3Q FY25 Earnings Update

EXEC EDGE RESEARCH

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VALUATION	
Current Price	$33.68
52 Week Range	$16.73–$36.50
Market Cap ($-Mn)	1,113
Ent. Value ($-Mn)	867
Shares Out. (Mn)	33.0
Float	88.0%
Avg. 3-Month Volume	0.19Mn
LTM P/S	1.7x
LTM P/E	22.5x

Source: TIKR

FUNDAMENTALS	
Revenue (FY23)	$833 Mn
Revenue (FY24)	$642 Mn
Revenue (LTM)	$651 Mn
EPS (FY23)	$1.73
EPS (FY24)	$1.65
EPS (LTM)	$1.50
Cash and cash equivalents (3Q FY25)	$335.5 Mn

Source: Company Filings, TIKR

STOCK PRICE PERFORMANCE

Source: TIKR

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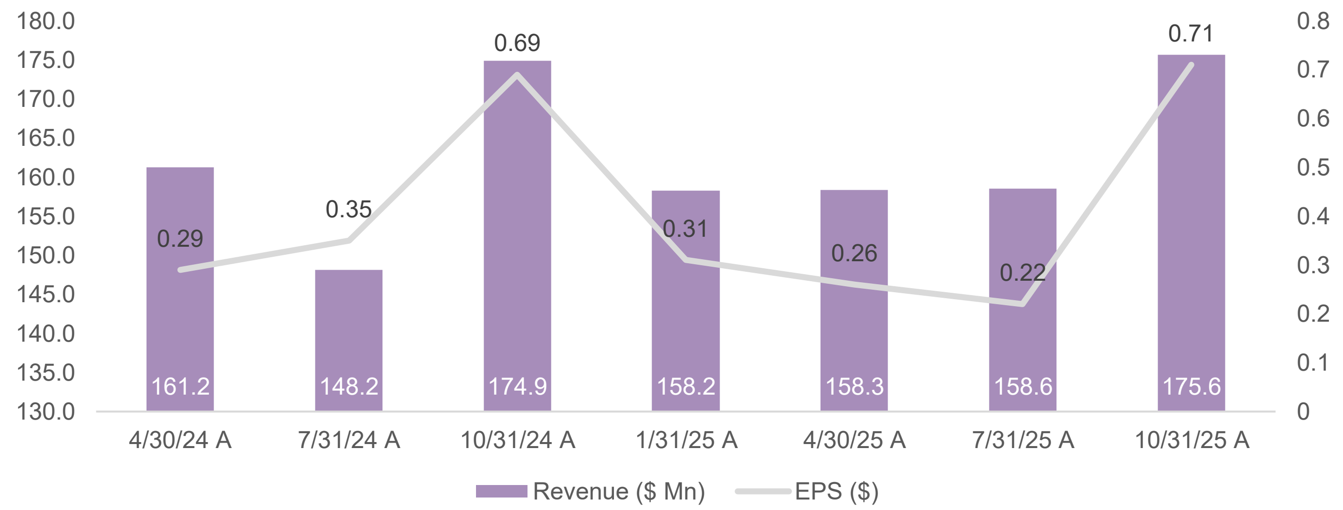
REX American Resources Corp. (REX)

Operational Excellence, Expanding Ethanol Exports, and Industry Tailwinds Position REX for Continued Growth

- **Key Takeaways:**
  - Strong ethanol sales volumes, robust export demand, and operational excellence drove 21st consecutive profitable quarter.
  - The One Earth Energy facility expansion remains on track for 2026, and REX is progressing its 45Z readiness with ongoing Carbon Intensity score assessment. Class VI permit timeline updated to June 2026.
  - Outlook is strong and industry environment remains supportive with 2025 ethanol exports expected to set a new record, and strong corn production in South Dakota and Illinois to help drive input costs lower and boost profitability.
  - Strong cash position and no bank debt give ample capacity to fund growth initiatives.
  - Reasonably valued given growth prospects and industry/regulatory tailwinds.
- **Strong ethanol sales volumes, robust export demand, and favorable crush spreads drove 21st consecutive profitable quarter**. REX reported net sales of $175.6 million in 3Q FY25 (quarter ending 10/31/25), up 0.4% y/y as ethanol sales volume came in at 78.4 million gallons vs. 75.5 million gallons in 3Q FY24, offset partially by average selling price (ASP) of $1.73/gallon during the quarter, down versus $1.83/gallon in the prior year.
  - Dried distillers grain (DDG) sales volumes during 3Q FY25 totaled ~160,000 tons (vs. 170,000 tons y/y) with an ASP of $139.93/ton (vs. $147.14/ton y/y). Modified distillers grain sales volumes came in at 21,000 tons for the quarter with an ASP of $57.03/ton.
  - Corn oil sales volumes were ~27.4 million, +17% y/y, with an ASP of $0.60 per pound, +36% y/y, resulting in a 60% y/y increase in corn oil sales during the quarter.
  - Gross profit came in at $36.1 million, down from $39.7 million in 3Q FY24 due to lower prices for ethanol and distiller grains. SG&A decreased to $8.2 million vs. $8.4 million y/y, reflecting cost discipline and strong execution. Interest and other income totaled $3.2 million vs. $4.6 million a year ago, reflecting lower rates and lower investments.
  - Net income came in at $23.4 million or $0.71 per share. While down y/y, this marked REX's twenty first consecutive quarter of profitability, a standout performance in the volatile ethanol industry.
  - **We believe the quarter underscored how operational excellence, strong assets, and disciplined execution continue to differentiate REX**. High-quality facilities, advantaged corn belt locations, and experienced team are driving consistent outperformance. Management noted that sustained export demand and steady corn supply supported the core ethanol business, while a focused investment strategy and prudent capital allocation helped maintain a strong balance sheet.

Chart 1: REX Revenue & EPS (Quarterly)

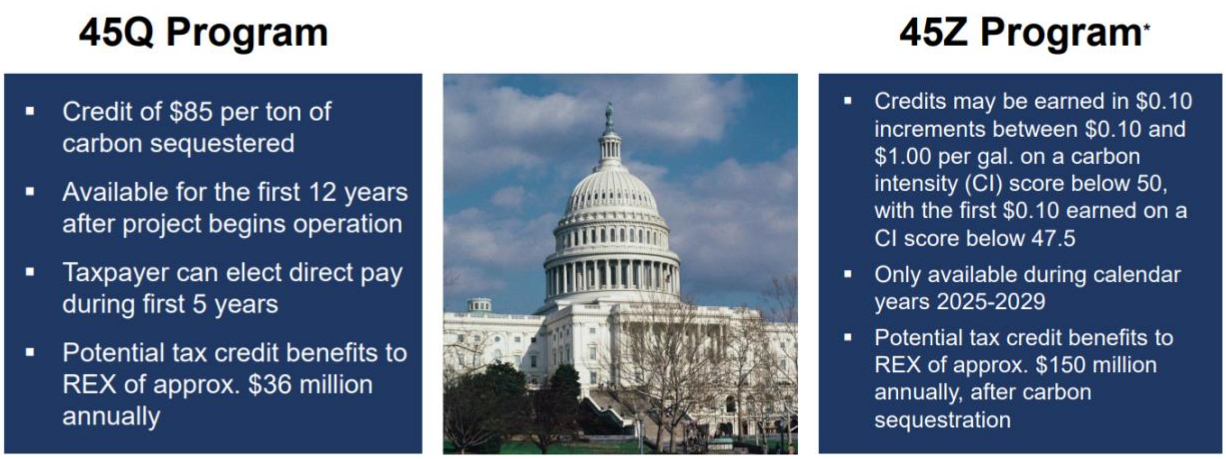


Source: Exec Edge Research, REX SEC Filings, TIKR. REX's Fiscal ends on 1/31.

- **The One Earth Energy facility expansion to 200 million gallons remains on schedule for 2026, and REX is progressing its 45Z readiness with ongoing Carbon Intensity (CI) score assessment.** REX continues to advance its key growth project at the One Earth Energy facility, with the ethanol capacity expansion on track for completion in 2026, positioning the company for higher production volumes and improved operating efficiency. In parallel, REX has begun evaluating the potential near-term benefits of the federal 45Z tax credit program. The company is working with independent experts to measure and validate the carbon intensity of its ethanol production, and early indications suggest the CI score may fall below the qualifying threshold, enabling eligibility for future tax credits once final Treasury guidance is issued.
  - **The Class VI permit timeline has been updated to June 2026, with carbon capture progress advancing within the revised project budget**. REX reported that the EPA now expects to finalize its Class VI injection well permit in June 2026, a shift from the previous estimate of March 2026. The company continues to engage constructively with regulators throughout the review process. As of 3Q FY25 end, REX had invested approximately $155.8 million across its carbon capture and ethanol expansion projects and remains on track to complete both initiatives within the combined capital budget of $220 million to $230 million.
  - **No firm application timeline yet from the Illinois Commerce Commission (ICC); REX expects to proceed only after the permitting moratorium ends on July 1, 2026**. While the ICC has begun public hearings and is actively working through requirements for carbon pipeline permitting, the agency has not provided a definitive timeline for accepting applications. REX expects to file only after the moratorium on new carbon pipelines ends on July 1, 2026. Management also highlighted that all easements for its planned ~6-mile line are already secured. The pipeline was deliberately routed away from the Mahomet Aquifer to avoid environmental risks.
  - **REX is focused on completing Well #1 before pursuing third-party sequestration agreements, though inbound inquiries already show strong interest**. All three wells, including Well #1, are expected to have meaningful headroom to accept CO_2 from external partners, and interest from potential counterparties has already been strong. However, the company does not intend to enter into any commitments until key milestones are achieved, including securing the Class VI permit and completing the associated pipeline. Once those steps are finalized, management expects to be well-positioned to negotiate third-party contracts given the level of inbound inquiries received to date.
  - **No assurance of earning 45Z credits this year, as regulatory details remain unclear, though the company is actively preparing to qualify once rules are finalized**. Management noted that federal agencies have not yet published the specific carbon-intensity scoring criteria or the final guidelines tied to indirect land-use change, making it too early to determine eligibility. While the company is working diligently to position itself for potential credit generation in the current year, management reiterated that outcomes depend entirely on how the

regulations are written. Retroactive recognition of credits, if permitted, would be beneficial, but no formal assumptions can be made until the government issues definitive rules.

Chart 2: REX – Benefiting from Strengthening Policy and Industry Tailwinds



*Source: Exec Edge Research, Company Investor Presentation. *The ethanol industry is awaiting guidance from the U.S. Treasury Department on final rules and qualifications for 45Z tax credits.*

- **Industry environment remains supportive – even though tariffs created early disruption, rising ethanol exports have offset much of the downside and are expected to strengthen further in 2026**. Management noted that initial tariff-related concerns were significant, particularly given Mexico's position as the largest importer of DDG and Canada's role as the largest buyer of U.S. ethanol. While these trade relationships remain important, REX highlighted that tariff pressures and ongoing negotiations have opened new export opportunities in Europe and other markets. As a result, ethanol exports from January to August increased to roughly $1.4 billion, up from $1.2 billion last year. However, weaker global demand for soybeans and soybean oil, driven in part by reduced Chinese purchasing has weighed on corn oil prices and created some uncertainty around DDG exports. Despite these pockets of softness, management remains encouraged by the continued momentum in ethanol exports and expects further growth into 2026. Additionally, record corn production in Illinois and South Dakota is anticipated to support lower production costs going forward.
- **3P framework focused on Profit, Position, and Policy continues to anchor REX's strategy and execution**. REX's profitability remains a core strength, with the business delivering 21 consecutive quarters of positive earnings, supported by disciplined operations. On positioning, management stated that ongoing initiatives, particularly the carbon sequestration project, ethanol platform expansion, continued engagement with the EPA on the Class VI well permit, and reducing carbon intensity will reinforce REX's long-term competitive standing as it looks toward 2026 and beyond. From a policy standpoint, the company is focused on maximizing near-term opportunities under the 45Z tax credit program, noting that earnings contributions are expected to rise as additional production volumes and future sequestration capacity become eligible under the credit framework.
- **Strong cash position and no bank debt give REX ample capacity to fund growth initiatives**. REX held $335.5 million in cash, cash equivalents, and short-term investments at the end of 3Q FY25, which is more than sufficient to support key initiatives such as ethanol expansion and the carbon capture project. This balance-sheet strength also preserves flexibility for additional organic investments or potential strategic acquisitions as opportunities arise.
- **Outlook is positive with expectations for higher 4Q profitability, record ethanol exports, and lower input costs ahead**. Management expressed confidence that next quarter's ethanol performance will exceed last year's results, supported by progress toward qualifying for 45Z credits and a favorable export backdrop. Industry data from the Renewable Fuel Association indicates that 2025 is on track to set a new record for U.S. ethanol exports, reinforcing the outlook. Additionally, USDA projections show that South Dakota and Illinois are expected to deliver some of their highest corn production levels in recent years, which should help reduce input costs. **Overall, the company anticipates a stronger net profit in the fourth quarter and sees meaningful momentum heading into 2026**.

Chart 3: REX - Quarterly Financial Snapshot

REX ($Mn, except per share data)	4/30/24 A	7/31/24 A	10/31/24 A	1/31/25 A	4/30/25 A	7/31/25 A	10/31/25 A
Revenue	161.2	148.2	174.9	158.2	158.3	158.6	175.6
% Change YoY	*-24.2%*	*-30.1%*	*-20.9%*	*-15.7%*	*-1.8%*	*7.0%*	*0.4%*
EBIT	8.3	13.3	31.3	11.4	8.4	8.1	27.9
% Change YoY	*89.7%*	*37.0%*	*-1.3%*	*-50.5%*	*0.7%*	*-39.1%*	*-10.7%*
% EBIT Margins	*5.2%*	*9.0%*	*17.9%*	*7.2%*	*5.3%*	*5.1%*	*15.9%*
EBT Normalized	16.0	19.5	39.5	17.9	13.6	12.1	35.5
% Change YoY	*83.7%*	*21.5%*	*-4.3%*	*-44.8%*	*-14.6%*	*-37.9%*	*-10.3%*
% EBT Margins	*9.9%*	*13.2%*	*22.6%*	*11.3%*	*8.6%*	*7.6%*	*20.2%*
Net Income Normalized	10.2	12.4	24.5	11.1	8.7	7.1	23.4
% Change YoY	*94.5%*	*36.6%*	*-6.1%*	*-46.0%*	*-14.8%*	*-42.6%*	*-4.4%*
% Net Income Margins	*6.3%*	*8.4%*	*14.0%*	*7.0%*	*5.5%*	*4.5%*	*13.3%*
EPS Normalized	0.29	0.35	0.69	0.31	0.26	0.22	0.71
% Change YoY	*93.3%*	*34.6%*	*-6.8%*	*-46.6%*	*-10.3%*	*-37.1%*	*2.9%*
EPS (GAAP)	0.29	0.35	0.70	0.31	0.26	0.22	0.71

Source: Exec Edge Research, REX SEC Filings, TIKR. REX's Fiscal ends on 1/31.

- **Reasonably valued given growth prospects and industry/regulatory tailwinds. Stock split boosted liquidity and expanded investor base**. We use multiple approaches, including time series and comparison with trading peers for valuation analysis. **Please note that the upside shown in the analysis below is not a stock price target or a buy/sell/hold recommendation on the stock. Rather, it is just an illustration of the valuation analysis conducted by us.**
- **While we do not have a price target for REX, our analysis shows that it is a reasonably valued play on the renewable fuels and low-carbon economy theme**. We analyzed REX's LTM P/S and LTM P/E multiples and note that the stock has re-rated, driven by multiple catalysts. First, superior earnings performance continues to differentiate REX from peers, underpinned by high-quality facilities, advantaged corn belt plant locations, and a highly skilled operating team that consistently delivers sector-leading execution. Second, strong ethanol export demand and reliable corn supply drove solid margins in the quarter and are expected to boost earnings power going forward, as well. Third, disciplined capital allocation and a debt-free balance sheet provide flexibility to fund growth initiatives including ethanol expansion. Together, these operational, industry, and financial strengths reinforce confidence in REX's long-term outlook and support further multiple expansion as execution continues.
  - **P/S multiple analysis**. REX currently trades as 1.7x LTM P/S multiple, below its five-year peak of 1.9x. Assuming a reversion to the peak driven by strengthening fundamentals, we arrive at a market cap of $1.2 billion or $37.1/share basis ~33.0 million s/o.

Chart 4: Valuation Analysis Based on LTM P/S Multiple

LTM Sales ($Mn)	650.8
P/S Multiple (x)	1.9
Market Cap ($ Mn)	1,223.4
Shares Outstanding (Mn)	33.0
Price/share ($)	**37.1**
Current Price ($)	33.7
Upside Potential	***10%***

Source: Exec Edge Research, TIKR. Data as of 12/5 close.

– **P/E multiple analysis.** REX currently trades as 22.5x LTM P/E multiple, below its three-year peak of 27.7x. Assuming a reversion to the peak and applying the 27.7x multiple to LTM EPS of $1.50 gives us a price/share of $41.6 vs. current price of $33.7

Chart 5: Valuation Analysis Based on LTM P/E Multiple

LTM EPS	1.50
P/E Multiple (x)	27.7
Price/share ($)	**41.6**
Current Price ($)	33.7
Upside Potential	***23%***

Source: Exec Edge Research, TIKR. Data as of 12/5 close.

- **Peer analysis (relative valuation)**. REX is trading at an LTM EV/Sales multiple of 1.3x, which is a 17% discount to peer average of 1.6x. Its LTM P/E multiple is also below peer average of 27.6x, suggesting REX's consistent profitability and strong balance sheet are not fully reflected in its current valuation. Overall, the company has re-rated higher backed by regulatory tailwinds and strong execution. However, further re-rating could be driven by continued execution of strategic initiatives. These include (1) securing EPA Class VI well approval by June 2026 and subsequent state and county permits; (2) completing the One Earth ethanol expansion to 200 million gallons is on track for completion in 2026 (3) capitalizing on the 45Z and 45Q tax credits; (4) leveraging record corn harvests and feedstock supply to maintain low input costs; and (5) strong export growth, particularly in markets like the Europe following tariff negotiations. Successful execution of these initiatives could position REX for stronger earnings and margin expansion.

Chart 6: Trading Comps – REX vs. Peers*

Ticker	Company	Market Cap ($Mn)	EV ($Mn)	LTM EV/Sales (x)	LTM P/E (x)	LTM P/Sales(x)
REX	**REX American Resources Corporation**	**1,113**	**867**	**1.3**	**22.5**	**1.7**
AMTX	Aemetis Inc	100	584	2.9	(1.0)	0.5
GEVO	Gevo inc	540	641	5.3	(11.5)	4.5
GPRE	Green Plains Inc	680	985	0.4	(3.4)	0.3
ALTO	Alto Ingredients Inc	194	281	0.3	(3.6)	0.2
ADM	Archer Daniels Midland Co	28,358	36,588	0.4	24.0	0.3
VLO	Valero Energy Corp	53,114	61,923	0.5	36.5	0.5
	Average	**12,014**	**14,553**	**1.6**	**27.6**	**1.1**
	REX's Multiple vs. Peer Average			*-17%*	*-19%*	*50%*

*Source: Exec Edge Research, TIKR. Data as of 12/5 close. *Negative values are excluded from calculation of the respective averages.*

Chart 7: REX – Financial Snapshot

Income Statement | $Mn	FY22	FY23	FY24	1Q FY25	2Q FY25	3Q FY25
Revenues	855.0	833.4	642.5	158.3	158.6	175.6
Total Revenues	**855.0**	**833.4**	**642.5**	**158.3**	**158.6**	**175.6**
% Change YoY	***10.4%***	***-2.5%***	***-22.9%***	***-1.8%***	***7.0%***	***0.4%***
Cost of Goods Sold	-806.4	-735.2	-551.0	-144.0	-144.2	-139.5
Gross Profit	**48.6**	**98.2**	**91.5**	**14.3**	**14.4**	**36.1**
% Change YoY	***-46.4%***	***102.1%***	***-6.9%***	***-0.8%***	***-27.6%***	***-8.9%***
% Gross Margins	***5.7%***	***11.8%***	***14.2%***	***9.1%***	***9.0%***	***20.6%***
Selling General & Admin Expenses	-22.8	-29.4	-27.2	-5.9	-6.2	-8.2
Total Operating Expenses	**-22.8**	**-29.4**	**-27.2**	**-5.9**	**-6.2**	**-8.2**
Operating Income	**25.8**	**68.8**	**64.3**	**8.4**	**8.2**	**27.9**
% Change YoY	***-62.7%***	***167.1%***	***-6.6%***	***0.7%***	***-39.1%***	***-10.7%***
% Operating Margins	***3.0%***	***8.3%***	***10.0%***	***5.3%***	***5.1%***	***15.9%***
Interest And Investment Income	13.0	14.7	19.2	4.2	3.1	3.2
Income (Loss) On Equity Invest.	8.7	13.9	9.4	1.0	0.9	4.4
EBT Incl. Unusual Items	**47.5**	**98.5**	**92.9**	**13.6**	**12.1**	**35.5**
Income Tax Expense	-9.5	-22.6	-21.4	-3.0	-2.8	-8.0
Net Income to Company	**37.9**	**75.9**	**71.5**	**10.7**	**9.3**	**27.5**
Minority Interest	-10.2	-15.0	-13.3	-2.0	-2.2	-4.1
Net Income	**27.7**	**60.9**	**58.2**	**8.7**	**7.1**	**23.4**
Balance Sheet - Key Items | $Mn. Period-ending data.	**FY22**	**FY23**	**FY24**	**1Q FY25**	**2Q FY25**	**3Q FY25**
Cash And Equivalents	69.6	223.4	196.3	159.9	241.0	272.0
Short Term Investments	211.3	155.3	162.8	156.0	69.5	63.5
Total Cash And Short Term Investments	**280.9**	**378.7**	**359.1**	**315.9**	**310.5**	**335.5**
Accounts Receivable	25.2	23.2	21.5	28.0	24.8	27.4
Restricted Cash	1.7	2.2	2.5			
Total Current Assets	**372.6**	**452.1**	**435.8**	**398.8**	**390.5**	**411.7**
Net Property Plant And Equipment	**150.7**	**168.6**	**231.7**	**257.2**	**271.9**	**297.5**
Total Assets	**579.6**	**664.8**	**720.0**	**693.8**	**700.6**	**750.1**
Accounts Payable	34.1	42.1	28.3	21.0	17.6	33.6
Total Current Liabilities	**54.6**	**66.3**	**50.4**	**42.6**	**37.0**	**57.5**
Long-Term Debt						
Total Liabilities	**68.6**	**77.2**	**76.4**	**74.2**	**69.5**	**93.9**
Total Common Equity	**448.0**	**513.9**	**560.3**	**536.4**	**545.9**	**566.9**
Minority Interest	63.0	73.7	83.3	83.3	85.2	89.3
Total Equity	**511.0**	**587.6**	**643.6**	**619.6**	**631.1**	**656.2**
Total Liabilities And Equity	**579.6**	**664.8**	**720.0**	**693.8**	**700.6**	**750.1**
Cash Flow Statement | $Mn	**FY22**	**FY23**	**FY24**	**1Q FY25**	**2Q FY25**	**3Q FY25**
Depreciation & Amortization	23.3	23.0	21.7	5.0	5.8	6.0
Cash from Operations	**54.8**	**128.0**	**64.2**	**-3.5**	**16.3**	**51.2**
Capital Expenditure	-15.6	-37.7	-71.3	-6.9	-22.0	-26.7
Cash from Investing	**-198.5**	**28.4**	**-72.9**	**1.8**	**65.7**	-20.1
Cash from Financing	**-17.0**	**-4.3**	**-18.5**	-34.7	-0.9	-0.1
Net Change in Cash	**-160.7**	**152.1**	**-27.1**	-36.3	**81.0**	**31.0**

Source: Exec Edge Research, Company Filings, TIKR. REX's Fiscal ends on 1/31.

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