



# Q2 2016 Earnings Conference Call

## August 4, 2016

# Speakers

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**Daniel J. Oh**  
President & Chief Executive Officer



**Chad Stone**  
Chief Financial Officer



**Todd Robinson**  
Treasurer

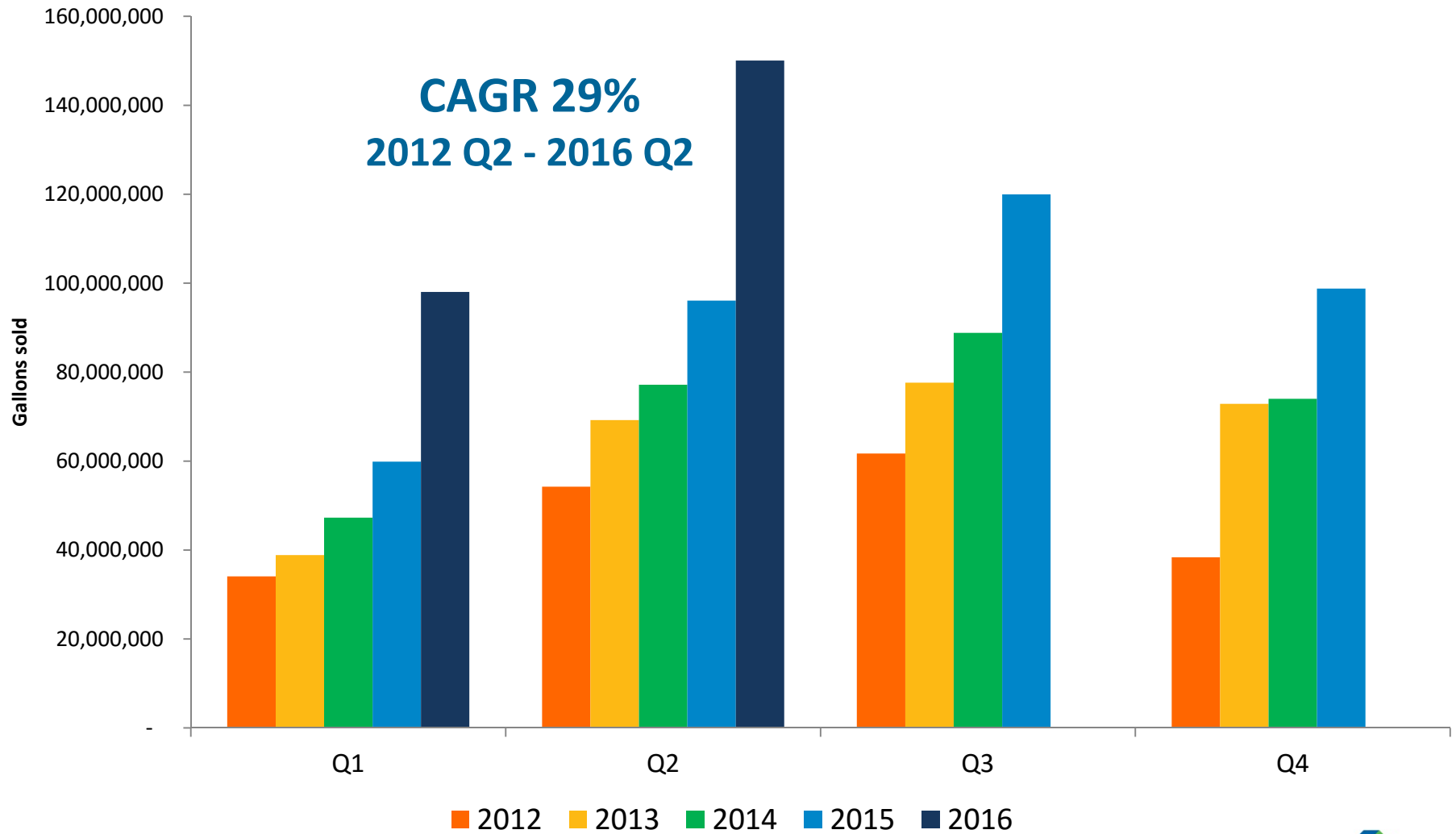
# Safe Harbor Statement

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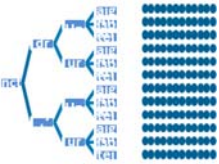
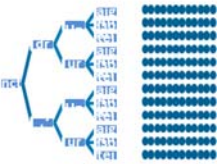
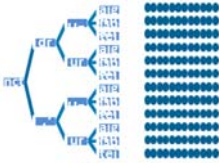
This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as amended, including statements regarding the Company's outlook for gallons sold and Adjusted EBITDA in the third quarter of 2016. These forward-looking statements are based on current expectations, estimates, assumptions and projections that are subject to change, and actual results may differ materially from the forward-looking statements. Factors that could cause actual results to differ materially include, but are not limited to, potential changes in governmental programs and policies requiring or encouraging the use of biofuels, including RFS2; changes in the spread between biomass-based diesel prices and feedstock costs; the future price and volatility of feedstocks; the future price and volatility of petroleum and products derived from petroleum; availability of federal and state governmental tax credits and incentives for biomass-based diesel production; risks associated with fire or explosion at our facilities, including potential losses associated with the fires at our Geismar facility; the effect of excess capacity in the biomass-based diesel industry; unanticipated changes in the biomass-based diesel market from which we generate almost all of our revenues; seasonal fluctuations in our operating results; competition in the markets in which we operate; our dependence on sales to a single customer; technological advances or new methods of biomass-based diesel production or the development of energy alternatives to biomass-based diesel; our ability to successfully implement our acquisition strategy; our ability to use our development stage life sciences technologies to produce renewable chemicals, fuels and other products on a commercial scale and at a competitive cost, and customer acceptance of the products produced; and other risks and uncertainties described from time to time in REG's annual report on Form 10-K for the year ended December 31, 2015, and subsequently filed, quarterly reports on Forms 10-Q and other periodic filings with the Securities and Exchange Commission

All forward-looking statements are made as of the date of this presentation and REG does not undertake to update any forward-looking statements based on new developments or changes in our expectations.

# Quarterly Gallons Sold



# Life Sciences - Progress Through Q2 2016

Discovery	Phase 1: Early development	Phase 2: Mid Development	Phase 3: Advanced Development	Phase 4: Pre-Launch
<ul style="list-style-type: none"> <li>• Proof of concept</li> <li>• &gt;5,000 products identified</li> </ul>	<ul style="list-style-type: none"> <li>• Baseline process</li> <li>• Value proposition</li> </ul>	<ul style="list-style-type: none"> <li>• Pilot process</li> <li>• Samples for customer testing</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory filings</li> <li>• Commercial preparation</li> </ul>	<ul style="list-style-type: none"> <li>• Regulatory approval</li> <li>• Scale-up for commercial launch</li> </ul>
	<p><i>Ester Family</i></p> <p>Novel Surfactant 1</p>			
	<p><i>Alcohol Family</i></p> <p>Plastics</p> <p>Novel Surfactant 2</p> <p>Detergent Alcohol 1</p>			
	<p><i>Fatty Acid Family</i></p> <p>Fragrance 2</p> <p>Fragrance 3</p>			

Progress Jan 2016

Progress June 2016

# Second Quarter Financial Highlights

(in millions except for ASP)	Q2 2016	Q2 2015	Y/Y Change
Gallons Sold	150.1	96.1	56.2%
ASP	\$3.27	\$3.19	2.5%
Revenue	\$558.3	\$373.8	49.4%
Net Income (loss) attributable to common shareholders	\$6.9	\$(2.0)	N/M
Adj EBITDA <sup>(1)</sup> without BTC allocation	\$8.1	\$3.3	147.1%
Adj EBITDA <sup>(1)(2)</sup> with BTC allocation	\$8.1	\$26.1	(69.2)%

(1) Adjusted EBITDA is a non-GAAP measure. See Appendix for the definition of Adjusted EBITDA and reconciliation to Net Income determined in accordance with GAAP

(2) On December 18, 2015 the Protecting Americans from Tax Hikes Act of 2015 was signed into law, which reinstated and extended a set of tax provisions, including the retroactive reinstatement for 2015 and extension for 2016 of the federal biodiesel mixture excise tax credit. The retroactive credit for 2015 resulted in a net benefit to the Company that was recognized in the fourth quarter of 2015, however because this credit relates to the full year operating performance and results, we allocated the first three quarters of 2015, respectively, based upon gallons sold and excluded those amounts from the fourth quarter of 2015 Adjusted EBITDA.

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# Balance Sheet Strength

(in millions)	June 30, 2016	December 31, 2015
Cash and cash equivalents	\$74.1	\$47.1
Receivables <sup>(1)</sup>	\$97.5	\$310.7
Inventory	\$129.8	\$85.9
Restricted cash	\$105.8	\$105.8
Net working capital	\$206.5	\$181.6
Total Assets	\$1,153.5	\$1,223.6
Current Liabilities	\$168.0	\$294.0
Term Debt <sup>(2)</sup>	\$320.9	\$256.6
Total Liabilities	\$575.2	\$609.6

(1) Accounts receivable at 12/31/15 reflects the Federal Biodiesel Tax Credit recorded in the fourth quarter of 2015

(2) Term debt before netting of the debt issuance costs of \$6.7 million and \$4.1 million at June 30, 2016 and December 31, 2015, respectively. Term debt includes \$100 million Gulf Opportunity Zone bonds. As of June 30, 2016, non-current restricted cash consisted of a \$101.3 million certificate of deposit supporting a letter of credit for the GO Zone bonds. REG will redeem all of the outstanding GOZone Bonds in September.



# Liquidity and Capital Structure

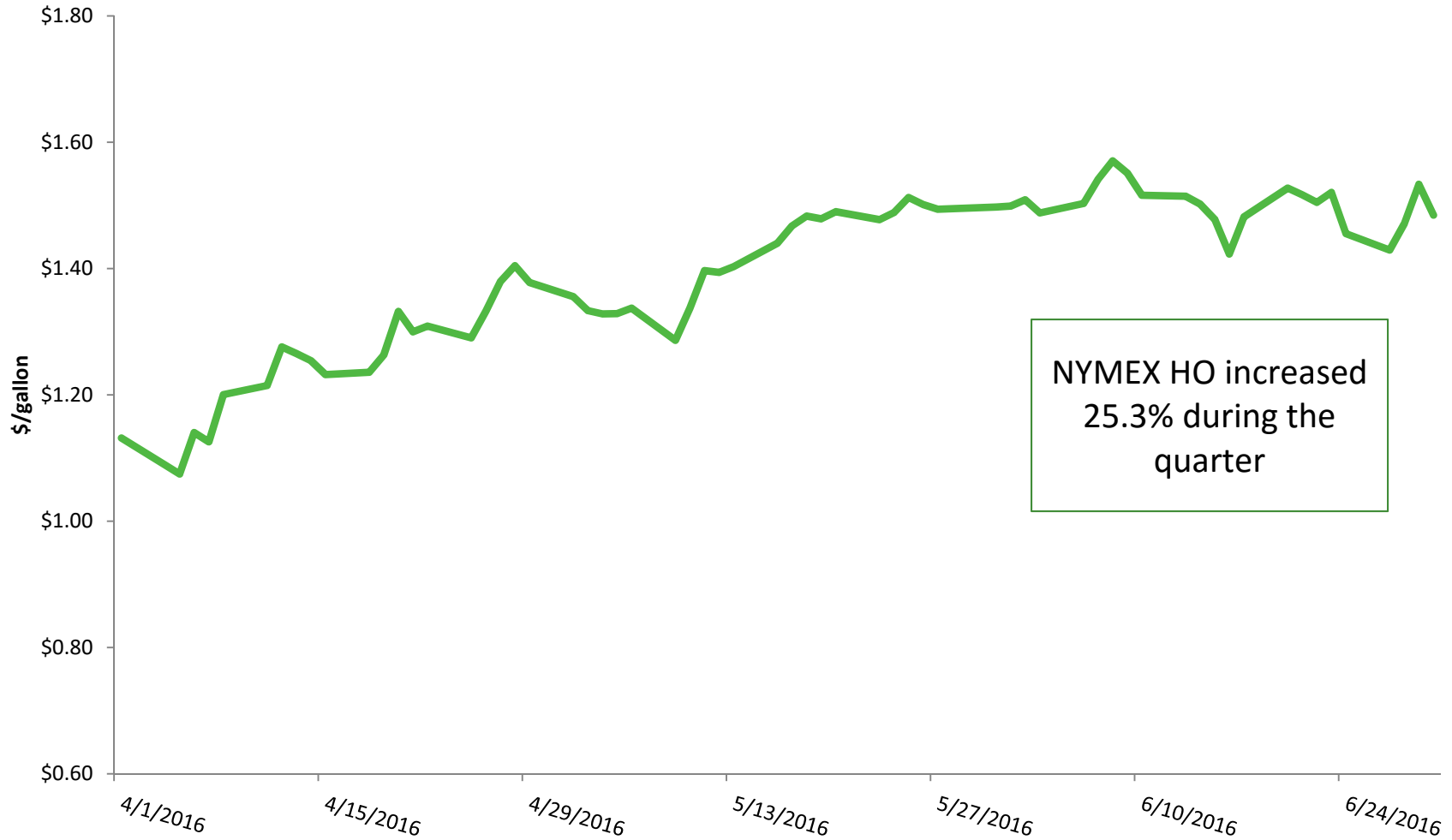
(in millions except for Book value per share)	June 30, 2016	December 31, 2015
Term Debt <sup>(1)</sup>	\$320.9	\$256.6
Term Debt <sup>(1)</sup> /Total Capitalization	35.7%	29.5%
Term Debt net of fully collateralized GOZone Bonds	\$220.9	\$156.6
Term Debt net of fully collateralized GOZone Bonds/Total Capitalization	27.6%	20.3%
Net Book Value	\$578.3	\$614.0
Book value per share <sup>(2)</sup>	\$14.76	\$14.01

(1) Term debt includes \$100 million Gulf Opportunity Zone bonds. As of June 30, 2016, non-current restricted cash consisted of a \$101,315 certificate of deposit supporting a letter of credit for the GO Zone bonds. REG will redeem all of the outstanding GOZone Bonds in September.

(2) Based on common shares outstanding at the end of each period

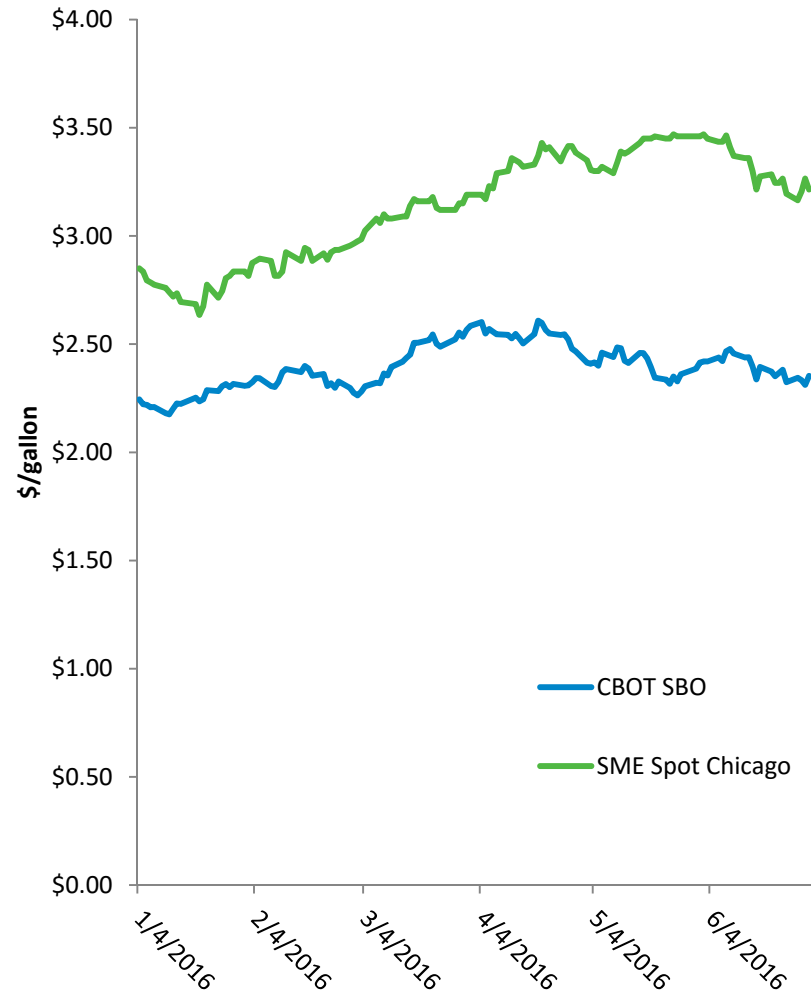
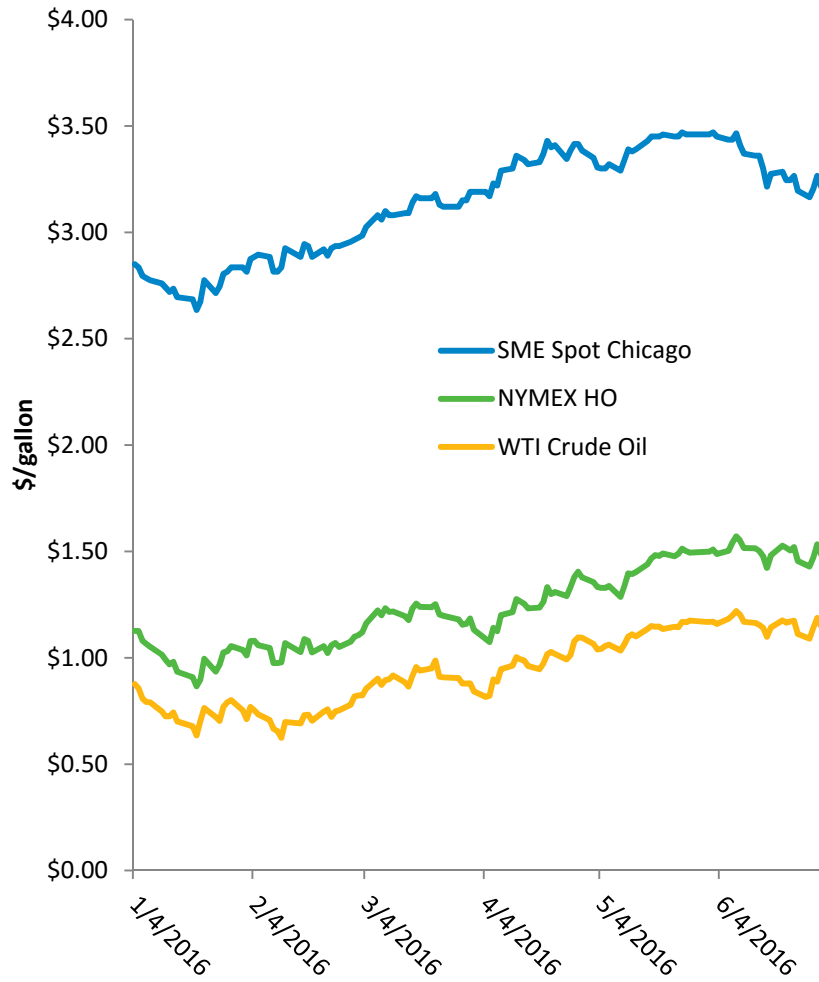


# Energy Market Prices



NYMEX HO increased 25.3% during the quarter

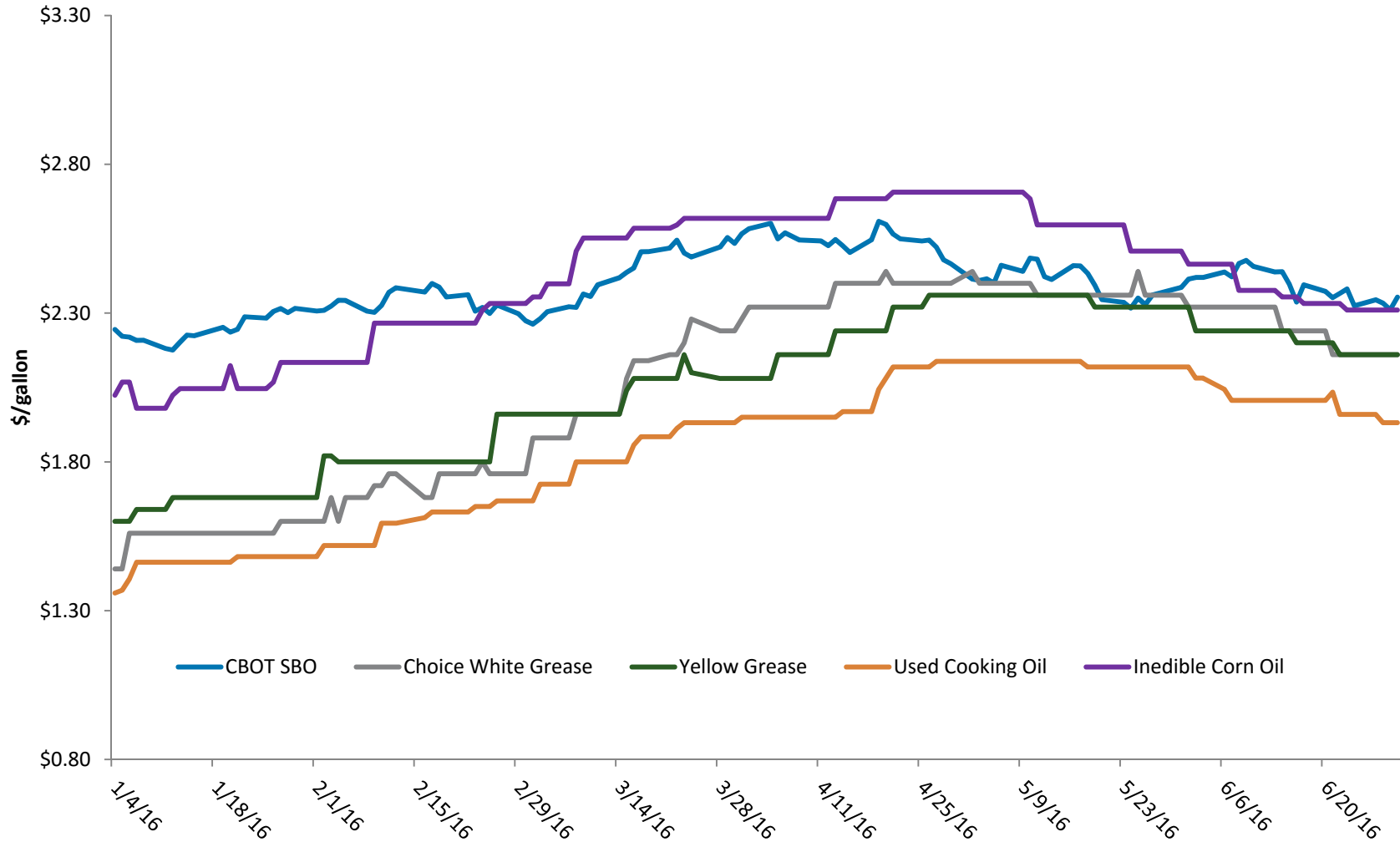
# Energy Market Prices



Source: OPIS



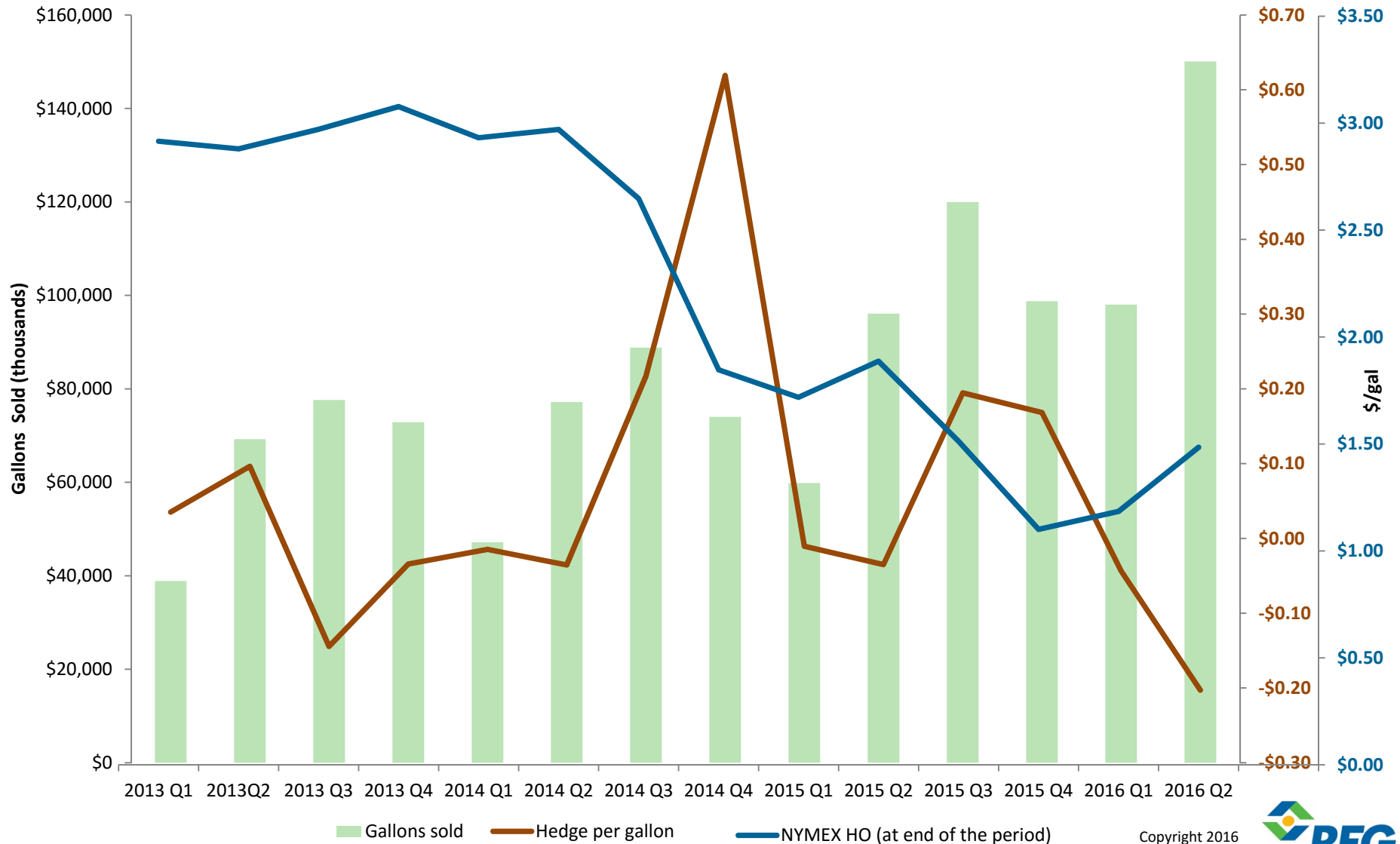
# Feedstock Prices



Source: REG and OPIS  
 Note: Yields adjusted based on industry standards



# Risk Management G/(L) Chart



Source: REG and CME group



# Outlook

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## Assumptions:

- Based on contract sales as well as the forward curve between feedstock prices and biodiesel prices
- No amount of insurance proceeds related to Geismar are included in our outlook

(in millions)	Estimated Q3 2016
Gallons sold	155 – 175
Adjusted EBITDA	\$30 – \$45

# Upcoming Conferences Appearances

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**CANACCORD** Genuity

**Canaccord Genuity  
36<sup>th</sup> Annual Growth Conference**  
August 10, 2016  
Boston, MA

**Jefferies**

**Jefferies 2016 Industrials Conference**  
August 11, 2016  
New York, NY



**ABLC Next 2016**  
November 2 - 4, 2016  
San Francisco, CA



# Appendix Adjusted EBITDA Reconciliation

# Adjusted EBITDA Reconciliation

(in millions)	<u>1Q'16</u>	<u>2Q'16</u>	<u>1Q'15</u>	<u>2Q'15</u>	<u>3Q'15</u>	<u>4Q'15</u>	<u>Year ended December 31, 2015</u>	<u>Year ended December 31, 2014</u>
Net income (loss)	1.69	7.12	(38.30)	(2.16)	(15.67)	(95.57)	(151.71)	82.54
Income tax (benefit) expense	(0.12)	1.89	(0.90)	(0.71)	(1.05)	(6.05)	(8.70)	3.57
Interest expense	3.31	3.74	2.74	2.93	2.92	3.28	11.87	6.70
Gain on involuntary conversion	(3.54)	(0.99)	-	-	-	-	-	-
Bargain purchase gain from acquisition	-	-	-	-	(5.36)	-	(5.36)	-
Other (income) expense, net	0.08	(15.74)	(0.56)	(1.78)	0.46	1.41	(0.47)	(0.66)
Change in fair value of contingent liability	(0.01)	3.57	0.29	(2.12)	1.11	0.36	(0.36)	(6.63)
Impairment of goodwill	-	-	-	-	-	175.03	175.03	-
Straight-line lease expense	(0.10)	(0.08)	(0.16)	(0.14)	(0.02)	(0.10)	(0.42)	(0.64)
Depreciation	7.67	7.82	5.61	6.13	6.26	6.99	24.99	15.25
Amortization	(0.14)	(0.13)	(0.22)	(0.21)	(0.20)	(0.10)	(0.71)	(0.22)
Other	-	-	0.20	0.16	-	0.49	0.84	0.07
Lease cancellation	-	-	-	-	-	-	-	1.90
Non-cash stock compensation	1.07	0.86	1.08	1.16	1.19	1.73	5.16	5.88
Retroactive BTC	-	-	15.75	22.88	27.26	(65.89)	-	-
<b>Adjusted EBITDA</b>	<b>9.92</b>	<b>8.05</b>	<b>(14.47)</b>	<b>26.14</b>	<b>16.90</b>	<b>21.59</b>	<b>50.16</b>	<b>107.77</b>

On December 18, 2015 the Protecting Americans from Tax Hikes Act of 2015 was signed into law, which reinstated and extended a set of tax provisions, including the retroactive reinstatement for 2015 and extension for 2016 of the federal biodiesel mixture excise tax credit. The retroactive credit for 2015 resulted in a net benefit to the Company that was recognized in the fourth quarter of 2015, however because this credit relates to the full year operating performance and results, we allocated the first three quarters of 2015, respectively, based upon gallons sold and excluded those amounts from the fourth quarter of 2015 Adjusted EBITDA.

Total balance may not foot due to rounding.