



Green Plains Partners Reports Third Quarter 2022 Financial Results

November 3, 2022

Results for the Third Quarter of 2022

- Net income of \$10.2 million, or \$0.43 per common unit
- Adjusted EBITDA of \$13.0 million and distributable cash flow of \$11.3 million
- Quarterly cash distribution increased to \$0.455 per unit
- Distribution coverage ratio of 1.05x; LTM distribution coverage ratio of 1.06x
- Leverage ratio, net of cash; 0.84x Adjusted EBITDA

OMAHA, Neb., Nov. 03, 2022 (GLOBE NEWSWIRE) -- Green Plains Partners LP (NASDAQ:GPP) today announced financial and operating results for the third quarter of 2022. Net income attributable to the partnership was \$10.2 million, or \$0.43 per common unit, for the third quarter of 2022, compared with net income of \$9.4 million, or \$0.40 per common unit, for the same period in 2021.

The partnership also reported adjusted EBITDA of \$13.0 million and distributable cash flow of \$11.3 million for the third quarter of 2022, compared with adjusted EBITDA of \$13.5 million and distributable cash flow of \$11.5 million for the same period in 2021. Distribution coverage was 1.05x for the three months ended September 30, 2022.

"We were pleased to increase the quarterly distribution for the fifth consecutive quarter," said Todd Becker, President and Chief Executive Officer. "Strong liquidity and achieving higher year over year throughput rates resulted in stable earnings and cash flow at the partnership and higher cash distributions for our unitholders."

Third Quarter Highlights and Recent Developments

- On October 20, 2022, the board of directors of the partnership's general partner increased the quarterly cash distribution to \$0.455 per unit, or approximately \$10.8 million, for the third quarter of 2022. The distribution is payable on November 14, 2022, to unitholders of record at the close of business on November 4, 2022.

Results of Operations

Consolidated revenues for the three months ended September 30, 2022 increased by \$0.8 million compared with the same period for 2021. Operations and maintenance expenses increased by \$1.1 million for the three months ended September 30, 2022, compared with the same period for 2021.

During the third quarter of 2022, Green Plains Inc.'s average production utilization rate was approximately 90.9% of capacity. Ethanol throughput was 219.7 million gallons, which exceeded the contracted minimum volume commitment. As a result, a prior period deficiency credit of \$0.1 million was utilized toward the excess volume. Prior year credits of \$1.8 million expired unused, leaving a cumulative balance of minimum volume deficiency credits available to Green Plains Trade as of September 30, 2022 of \$1.9 million. If these credits are unused by Green Plains Trade, \$0.8 million will expire on December 31, 2022, and \$1.1 million will expire on March 31, 2023. These credits have been recognized in revenue by the partnership, and as such, future volumes throughput by Green Plains Trade in excess of the quarterly minimum volume commitment, up to the amount of these credits, will not be recognized in revenue in future periods prior to expiration.

GREEN PLAINS PARTNERS LP SELECTED OPERATING DATA (unaudited, in million gallons)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	% Var.	2022	2021	% Var.
Product volumes (mmg)						
Storage and throughput services	219.7	182.2	20.6%	649.4	553.1	17.4%
Terminal services:						
Affiliate	24.2	22.1	9.5	79.2	62.1	27.5
Non-affiliate	23.7	26.2	(9.5)	68.9	77.7	(11.3)
	47.9	48.3	(0.8)	148.1	139.8	5.9
Railcar capacity billed (daily avg.)	74.7	68.6	8.9	73.0	70.3	3.8

Liquidity and Capital Resources

Total liquidity as of September 30, 2022 consisted of \$15.7 million in cash and cash equivalents. Total debt outstanding was \$58.5 million, net of debt issuance costs of \$0.5 million.

Conference Call Information

On November 3, 2022, Green Plains Partners LP and Green Plains Inc. will host a joint conference call at 9 a.m. Eastern time (8 a.m. Central time) to discuss third quarter 2022 financial and operating results for each company. To participate in the live call, please pre-register [here](http://ir.greenplainspartners.com). All registrants will receive dial-in information and a unique PIN. Alternatively, the conference call will be accessible on Green Plains Partners' website at <http://ir.greenplainspartners.com>.

Non-GAAP Financial Measures

Adjusted EBITDA and distributable cash flow are supplemental financial measures used to assess the partnership's financial performance. Management believes adjusted EBITDA and distributable cash flow provide investors useful information in assessing the partnership's financial condition and results of operations. Adjusted EBITDA is defined as earnings before interest expense, income tax expense, depreciation and amortization, plus adjustments for transaction costs related to acquisitions or financing transactions, unit-based compensation expense, net gains or losses on asset sales and the partnership's proportional share of EBITDA adjustments of our equity method investee. Distributable cash flow is defined as adjusted EBITDA less interest paid or payable, income taxes paid or payable, maintenance capital expenditures and the partnership's proportionate share of distributable cash flow adjustments of our equity method investee. References to LTM refer to results from the immediately preceding twelve-month period. Adjusted EBITDA and distributable cash flow are not presented in accordance with U.S. Generally Accepted Accounting Principles (GAAP) and therefore should not be considered in isolation or as alternatives to net income or any other measure of financial performance presented in accordance with GAAP to analyze the partnership's results.

About Green Plains Partners LP

Green Plains Partners LP (NASDAQ:GPP) is a fee-based Delaware limited partnership formed by Green Plains Inc. to provide fuel storage and transportation services by owning, operating, developing and acquiring ethanol and fuel storage terminals, transportation assets and other related assets and businesses. For more information about Green Plains Partners, visit www.greenplainspartners.com.

About Green Plains Inc.

Green Plains Inc. (NASDAQ:GPRI) is a leading biorefining company focused on the development and utilization of fermentation, agricultural and biological technologies in the processing of annually renewable crops into sustainable value-added ingredients. This includes the production of cleaner low carbon biofuels, renewable feedstocks for advanced biofuels and high purity alcohols for use in cleaners and disinfectants. Green Plains is an innovative producer of ultra-high protein and novel ingredients for animal and aquaculture diets to help satisfy a growing global appetite for sustainable protein. The Company also owns a 48.8% limited partner interest and a 2.0% general partner interest in Green Plains Partners LP. For more information, visit www.gpreinc.com.

Forward-Looking Statements

This news release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, as amended. Forward-looking statements reflect management's current views, which are subject to risks and uncertainties including, but not limited to, anticipated financial and operating results, plans and objectives that are not historical in nature. These statements may be identified by words such as "believe," "expect," "may," "should," "will" and similar expressions. Factors that could cause actual results to differ materially from those expressed or implied are discussed in Green Plains Partners' reports filed with the Securities and Exchange Commission. Investors are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this news release. Green Plains Partners assumes no obligation to update any such forward-looking statements, except as required by law.

Consolidated Financial Results

GREEN PLAINS PARTNERS LP CONDENSED CONSOLIDATED BALANCE SHEETS (in thousands)

	September 30, 2022	December 31, 2021
	(unaudited)	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 15,742	\$ 17,645
Accounts receivable, including from affiliates	16,925	14,555
Other current assets	1,219	845
Total current assets	33,886	33,045
Property and equipment, net	26,579	28,773
Operating lease right-of-use assets	36,898	38,863
Other assets	14,561	13,791
Total assets	<u>\$ 111,924</u>	<u>\$ 114,472</u>
LIABILITIES AND PARTNERS' EQUITY		
Current liabilities		
Accounts payable, including to affiliates	\$ 4,753	\$ 4,954
Operating lease current liabilities	12,007	12,108
Other current liabilities	6,055	5,420
Total current liabilities	22,815	22,482
Long-term debt	58,531	59,467
Asset retirement obligations	2,279	2,658
Operating lease long-term liabilities	26,431	27,562

Total liabilities	110,056	112,169
Partners' equity	1,868	2,303
Total liabilities and partners' equity	\$ 111,924	\$ 114,472

GREEN PLAINS PARTNERS LP
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited, in thousands except per unit amounts)

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2022	2021	% Var.	2022	2021	% Var.
Revenues						
Affiliate	\$ 19,030	\$ 18,221	4.4%	\$ 55,867	\$ 56,061	(0.3)%
Non-affiliate	1,036	1,030	0.6	2,953	3,297	(10.4)
Total revenues	20,066	19,251	4.2	58,820	59,358	(0.9)
Operating expenses						
Operations and maintenance (excluding depreciation and amortization reflected below)	6,287	5,161	21.8	18,012	17,153	5.0
General and administrative	949	892	6.4	3,059	3,152	(3.0)
Depreciation and amortization	1,194	1,089	9.6	2,915	2,771	5.2
Total operating expenses	8,430	7,142	18.0	23,986	23,076	3.9
Operating income	11,636	12,109	(3.9)	34,834	36,282	(4.0)
Interest expense	(1,516)	(2,781)	(45.5)	(4,139)	(6,120)	(32.4)
Income before income taxes and income from equity method investee	10,120	9,328	8.5	30,695	30,162	1.8
Income tax expense	(37)	(77)	(51.9)	(114)	(229)	(50.2)
Income from equity method investee	83	174	(52.3)	454	517	(12.2)
Net income	\$ 10,166	\$ 9,425	7.9%	\$ 31,035	\$ 30,450	1.9%
Net income attributable to partners' ownership interests:						
General partner	\$ 204	\$ 188	8.5%	\$ 621	\$ 609	2.0%
Limited partners - common unitholders	9,962	9,237	7.8	30,414	29,841	1.9
Earnings per limited partner unit (basic and diluted):						
Common units	\$ 0.43	\$ 0.40	7.5%	\$ 1.31	\$ 1.29	1.6%
Weighted average limited partner units outstanding (basic and diluted):						
Common units	23,228	23,208		23,215	23,177	

Supplemental Revenues Data:

Storage and throughput services	\$ 11,565	\$ 11,564	—%	\$ 34,693	\$ 35,389	(2.0)%
Railcar transportation services	5,615	4,688	19.8	15,386	14,525	5.9
Terminal services	1,864	1,998	(6.7)	5,984	6,258	(4.4)
Trucking and other	1,022	1,001	2.1	2,757	3,186	(13.5)
Total revenues	\$ 20,066	\$ 19,251	4.2%	\$ 58,820	\$ 59,358	(0.9)%

GREEN PLAINS PARTNERS LP
CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited, in thousands)

	Nine Months Ended September 30,	
	2022	2021
Cash flows from operating activities:		
Net income	\$ 31,035	\$ 30,450
Noncash operating adjustments		
Depreciation and amortization	2,915	2,771
Other	(355)	1,772

Net change in working capital	(2,385)	(1,317)
Net cash provided by operating activities	31,210	33,676
Cash flows from investing activities:		
Purchases of property and equipment	(432)	(494)
Disposition of assets	—	27,500
Net cash provided by (used in) investing activities	(432)	27,006
Cash flows from financing activities:		
Payments of distributions	(31,650)	(8,528)
Net payments on long-term debt	(1,031)	(40,000)
Payments of loan fees	—	(436)
Other	—	5
Net cash used in financing activities	(32,681)	(48,959)
Net change in cash and cash equivalents	(1,903)	11,723
Cash and cash equivalents, beginning of period	17,645	2,478
Cash and cash equivalents, end of period	\$ 15,742	\$ 14,201

GREEN PLAINS PARTNERS LP
RECONCILIATIONS TO NON-GAAP FINANCIAL MEASURES
(unaudited, in thousands except ratios)

	Three Months Ended September 30,		Nine Months Ended September 30,		LTM Ended Sept. 30,
	2022	2021	2022	2021	2022
Net income	\$ 10,166	\$ 9,425	\$ 31,035	\$ 30,450	\$ 40,947
Interest expense	1,516	2,781	4,139	6,120	5,411
Income tax expense	37	77	114	229	73
Depreciation and amortization	1,194	1,089	2,915	2,771	3,881
Transaction costs	—	—	—	5	—
Unit-based compensation expense	61	60	180	219	240
Proportional share of EBITDA adjustments of equity method investee ⁽¹⁾	45	45	135	139	180
Adjusted EBITDA	13,019	13,477	38,518	39,933	50,732
Interest paid or payable	(1,516)	(1,781)	(4,139)	(5,120)	(5,411)
Income taxes paid or payable	(37)	(77)	(114)	(229)	(73)
Maintenance capital expenditures	(124)	(137)	(382)	(139)	(382)
Distributable cash flow ⁽²⁾	\$ 11,342	\$ 11,482	\$ 33,883	\$ 34,445	\$ 44,866
Distributions declared ⁽³⁾	\$ 10,793	\$ 10,310	\$ 32,015	\$ 15,996	\$ 42,443
Coverage ratio	1.05x	1.11x	1.06x	2.15x	1.06x
Long-term debt					\$ 58,531
Less: Cash and cash equivalents					15,742
Long-term debt, net of cash and cash equivalents					\$ 42,789
Adjusted EBITDA					\$ 50,732
Leverage ratio					0.84x

(1) Represents the partnership's proportional share of depreciation and amortization of its equity method investee.

(2) Distributable cash flow does not include adjustments for the principal payments on the term loan of \$1.0 million for the nine months ended and the last twelve months ended September 30, 2022. Distributable cash flow does not include adjustments for the principal payments on the term loan of \$3.2 million for the three months ended September 30, 2021, and \$50.0 million for the nine months ended September 30, 2021.

(3) Represents distributions declared for the applicable period and paid in the subsequent quarter for the three months ended September 30, 2022 and 2021, and distributions declared for each quarter of the applicable period for the nine months ended September 30, 2022 and 2021.

Green Plains Contacts

Investors: Phil Boggs | Executive Vice President, Investor Relations | 402.884.8700 | phil.boggs@gpreinc.com

Media: Lisa Gibson | Communications Manager | 402.952.4971 | lisa.gibson@gpreinc.com



Source: Green Plains Partners LP