

2025 Stephens Annual Investment Conference

Green Plains, Inc. (GPRE)

November 19, 2025 9:00 AM EST

Pooran Sharma - Stephens Inc.

All right. Hello, everyone. Thanks for joining us today. My name is Pooran Sharma. I'm the Food and Agribusiness Analyst here at Stephens. It's my pleasure to welcome you all to today's fireside chat with Green Plains. For those who might be newer to the story, Green Plains is a leading U.S.-based biorefining platform with a focus on low-carbon renewable fuels and sustainable feedstocks.

The company operates a network of ethanol plants, including three carbon capture-enabled facilities in Nebraska, and has been undergoing a multi-year operational and financial transformation, emphasizing asset optimization, decarbonization, and disciplined capital allocation.

Joining me today is Chris Osowski, CEO of Green Plains. To kick things off, I'll turn it over to Chris to provide a brief overview of the company's strategy and operations. After this, we'll dive into Q&A. Chris?

Chris Osowski – Green Plains Inc.

Yes. Thanks, Pooran, and thank you for the opportunity to talk today a little bit about Green Plains. First and foremost, Chris Osowski, Chief Executive at Green Plains, very nearly approaching my first 100 days in the role, very exciting times. And I'm a person that has worked for the company for a little over three and a half years, primarily in technical operations activities, but now leading the charge for the group going forward. And I've spent my entire career working in ag commodity processing businesses in a few different places with multinationals around the world.

A little bit about Green Plains. We're a biofuel producer. We operate eight facilities, about 680 million gallons of ethanol capacity in five states in the Midwest. We've got the capability of producing around 250,000 tons per year of high-quality protein products. And we also have the capability of producing around 250 million pounds per year of renewable corn oil, primarily for biodiesel and renewable diesel industries.

Also noteworthy, we do have ownership in a couple of companies, Fluid Quip Technologies and Fluid Quip Mechanical, who provide engineering and process support services to the fuel ethanol industry and also adjacent ag commodity processing businesses. Happy to talk to you today.

Pooran Sharma - Stephens Inc.

Yes. No, I'm thrilled to have you with us. Maybe just to kick it off here, I want to start by maybe stepping back here. Seems like you've had a pretty full plate since stepping into the CEO role

earlier this year from plant investitures to debt reduction, trying to monetize off carbon here. And then more recently, you talked about the record utilization across the network. Could you maybe walk us through what you see as the most important changes you've made so far and maybe what the next 12 to 18 months might bring into the picture?

Chris Osowski – Green Plains Inc.

Sure. I think it really starts with we set new expectations for our employees. Two of the primary ones are operational excellence and continuous improvement. Earlier in the summer, we put focused effort into doing the best we can with the plant assets we have. Specifically, trying to manage our repair and maintenance costs through a more focus on reliability-centered maintenance to help manage our total OpEx. And then also, focused effort on improving our plant recipes for fermentation to help drive yield improvements and also help total throughput in the plants. So, those are kind of the basic new expectations that have put on the employee base. Now we're working to roll those sorts of initiatives out to all aspects of our business.

Specifically, we want to be the best, low-cost, low-carbon intensity biofuel producer we can be. And we want to be great at what we do. We want to be great at buying corn. We want to be great at running plants, great at selling our co-products, and managing the finances of our company.

As far as the next months and path forward, we are laser-focused on executing on the opportunities that the 45Z and the One Big Beautiful Bill provide to us and just maximizing value and return to our shareholders.

Pooran Sharma - Stephens Inc.

I appreciate that there. Could we maybe just zoom in on the Advantage Nebraska strategy? I think you've already monetized around \$25 million in 45Z tax credits. You've mentioned you expect another \$15 million to \$25 million in Q4. Could you maybe walk us through the key variables driving that range and maybe what gives you confidence in achieving the upper end? And also, you mentioned that York, Wood River, and Central City are still ramping in terms of their capture rates. I was wondering if you could give us a sense of when you expect those three plants to be fully online.

Chris Osowski – Green Plains Inc.

Okay. A lot to unpack there. But let's start with Q3 45Z value that we recently recorded. That value is the result of having very efficient plant operations, plants running at a sub-50 CI score. In addition to that, the ability to procure renewable energy credits against our electrical consumption in plant to help further reduce that CI impact of our operations. That number, that \$26.5 million, is a year-to-date value. So that is basically the first three quarters combined of operations that was recorded in Q3.

Then, if we think about Q4, we are really focused right now on the operations of Advantage Nebraska, which is those three locations, Wood River, Central City, and York, getting their compression equipment fully online, which they are. The equipment on our end is completely

checked out and fully operational. We are seeing good results in how that equipment and those assets are running.

The next step is the sequestration, the other end of the pipe. I myself had the opportunity last week to visit with our Tallgrass partners at the other end of the pipeline to see the status of commissioning of equipment on that end. I'm happy to report its construction is complete. They are currently working on testing and commissioning the compression station on that end. We are right on schedule for what we said previously was a Q4 startup for putting gas in the ground.

To the other part of your question with respect to the confidence level of the \$15 million to \$25 million expectation for Q4, we still have to execute. The plants still got to run efficiently. The compression equipment still has to perform. That's a little bit of the unknown, but we are confident in the ability to do that. It's also important to note for those who may not be aware, the CI scores are rounded to the nearest five points. That can be a significant swing in terms of a 100-million-gallon plant, five points, \$0.02 a point. That's a \$10 million swing on an annualized basis. So, there are some things at play that we're monitoring, and we're pushing our plants to perform the best they can.

Pooran Sharma - Stephens Inc.

Appreciate that there. Maybe if we could go into the non-Nebraska plants. You had adjusted the opportunity down to \$38 million from \$50 million. I think that was because of the Obion sale, sorry, if I mispronounced.

Chris Osowski – Green Plains Inc.

Obion, yes.

Pooran Sharma - Stephens Inc.

So, what – maybe if you could talk about some of the key drivers into this number, what gives you confidence in achieving the \$38 million in the non-Nebraska? And do you think there's opportunity for incremental tax credits by lowering your CI score further there?

Chris Osowski – Green Plains Inc.

Yes. The simple math around that one is 380 million gallons of capacity outside of Nebraska. We expect, starting January 1st, that all of our plants will qualify for 45Z. And that is partly driven by the removal of the iLUC or the indirect land use calculation in terms of the CI score. That means basically five points on all locations starting January 1. We still need to execute on that. We still need to run the plants efficiently. We need to comply with prevailing wage requirements to capture that value. And then to the second part of your question, we have a healthy list of opportunities to further reduce our CI scores in plants by implementing some capital improvement projects for efficiency that we are actively evaluating in terms of the expected returns on what we can do here going forward in 2026.

Pooran Sharma - Stephens Inc.

Great, great. Appreciate that detail there. Maybe just shifting over to the capital structure. Recently refinanced a portion of your 2027 converts into 2030 notes along with a \$30 million cash raise. While it extends the maturity runway, it does look like these new instruments appear to be a little bit more dilutive than the prior securities. Could you maybe just walk us through the trade-offs that drove that decision and how you were thinking about just kind of the balance sheet flexibility and the dilution risk during that time?

Chris Osowski – Green Plains Inc.

Yes. Actually, even taking a step back, we sold the Obion asset, and that was in order to pay off some high-cost debt that we had. Then, our next step was to refinance this convertible debt. The objective here is to really provide the company runway, and the opportunity to focus on doing what we do best, and executing on our strategy, and just giving us the room to focus on operations. With respect to the dilution, we bought back basically \$30 million worth of shares to basically buffer that impact of dilution. I think net dilution is around 6% overall. Once again, we were just really focused on giving our team the opportunity to focus and execute on our strategy.

Unidentified Analyst

Who did the transaction for you? Who facilitated the exchange?

Chris Osowski – Green Plains Inc.

Who facilitated the exchange?

Unidentified Analyst

Yes.

Chris Osowski – Green Plains Inc.

Jefferies. Yes.

Pooran Sharma - Stephens Inc.

I guess, just shifting over to kind of op-excellence. I mean, I wanted to talk about some of the progress you've made with your cost-cutting. Solid moves on the SG&A line, I think now you're guiding to a full company run rate in the low \$90 million range. Just want to get a sense of, is there further room for cost takeout beyond that? Or should we think of this as like, the new structural level for the business, especially now that you've kind of streamlined the portfolio and reset corporate overhead?

Chris Osowski – Green Plains Inc.

Yes, it's a great question. And I'll come back to what I said originally with respect to expectations for our team. One of those items is continuous improvement. And so, we're always going to be focused on further reduction opportunities in SG&A. I like to say that we've gotten our company to our fighting weight, so to speak, based on the asset base we've got, I think we're in a healthier position to focus on operations. I feel good about that number going forward. That's also inclusive of some of the SG&A associated with our associate businesses, that being Fluid Quip Technologies and Mechanical, where there is growth opportunities in those spaces. So, there's little bit of noise in the numbers, so to speak. But, that is a solid number for us to manage going forward.

Pooran Sharma - Stephens Inc.

Okay. Appreciate that. And I think you – we addressed this already. I wanted to ask you what motivated you to sell Obion? It sounds like it was largely balance sheet, so maybe we could shift over and talk about your utilization. You achieved 101% in the quarter. It sounds like that improvement was driven more by process enhancements than by like bringing in new equipment or something like that.

And so was wondering if you could provide more detail on these specific initiatives or changes that enabled that step up in performance. And then as you look to update your baseline capacity assumptions across the fleet, I think you had mentioned 680 million just earlier in this conversation. And if you look at the capacity with Fairmont offline, I think that was at 664 million. So, do you view that 680 million as kind of your new baseline capacity without Fairmont?

Chris Osowski – Green Plains Inc.

Yes. So first coming back to the point about capacity utilization, I mean this is a sense of pride for operations folks to maximize the throughput of plant. I mean this is what people who grind corn for a living love to talk about. And how does that happen? How do you get above 100% utilization? Really, it's through fermentation improvements in our processing plants. So, driving yields to higher levels than what was originally theorized when these plants were built or when we have these stated capacities identified and then focused efforts on reducing planned and unplanned downtime to just improve total uptime of asset gets us to where we're recording numbers above theoretical possibilities.

So, with that – we're happy about having to make that adjustment. It's a good problem to have. It's a sign of success and focused operational improvements. And I could anticipate that in the next quarter we come up with some updated figures by plant because we have some plants that are capable of doing much more than what we have in terms of stated capacity. Maybe it's 5%, 10%, something like that. But we look forward to updating those figures and then raising the bar for our plant teams on what they should be able to achieve.

Pooran Sharma - Stephens Inc.

Okay. Great, great. Appreciate that. Maybe if we could just shift over and just talk about industry ethanol margins. We did see margins improve to about mid cycle levels around August and show some more strength in September when margins were above that normalized kind of figure. And was wondering if you could talk about what was driving that elevated margin kind of environment we saw in September. And as a follow-up, we have seen margins kind of drop below mid cycle in October and November. Overall, was just hoping you could help us understand some of these moves.

Chris Osowski – Green Plains Inc.

Yes, sure. For those who may not be aware, there is seasonality with respect to crush margins in the ethanol business. Primarily driven based on – actually driving demand in summer months, putting more demand on the fuel system and then we also have some tightness in supply as a result of plants taking planned downtimes up ahead of winter season, getting their plants ready to run for the winter. So, we're always kind of monitoring that and looking at production volumes to see where things sit relative to historical crush margins.

And at the same time this year we're sitting on what we expect to be a very strong corn crop. Just finishing up harvest season right now in many areas in the Midwest and the volume reports have been very high. I think there's a little bit of skepticism in the market on what the actual corn volume, production volumes are. But in any case, we're sitting on a fundamentally strong corn crop, which should help our overall crush margins going into 2026.

And we feel good about where we sit for Q4. We're over halfway through the quarter and we've talked before about seeing margins based on our, what we say is a disciplined hedging strategy, being on the EBITDA range of the mid teens. So, feel good about where we're sitting right now.

Pooran Sharma - Stephens Inc.

Okay. Okay. I'm not sure how much granularity you could give us here. But on the last call – the earnings call you all had mentioned, Q4 was about 75% hedged and then begun – you had begun layering in hedging for Q1 as well. Just given the significant swings we saw in crush margins from July through October, are you able to give us a sense of when the bulk of your Q4 hedges were put on? And how those levels compare to the high-water marks that we saw in September?

Chris Osowski – Green Plains Inc.

Yes, I don't know if you want to get into the details of all of those points. There is, we have to think about corn, we think about the fuel, we think about basis, think about what's going on in the soy complex with our renewable corn oil. But, when we say discipline hedging strategy, we're going to be in the market every day in forward quarters and we're looking at where those margins sit, basis, historical values and really trying to take what the market gives us when we have an opportunity. At the same time, we are focused on reducing the OpEx in our plants to make them more competitive and that helps out the story.

Pooran Sharma - Stephens Inc.

Appreciate that there. Maybe just sticking on ethanol. On exports we've seen strong momentum in recent years. Seems like exports are increasingly playing a more important role in terms of like the ethanol kind of industry. Could you walk through the key drivers behind that strength? Maybe the initiatives in Canada, EU and other markets. And maybe just given Canada's internal quotas and shifting regulatory environment, how reliable is that channel going forward?

And I know this is a lot here, but just to layer this last one on with Brazil recently having raised its ethanol blend mandate and expanding its own domestic production, how do you view Brazil as a potential disruptor of U.S. export flows? They used to kind of come in and it would be a Brazil product would be cheaper and people would turn to them. But it seems like they're using more of their own they these days. So, it seems like they're less of a threat. So, am I kind of wrong in thinking that? Or right in thinking that?

Chris Osowski – Green Plains Inc.

No, no, I don't think you're wrong about thinking of that. And we think in a similar fashion. But first, let's just talk about export demand. We see that number north of 2 billion gallons this year. We see that growing in 2026 by probably a couple hundred million gallons. And that's primarily driven by Canada, of course, as you mentioned, the EU and UK and India, really the result of government mandates driving that. So, we feel confident that those numbers are probably here to stay and they may grow going forward. And then switching to Brazil. Brazil does produce a lot of product. They're also working on increasing capacities for sugar-based ethanol production domestically there. But we really don't really view that as a negative impact just based on their own consumption.

Pooran Sharma - Stephens Inc.

Yes. No, it really seems like they've been trying to use more of their own domestically.

Unidentified Analyst

So, can you quantify this? Like how much are they using now? How much are they still at the bottom?

Chris Osowski – Green Plains Inc.

I don't have the figures off the top of my head, but yes, they are one of the larger consumers of fuel alcohol. And, we have a little bit of involvement in business down there through our Fluid Quip Technologies company that is working on helping those Brazilian cane producers to either switch technologies to corn-based production on our cane facilities and just produce more ethanol.

Pooran Sharma - Stephens Inc.

Maybe just to shift over to E15 for a moment. How are you thinking about the scope of this opportunity over the next few years? And could you maybe talk about what the phasing of demand looks like as infrastructure and regulatory clarity continue to evolve?

Chris Osowski – Green Plains Inc.

Yes, well, E15 is a very exciting proposition for the ethanol industry. And, with Governor Newsom approving E15 in California, that's a good step forward there. We don't see that being a 2026 story per se. There's still some regulatory hurdles that need to be overcome to really bring it to fruition. But then also it'll take time to build infrastructure in California to support marketing of the fuel with labeling and storage tanks and pumps and that sort of thing.

So, we kind of view that more like a 2027 activity or a gradual ramp up of demand going to California. But it is a big – a significant volume. We think about the entire state of Nebraska potentially supplying low CI fuel to California. So, it is an important step forward. And then of course, the idea of E15 year-round in the U.S. is also something that the industry looks forward to.

Pooran Sharma - Stephens Inc.

Yes. No, that will definitely boost up bushels consumed. Maybe just to kind of shift back over to carbon. You have \$117 million carbon capture liability that will convert to debt. Can you maybe help us understand the financing mechanics and the long-term impact on leverage for this liability?

Chris Osowski – Green Plains Inc.

Yes, sure. So, when it's all said and done, that total project will cost around \$130 million that will be debt. And that's financed through our Tallgrass partners at roughly 9% over 12 years. So that'll bring the total company's debt up to around \$500 million. And I think the service level is about \$35 million annually for that, of which we'll evaluate as we have stronger future positive cash flows, opportunities to pay down that debt versus reinvesting in the business like we talked about with other low-CI score projects or increasing capacity or things of that nature.

Unidentified Analyst

On the other projects, is there a – I guess, how do you think about the timelines required for realizing 45Z and before you get to 45Q?

Chris Osowski – Green Plains Inc.

Yes, that's correct. That's correct. Yes.

Unidentified Analyst

So, there's taking, earning Qs, I guess.

Chris Osowski – Green Plains Inc.

True, true. But I think it's important that when we evaluate projects. We got a healthy list of opportunities, but we want to do things that not only capture value from 45Z but help us become a better base business as a result improving the efficiency of operations. That is a win-win outside of 45Z or 45Q. Things that help us make the company fundamentally stronger in general is what we're interested in. But yes, there is a time constraint that we're working against. So, time is of the essence to help us figure out and how we sort through the priority of those opportunities.

Pooran Sharma - Stephens Inc.

In terms of maybe just shifting over to CST. I know this is on a bit of a back burner because of wastewater issues. I think on the last call you said, you'd reevaluate this business in mid-2026, but could you maybe help us – help remind us of the uplift versus traditional ethanol here? What does that uplift look like when you factor in ethanol with 45Z tax credits? And let's say, you did come to the conclusion that CST is worth starting back up in mid-2026. How long would it take you to ramp production back up if that were to happen?

Chris Osowski – Green Plains Inc.

Yes. So, with respect to CST, I mean, I'll take a step back and just reiterate that this is a proven technology. The technology works and it's fully integrated in the existing plant. But, with 45Z coming to fruition, the gap – the spread has greatly narrowed in terms of the opportunity on sugar. So right now, we're focused on maximizing the value of 45Z in the Shenandoah plant, which means running the plant as efficiently as possible on the ethanol yield perspective and maximizing its throughput. So, that is a big financial opportunity for Shen that we're poised to take advantage of.

So, when we come back to CST, which we will, we want to invest in additional technology, we have to handle a wastewater issue as part of the process. But we want to make sure that we establish that Shen plant to continue to maximize the carbon intensity reduction value that the 45Z provides, aside from the sugar opportunity. And in terms of timing, it's probably like a 12 month to 18-month timeframe to get things going again, just based on construction timing, expectations, and that sort of thing. And then there's also of course, seasonality with respect to contracting sugar volumes. That has to be taken into account.

Pooran Sharma - Stephens Inc.

Appreciate that color there. On the protein side, can you talk about how you're thinking about market conditions heading into 2026? There seems to be new soybean crush capacity just coming online in response to the U.S. RVO and just general renewable diesel growth. How are you positioning your high protein offerings in what could become increasingly competitive feed market. And do you still see a clear path to margin durability and differentiated demand for your product streams?

Chris Osowski – Green Plains Inc.

Yes. And a couple things to note. Through the sale of the Obion location and the exiting of the joint venture with Tharaldson Ethanol, we've shrunked effectively the volume of business on the protein side of things that we manage, which is opportunistic. So, we think about rationalizing the customer base and focusing on strategic partners as opposed to just a transactional protein sale. So, we like that 250,000 ton per year volume. It allows us to focus on either the domestic pet care business - pet food applications, or exporting product to South America or Southeast Asia for aquaculture applications or we have a much more attractive margin for that business.

Pooran Sharma - Stephens Inc.

Great, great. And just shifting over to kind of the balance sheet moves you made, you made meaningful progress on kind of deleveraging with mezzanine debt repaid, no major maturities until 2030. As you start to generate free cash flow in 2026 and beyond. How are you thinking about sequencing of capital priorities? Is it continued debt reduction versus reinvestment or even potential shareholder returns? How would you kind of rank order those?

Chris Osowski – Green Plains Inc.

Well, even before we rank order them, I want to say that we want our company to be one that measures twice and cuts once. And we're going to be very diligent and focused on evaluating all of our project opportunities against each other, all our opportunities to do something with free cash flow that we can. First and foremost, we're going to maintain the health of our assets. So, we talked about before maintenance capital spend anywhere between \$15 million and \$25 million annually. We really focused this past year on tightening our belt and really making sure that we're focused on spending capital within our assets on the right things. Things that help us improve, yield. Things that help us improve the throughput and then just maintain the total health of plant, first and foremost.

And then of course, also addressing any sort of safety or environmental opportunities we have in our plant network, making sure that those things are covered. Next, we look at opportunities to further reduce the CI-score in our plants or debottleneck or increase throughput. So, there are – we have a nice list of opportunities by plant site that we can go and attack. And then of course, there's always the opportunity to focus on value creation for shareholders. Buying back stock, paying off higher interest debt. We're going to evaluate all those opportunities and basically make decisions on what is best for our shareholders.

Pooran Sharma - Stephens Inc.

Great, great. Can we maybe just shift over to CapEx. Your CapEx has come down significantly. Just \$4 million in Q3 with about \$5 million to \$10 million expected in Q4. As you enter 2026, how should we think about a normalized maintenance versus a growth CapEx split? And are there any larger CI reduction or throughput projects that might shift CapEx higher into the near to medium term?

Chris Osowski – Green Plains Inc.

Well, kind of like I mentioned in the previous question, we're focused on taking care of the health of our plants first and foremost. But we talked about operational excellence in the beginning of the conversation, and we've also applied that logic to our CapEx and project management policies and procedures. So, we've increased the amount of rigor and discipline that we have when it comes to evaluating the cost of doing a project and or the expected returns on those projects to make sure we're making the best possible decisions.

Like I mentioned, we want to measure twice and cut once. And with respect to plants, a little smaller footprint, a little more focused on reliability centered maintenance allows us to manage that CapEx number, like I said, between like \$15 million and \$25 million. There's also some opportunities for improving infrastructure and plants to help improve yield and throughput that we'll evaluate here going forward.

Pooran Sharma - Stephens Inc.

Great, great. I think we have about 10 minutes remaining. We'll just open it up to the audience for questions here. If not, I think we've covered a pretty good amount of material. Maybe if you had any closing comments here, just to end the fireside today.

Chris Osowski – Green Plains Inc.

Yes, I think for Green Plains, like I mentioned in previous discussions, that we're right in the middle of an inflection point in our company's history. We're very much focused on being the best low cost, low carbon biofuel and ingredient producer we can. We have a new set of expectations for our employees, and we have line of sight to strong future cash flows and really excited to be focused on executing on the opportunities that we have in front of us.

Pooran Sharma - Stephens Inc.

Great. Well, Chris and everybody else, thanks for joining us today.

Chris Osowski – Green Plains Inc.

Thank you.