



Alto Ingredients, Inc.

H.C. Wainwright 26th Annual Global Investment Conference

September 10, 2024

Safe Harbor Statement

Statements and information contained in this communication that refer to or include Alto Ingredients' estimated or anticipated future results or other non-historical expressions of fact are forward-looking statements that reflect Alto Ingredients' current perspective of existing trends and information as of the date of the communication. Forward looking statements generally will be accompanied by words such as "anticipate," "believe," "plan," "could," "should," "estimate," "expect," "forecast," "outlook," "guidance," "intend," "may," "might," "will," "possible," "potential," "predict," "project," or other similar words, phrases or expressions. Such forward-looking statements include, but are not limited to, statements concerning Alto Ingredients' projected outlook, future performance, projected amounts of capital expenditures and repair and maintenance costs, crush margins and margin improvements; Alto Ingredients' repair and maintenance programs, plant improvement and other capital projects, including carbon capture and storage at its Pekin Campus and corn oil and high-protein systems at its Magic Valley facility, and other business initiatives and strategies, and their financing, costs, timing and effects, including, but not limited to, financial results that Alto Ingredients' expects to generate as a result of its programs and projects, initiatives and strategies; the timing and effects of Alto Ingredients' efforts to correct production rate, quality and consistency challenges of its corn oil and high-protein systems at its Magic Valley facility; Alto Ingredients' expected volumes of contracted specialty alcohol for future periods and any related premiums to fuel-grade ethanol; Alto Ingredients' expectations around its new product offerings; benefits of sustainability efforts; and Alto Ingredients' other plans, objectives, expectations and intentions. It is important to note that Alto Ingredients' plans, objectives, expectations and intentions are not predictions of actual performance. Actual results may differ materially from Alto Ingredients' current expectations depending upon many factors affecting Alto Ingredients' business and plans. These factors include, among others, Alto Ingredients' ability to finalize definitive documentation with Vault 44.01 for its carbon capture and storage project on acceptable terms and to timely fund and execute the project as intended; adverse economic and market conditions, including for renewable fuels, specialty alcohols and essential ingredients; export conditions and international demand for the company's products; unexpected repair and maintenance expenses; fluctuations in the price of and demand for oil and gasoline; raw material costs, including production input costs, such as corn and natural gas; adverse impacts of inflation and supply chain constraints; and the cost, ability to fund, timing and effects of, including the financial and other results deriving from, Alto Ingredients' repair and maintenance programs, plant improvement and other capital projects, including carbon capture and storage at its Pekin Campus and corn oil and high-protein systems at its Magic Valley facility, and other business initiatives and strategies. These factors also include, among others, the inherent uncertainty associated with financial and other projections and large-scale capital projects; the anticipated size of the markets and continued demand for Alto Ingredients' products; the impact of competitive products and pricing; the risks and uncertainties normally incident to the alcohol production and marketing industries; changes in generally accepted accounting principles; successful compliance with governmental regulations applicable to Alto Ingredients' facilities, products and/or businesses; changes in laws, regulations and governmental policies, including with respect to the Inflation Reduction Act's tax and other benefits Alto Ingredients expects to derive from carbon capture and storage; the loss of key senior management or staff; and other events, factors and risks previously and from time to time disclosed in Alto Ingredients' filings with the Securities and Exchange Commission including, specifically, those factors set forth in the "Risk Factors" section contained in Alto Ingredients' Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on May 8, 2024.



Transforming corn
into higher-margin
specialty alcohol and
essential ingredients
used in a wide range of
consumer and
commercial products

Key Initiatives

Improving Profitability and Reducing Impact of Commodity Pricing

Targeting higher-margin markets with premium products

Pursuing carbon capture & storage

Optimizing asset base & executing efficiency initiatives

Advancing traceability & sustainability certifications & programs

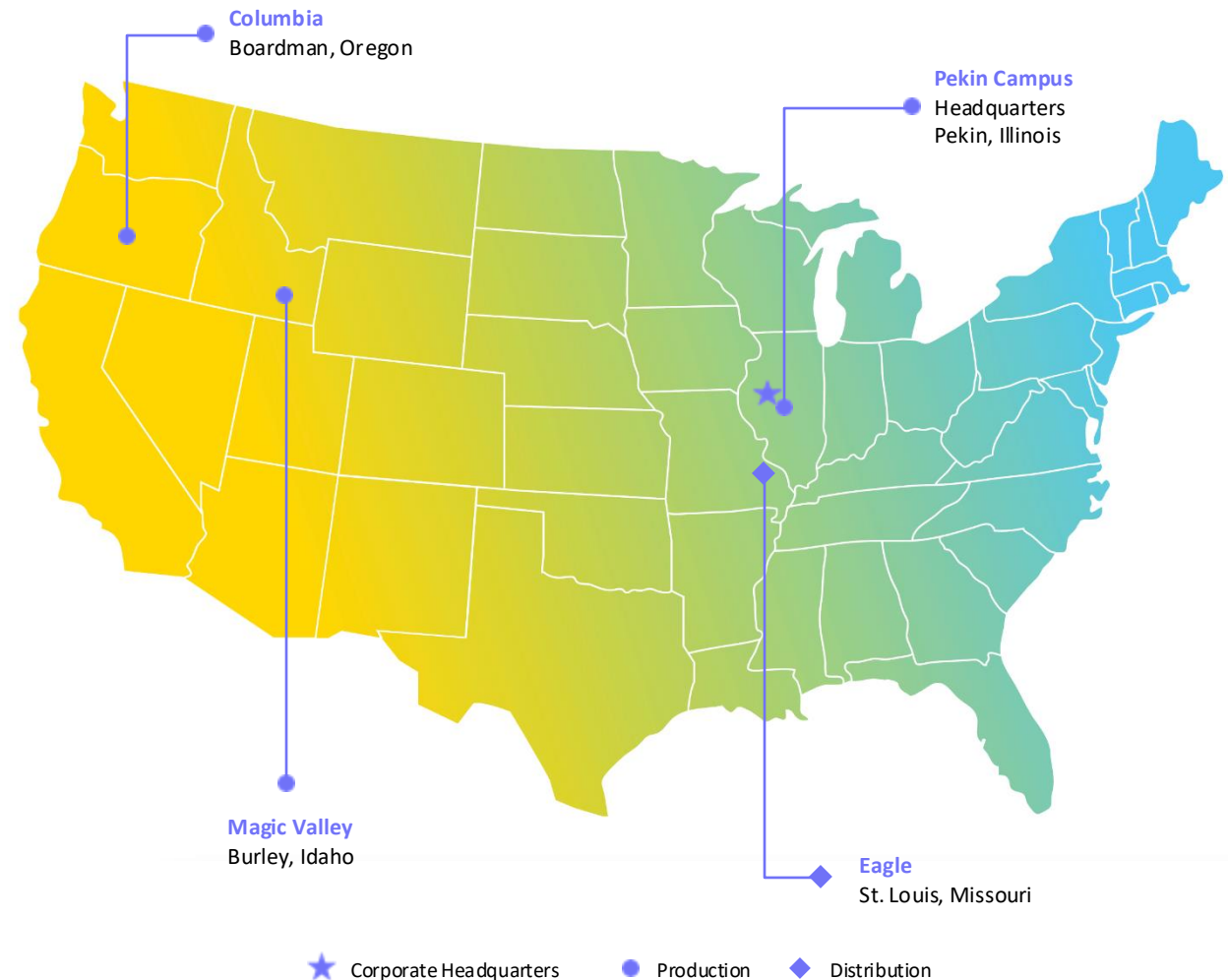
Broadening customer base

Targeting Higher-margin Markets

Making everyday products better:

- Health, Home & Beauty
- Food & Beverage
- Industry & Agriculture
- Essential Ingredients
- Renewable Fuels

Engaging in decarbonization to support sustainability



Making Everyday Products Better

*Providing Customers with Ingredients
Used in Premium Products*



Health, Home
& Beauty

API Grade Ethyl
Alcohol

USP Grade Ethyl
Alcohol



Food &
Beverage

Grain Neutral Spirits

Vinegar

Corn Oil and Corn
Germ

Carbon Dioxide

- Beverage
Carbonation
- Dry Ice

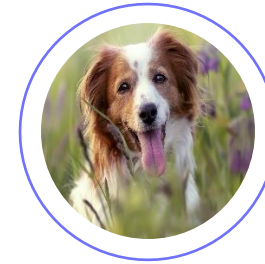


Industry &
Agriculture

Industrial Grade Ethyl
Alcohol

Fertilizer

Automotive



Essential
Ingredients

Alto Yeast

Corn Meal

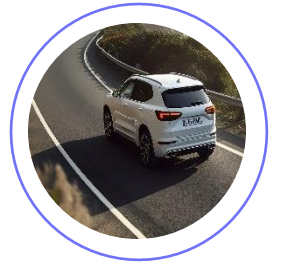
Corn Protein Feed

Corn Oil

Corn Germ

High Protein DDGS

Distillers Grains



Renewable
Fuels

Transportation Fuel

- Ethanol

Corn Oil

- Renewable Diesel
Feedstock



Capital Initiatives to Enhance Premier Assets

Diversifying revenue, creating differentiation, increasing efficiencies and optimizing facilities

In Operation

Specialty
Alcohol
Quality &
Distribution

Corn
Storage
& Boiler
Upgrades

Pekin
Campus:
Building 2nd
Barge-
Loading
Dock

Magic
Valley:
Corn Oil &
High Protein

Under Development

Carbon
Capture
& Storage

Potential Energy Projects:
Cogen & Natural Gas Pipeline

For Future Evaluation

- **CCS related market opportunities:**
 - Sustainable aviation fuel (SAF)
 - Blue ethanol
 - Ethanol-to-jet fuel
 - Synthetic natural gas
- **Primary Yeast**
- **Biogas conversion**
- **Corn Oil and High Protein at dry mills**

Pursuing Carbon Capture & Storage (CCS)

- Engaging in productive discussions with potential partners while aligning interests
- Assessing Illinois SAFE CCS Act, which establishes stringent safety, financial and insurance requirements on carbon dioxide pipelines and a moratorium on pipeline construction for up to 2 years
- Evaluating attractive options to meet Pekin Campus' current and future energy needs
- Exploring other market opportunities: sustainable aviation fuel (SAF), blue ethanol, ethanol-to-jet fuel, synthetic natural gas, etc.

Benefits of CCS

- IRA of 2022 Section 45Q tax incentive improves economics
- Mount Simon Sandstone formation, near the Illinois Basin
- Designed as dedicated relatively short-distance intrastate pipeline, which greatly limits disruption and risk concerns



Sustainability Efforts

Published Inaugural Sustainability Report in December 2023

Earned at Pekin campus

- Safe Food/Safe Feed - a third-party product safety certification
- 2 EcoVadis Bronze Medals, 35th percentile among peers



Completed materiality survey and initial roadmap

- Strengthened environmental, health, safety and security policy and objectives
- Improved Code of Ethics and Supplier Code of Conduct
- Implemented a supplier transparency program
- Partnered with SEDEX, improving sustainability and ensuring ethical sourcing



Conducted ACD Responsible Distribution™ audit at Eagle Alcohol

Completed annual third-party Scope 1 & 2 Greenhouse Gas verifications



Certifications Create Differentiation

Deepen Relationships and Open Doors to New Customers

Specialty Alcohols & Essential Ingredients:

More challenging to produce

Required audits, process verification
and document retention

Create significant product performance impact
for a small percentage of their cost



Expanding Customer Base

Customers prioritize Alto's certifications, reliability, service and quality
Sample list follows:



Health, Home & Beauty



Food & Beverage



Industry & Agriculture



Essential Ingredients



Renewable Fuels



THE J.M. SMUCKER Co.



Financial Highlights

Improving Plant Performance

- Pekin Campus contributed GP of \$10.1M (including \$5.4M in planned outage related expenses), up from \$4.3M in Q1 2024

Strong Liquidity

- \$30M available under operating line of credit
- \$65M available under term loan, subject to certain conditions

unaudited, \$ in thousands	June 30, 2024	Dec. 31, 2023
Cash & cash equivalents	\$ 27,124	\$ 30,014
Current assets	\$ 153,658	\$ 168,770
Current liabilities	\$ (49,767)	\$ (65,288)
Working capital	\$ 103,891	\$ 103,482



Expanding Higher-margin Production and Improving Profitability

Targeting higher-margin markets with premium products

Pursuing carbon capture & storage

Optimizing asset base & executing efficiency initiatives

Advancing traceability & sustainability certifications & programs

Broadening customer base



Appendix

Experienced Leadership Team



Bryon McGregor
President & CEO
16 years with Alto

*Brigham Young University
BS in Business Management*



Todd Benton
Chief Operating Officer
25 years with Alto⁽¹⁾

*Eastern Illinois University
BS in Biology
Business Admin. at Bradley University*



Rob Olander, CPA
Chief Financial Officer
17 years with Alto

*Midland University
BS in Business Administration*



Jim Sneed
Chief Commercial Officer
32 years with Alto⁽¹⁾

*Olivet Nazarene University
BS in Accounting
Kellogg School of Management, MBA*



Auste Graham
General Counsel
2 years with Alto

*Vanderbilt University
Law School, JD*

Prior Experience



Brokerage Treasurer



Plant Manager and
Senior Process Engineering



Controller and Business Manager



Vice President, Ethanol
Marketing & Trading



Vice President, Legal Americas



Project Finance Head



Site Manager



Senior Auditor



Vice President, Marketing & Logistics



Senior Legal Counsel



Director

**(1) In aggregate, including years with Aventine, acquired by Alto in 2015.*

Senior Management with Deep Bench Strength

Ed Baker

VP, Human Resources
16 years with Alto

Prior Experience



Dan Croghan

VP, Eagle General Manager
2 years with Alto

Prior Experience



Michael Kramer

VP, Treasurer
17 years with Alto

Prior Experience



Patrick McKenzie

VP, Business Development
and Engineering
13 years with Alto

Prior Experience



John Shriver

VP, Operations
25 years with Alto⁽¹⁾

Prior Experience



Stacy Swanson

VP, Quality & Sustainability
11 years with Alto⁽¹⁾

Prior Experience



**(1) In aggregate, including years with Aventine, acquired by Alto in 2015.*

Consolidated Statements of Operations

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net sales	\$ 236,468	\$ 317,297	\$ 477,097	\$ 631,188
Cost of goods sold	<u>228,915</u>	<u>300,116</u>	<u>471,944</u>	<u>617,171</u>
Gross profit	7,553	17,181	5,153	14,017
Selling, general and administrative expenses	8,961	7,911	16,893	15,793
Asset impairments	<u>—</u>	<u>—</u>	<u>—</u>	<u>574</u>
Income (loss) from operations	(1,408)	9,270	(11,740)	(2,350)
Interest expense, net	(1,669)	(1,734)	(3,303)	(3,299)
Other income (expense), net	<u>(29)</u>	<u>59</u>	<u>212</u>	<u>78</u>
Income (loss) before provision for income taxes	(3,106)	7,595	(14,831)	(5,571)
Provision for income taxes	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Net income (loss)	<u>\$ (3,106)</u>	<u>\$ 7,595</u>	<u>\$ (14,831)</u>	<u>\$ (5,571)</u>
Preferred stock dividends	\$ (316)	\$ (315)	\$ (631)	\$ (627)
Net income allocated to participating securities	<u>—</u>	<u>(96)</u>	<u>—</u>	<u>—</u>
Net income (loss) available to common stockholders	<u>\$ (3,422)</u>	<u>\$ 7,184</u>	<u>\$ (15,462)</u>	<u>\$ (6,198)</u>
Net income (loss) per share, basic	<u>\$ (0.05)</u>	<u>\$ 0.10</u>	<u>\$ (0.21)</u>	<u>\$ (0.08)</u>
Net income (loss) per share, diluted	<u>\$ (0.05)</u>	<u>\$ 0.10</u>	<u>\$ (0.21)</u>	<u>\$ (0.08)</u>
Weighted-average shares outstanding, basic	<u>73,486</u>	<u>73,394</u>	<u>73,126</u>	<u>73,603</u>
Weighted-average shares outstanding, diluted	<u>73,486</u>	<u>74,103</u>	<u>73,126</u>	<u>73,603</u>



GAAP to Non-GAAP Reconciliation

Use of Non-GAAP Measures

Management believes that certain financial measures not in accordance with generally accepted accounting principles (“GAAP”) are useful measures of operations.

The company defines Adjusted EBITDA as unaudited consolidated net income (loss) before interest expense, interest income, provision for income taxes, asset impairments, loss on extinguishment of debt, unrealized derivative gains and losses, acquisition-related expense, and depreciation and amortization expense. A table is provided at the end of this presentation that provides a reconciliation of Adjusted EBITDA to its most directly comparable GAAP measure, net income (loss). Management provides this non-GAAP measure so that investors will have the same financial information that management uses, which may assist investors in properly assessing the company’s performance on a period-over-period basis. Adjusted EBITDA is not a measure of financial performance under GAAP and should not be considered as an alternative to net income (loss) or any other measure of performance under GAAP, or to cash flows from operating, investing or financing activities as an indicator of cash flows or as a measure of liquidity. Adjusted EBITDA has limitations as an analytical tool, and you should not consider this measure in isolation or as a substitute for analysis of the company’s results as reported under GAAP.

Adjusted EBITDA Reconciliation

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(in thousands) (unaudited)				
Net income (loss)	\$ (3,106)	\$ 7,595	\$ (14,831)	\$ (5,571)
Adjustments:				
Interest expense	1,669	1,734	3,303	3,299
Interest income	(150)	(190)	(325)	(411)
Unrealized derivative (gains) losses	(11,089)	(1,474)	(14,279)	(7,400)
Acquisition-related expense	675	700	1,350	1,400
Asset impairments	—	—	—	574
Depreciation and amortization expense	6,074	5,680	11,802	11,735
Total adjustments	(2,821)	6,450	1,851	9,197
Adjusted EBITDA	\$ (5,927)	\$ 14,045	\$ (12,980)	\$ 3,626

Segment Results

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net Sales				
Pekin Campus, recorded as gross:				
Alcohol sales	\$ 100,687	\$ 127,694	\$ 209,035	\$ 260,075
Essential ingredient sales	39,371	53,954	86,080	117,585
Intersegment sales	<u>286</u>	<u>444</u>	<u>606</u>	<u>757</u>
Total Pekin Campus sales	140,344	182,092	295,721	378,417
Marketing and distribution:				
Alcohol sales, gross	\$ 70,157	\$ 72,589	\$ 124,587	\$ 156,936
Alcohol sales, net	64	104	98	218
Intersegment sales	<u>2,388</u>	<u>2,499</u>	<u>5,140</u>	<u>5,342</u>
Total marketing and distribution sales	72,609	75,192	129,825	162,496
Western production, recorded as gross:				
Alcohol sales	\$ 17,456	\$ 44,384	\$ 37,690	\$ 65,316
Essential ingredient sales	5,950	14,421	13,776	22,773
Intersegment sales	<u>—</u>	<u>62</u>	<u>(130)</u>	<u>62</u>
Total Western production sales	23,406	58,867	51,336	88,151
Corporate and other	2,783	4,151	5,831	8,285
Intersegment eliminations	<u>(2,674)</u>	<u>(3,005)</u>	<u>(5,616)</u>	<u>(6,161)</u>
Net sales as reported	<u>\$ 236,468</u>	<u>\$ 317,297</u>	<u>\$ 477,097</u>	<u>\$ 631,188</u>
Cost of goods sold:				
Pekin Campus	\$ 130,200	\$ 168,419	\$ 281,311	\$ 366,596
Marketing and distribution	69,437	71,746	123,123	154,871
Western production	27,167	57,834	63,683	91,815
Corporate and other	2,943	3,414	5,738	5,786
Intersegment eliminations	<u>(832)</u>	<u>(1,297)</u>	<u>(1,911)</u>	<u>(1,897)</u>
Cost of goods sold as reported	<u>\$ 228,915</u>	<u>\$ 300,116</u>	<u>\$ 471,944</u>	<u>\$ 617,171</u>
Gross profit (loss):				
Pekin Campus	\$ 10,144	\$ 13,673	\$ 14,410	\$ 11,821
Marketing and distribution	3,172	3,446	6,702	7,625
Western production	(3,761)	1,033	(12,347)	(3,664)
Corporate and other	(160)	737	93	2,499
Intersegment eliminations	<u>(1,842)</u>	<u>(1,708)</u>	<u>(3,705)</u>	<u>(4,264)</u>
Gross profit as reported	<u>\$ 7,553</u>	<u>\$ 17,181</u>	<u>\$ 5,153</u>	<u>\$ 14,017</u>