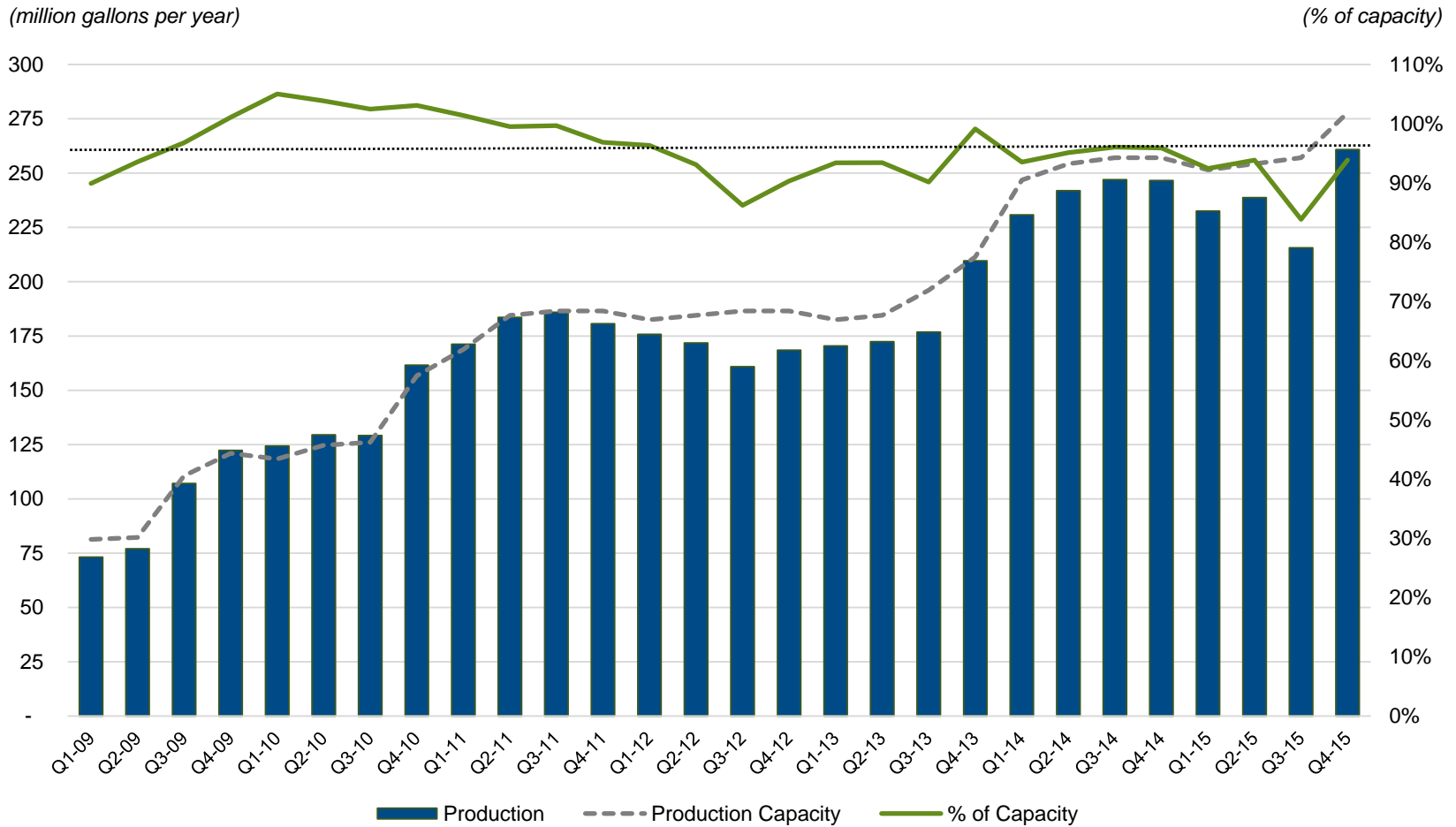


*(in millions, except per unit amounts)*

	Q4-2015	Q3-2015
Revenues	\$22.7	\$21.4
Operating expenses	\$10.4	\$10.4
Operating income	\$12.3	\$11.0
Other income (expense)	(\$0.1)	(\$0.2)
Income before taxes	\$12.1	\$10.9
Net income	\$12.1	\$10.9
Earnings per limited partner unit – basic and diluted	\$0.37	\$0.34

# Production and Utilization

## Green Plains Inc.





# Strategically Located Assets

Green Plains Inc.



- Experts in operating ICM and Delta-T technologies, two of the industry's best platforms
- Focused on continuous operational improvement
  - Supported by efficient, knowledgeable and motivated workforce
  - Leverage production data to optimize plant performance across platform; benchmark to key operating parameters
    - Ability to focus on either yield or production volume, depending on margin environment
    - Optimize cash flow
  - Transfer best practices and operational improvements across ethanol assets
- Low maintenance capex (~1¢ / gallon)

***Footprint provides a broad understanding of crop production, livestock production, export markets, transport dynamics and ethanol economics***

Source: USDA, National Corn Growers Association