



Q3 2017 Earnings Conference Call

November 7, 2017

Speakers



Randy Howard
Interim President & Chief Executive Officer



Chad Stone
Chief Financial Officer



Todd Robinson
Treasurer

Safe Harbor Statement

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 possible retroactive reinstatement of the BTC, the estimated benefits to net income and adjusted EBITDA if the BTC is retroactively reinstated and our outlook for gallons sold and adjusted EBITDA (including with retroactive reinstatement of the BTC). 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; availability of federal and state governmental tax incentives and incentives for biomass-based diesel production, including that the BTC may not be retroactively reinstated for 2017 or that it may be reinstated on less favorable terms; 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; risks associated with fire, explosions, leaks and other natural disasters at our facilities; 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 generate revenue from the sale of renewable chemicals, fuels and other products on a commercial scale and at a competitive cost, and customer acceptance of the products produced; whether our Geismar biorefinery will be able to produce renewable diesel consistently or profitably; and other risks and uncertainties described in REG's annual report on Form 10-K for the year ended December 31, 2016, Form 10-Q for the quarter ended June 30, 2017 and other reports subsequently filed with the SEC. All forward-looking statements are made as of the date of this press release and REG does not undertake to update any forward-looking statements based on new developments or changes in our expectations.

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Public Policy Update

- National Biodiesel Fair Trade Coalition successful in preliminary rulings:
 - Preliminary countervailing duties from 50% to 64% for biodiesel from Argentina, and 41% to 68% for biodiesel from Indonesia¹
 - Preliminary antidumping rates range from 54% to 70% for Argentina and 50% for biodiesel from Indonesia²

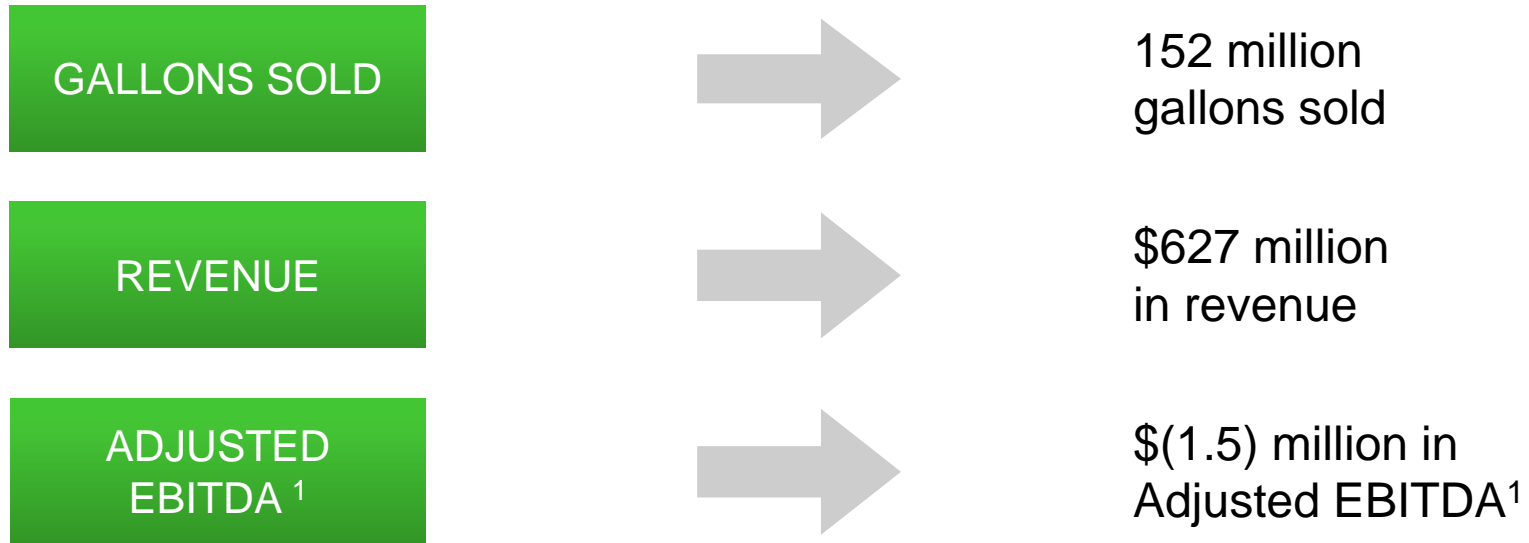
(1) Published in the Federal Register on August 28

(2) Published in the Federal Register on October 31

Public Policy Update

- RVO Proposal
 - On October 31, EPA sent final 2018 RVOs and 2019 BBD RVO to White House's OMB for review
 - We anticipate EPA will meet the statutory deadline of November 30
- Tax Reform Under Way
 - Domestic production incentive represents reform
- Biodiesel Excise Tax Credit (BTC)
 - Expected if tax reform delayed

REG Performance in Q3 2017



- Approximately \$55.0 million estimated net benefit to net income for business conducted in Q3 2017 if BTC is retroactively reinstated in similar form as prior years
- Approximately \$53.5 million estimated Adjusted EBITDA¹ for Q3 2017 if BTC is retroactively reinstated

Approximately \$172 million estimated Adjusted EBITDA¹ for the first nine months of 2017 if BTC is retroactively reinstated

(1) Adjusted EBITDA is a non-GAAP measure. See Appendix for a definition of Adjusted EBITDA and a detailed reconciliation to Net Income in accordance with GAAP
Source: REG Analysis

Quarter Highlights

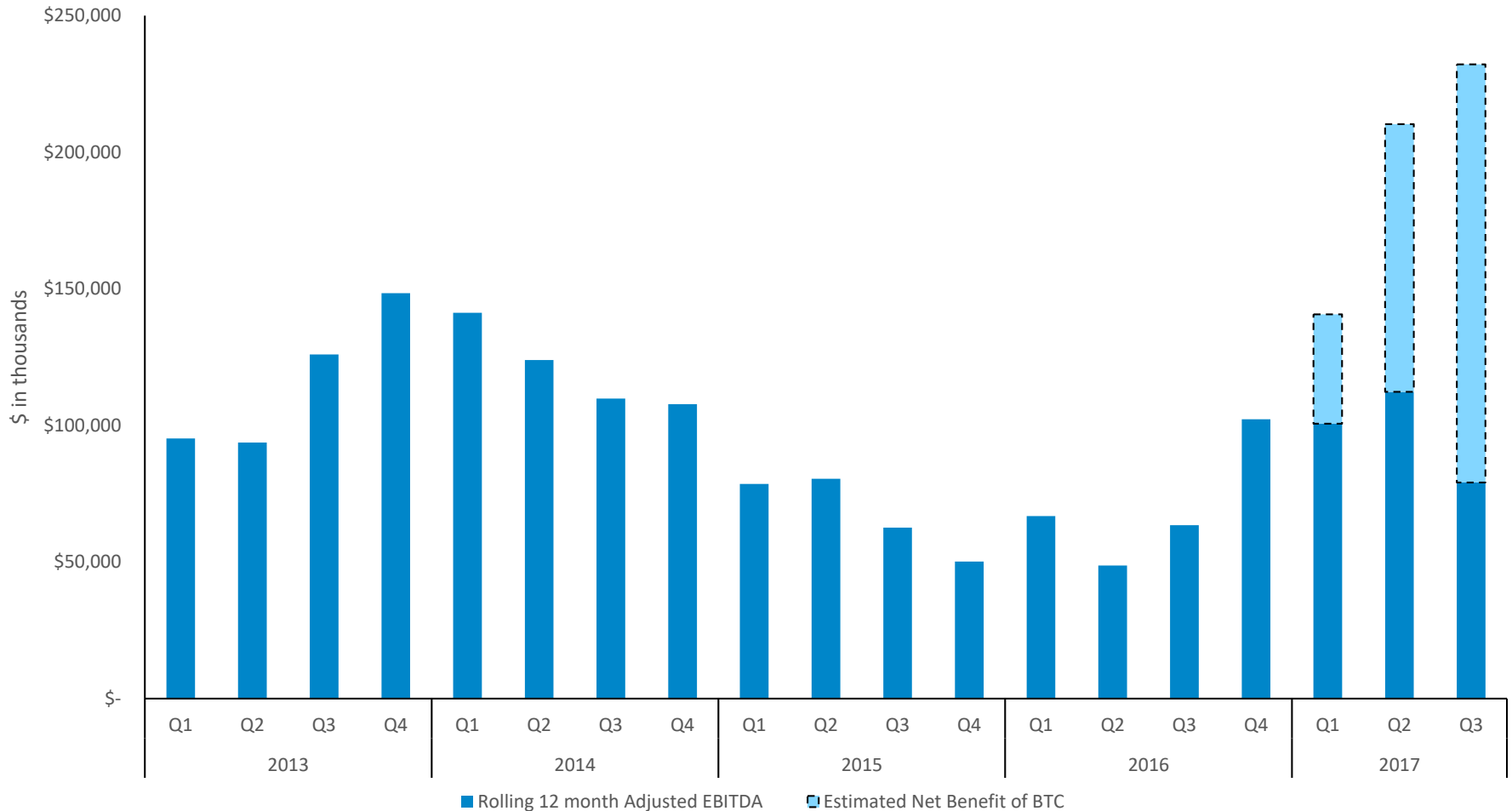
- REG Geismar:
 - 96% utilization of nameplate capacity for the past 12 months
 - Engineering studies underway to expand our capacity by approximately 50%
- REG Ralston expansion and upgrades on track with expected completion early 2018
- Life Sciences' strategic review on track for year end decisions

Third Quarter Financial Highlights

(in millions except for ASP)	Q3 2017	Q3 2016	Y/Y Change	First Nine Months 2017
Gallons Sold	151.5	163.1	-7.1%	433.9
ASP	\$3.21	\$3.14	2.2%	\$3.01
Revenue	\$627.0	\$624.6	0.4%	\$1,581.0
Adjusted EBITDA ¹	\$(1.5)	\$31.6	N/M	\$18.8
Estimated net benefit if BTC retroactively reinstated	\$55.0	-	-	\$153.2
Approximate Adjusted EBITDA¹ if BTC retroactively reinstated	\$53.5	-	-	\$172.0

(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

Trailing 12 month Adjusted EBITDA¹

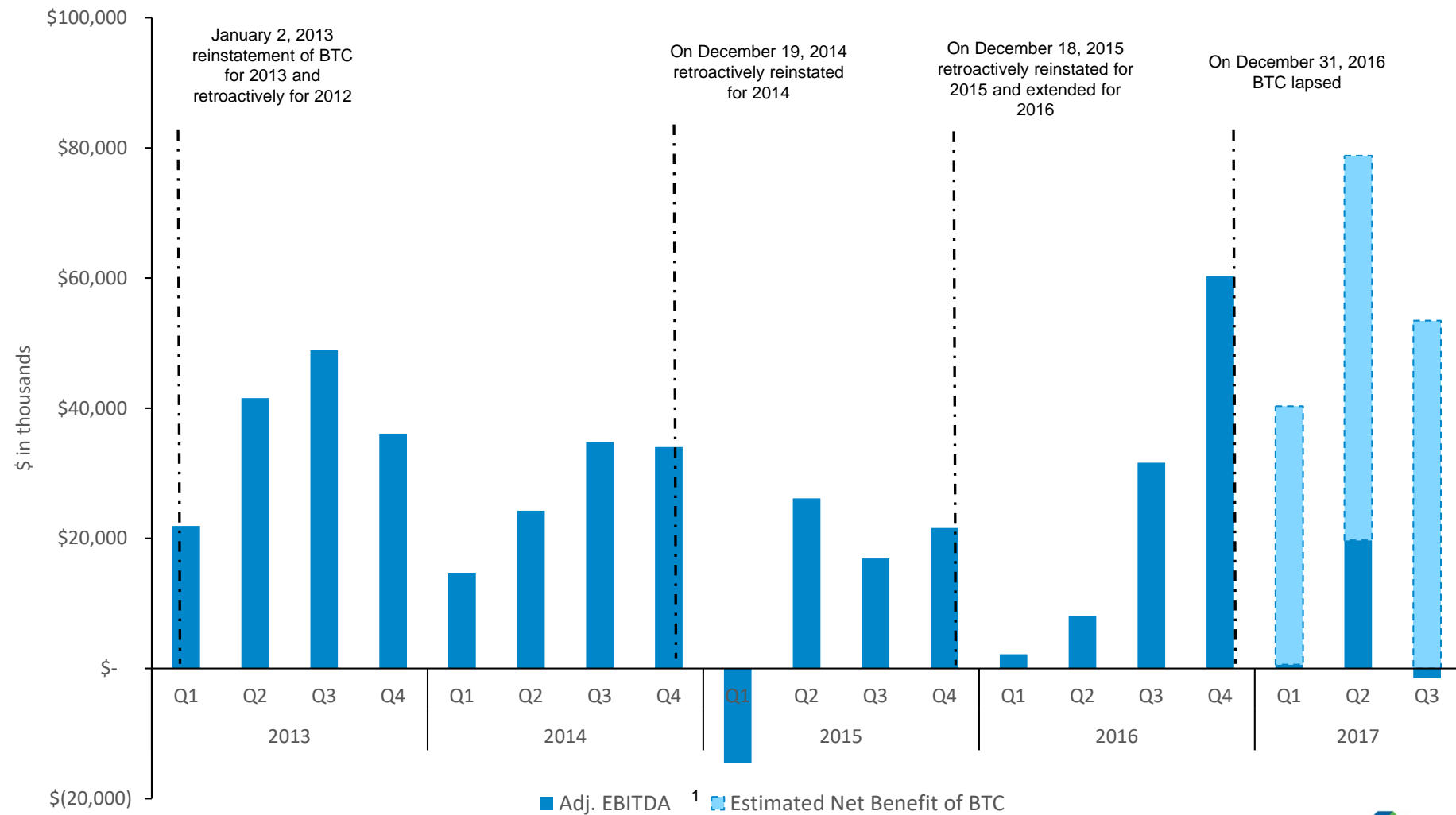


Source: REG

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



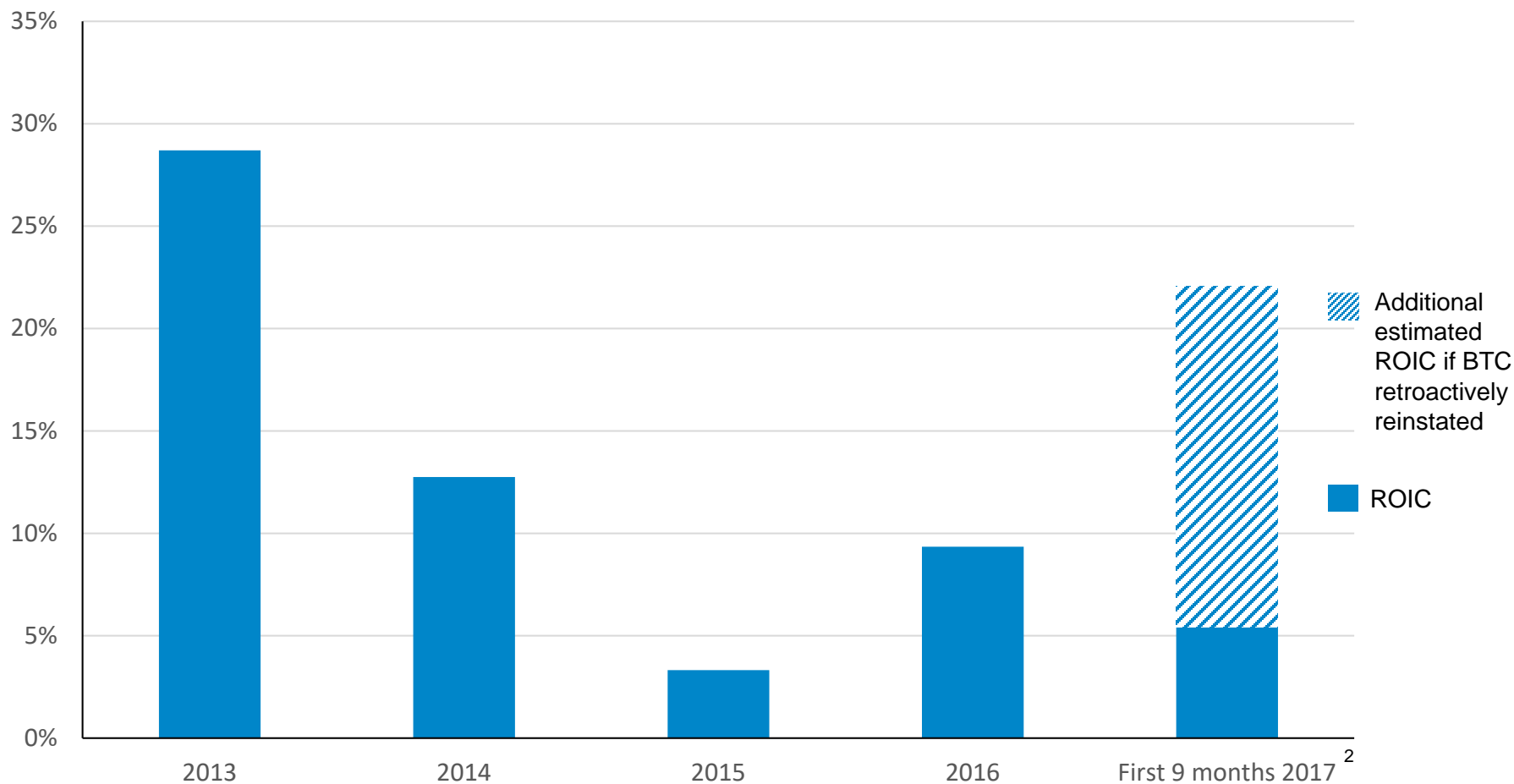
Quarterly Adjusted EBITDA¹



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



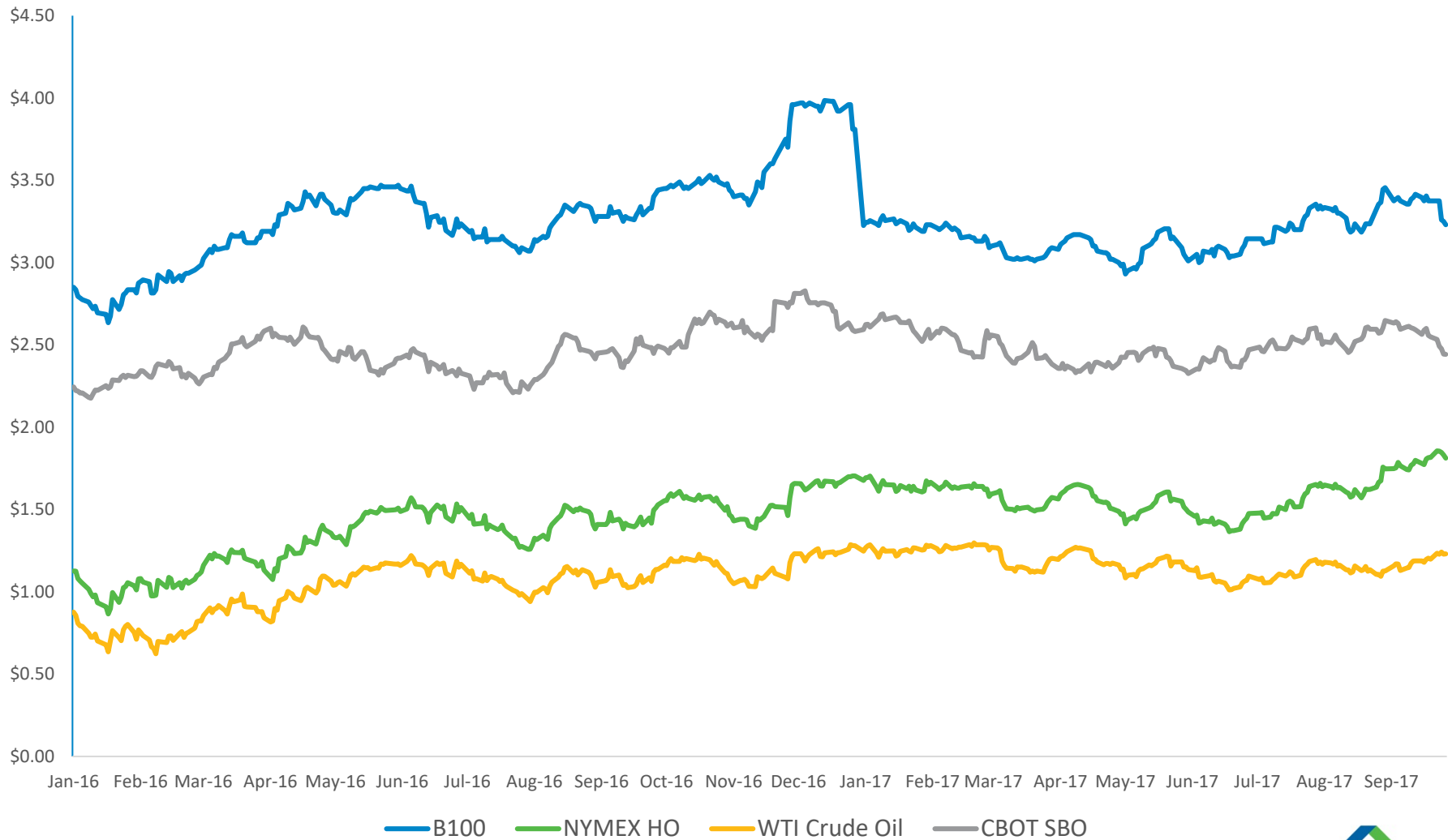
Return on Invested Capital (ROIC)¹



(1) 2012 through 2016 annual ROIC (after-tax EBIT/invested capital)

(2) 2017 First 9 month trailing 12 month ROIC with estimated net BTC amount (trailing 12 month after-tax EBIT/trailing 12 month invested capital)

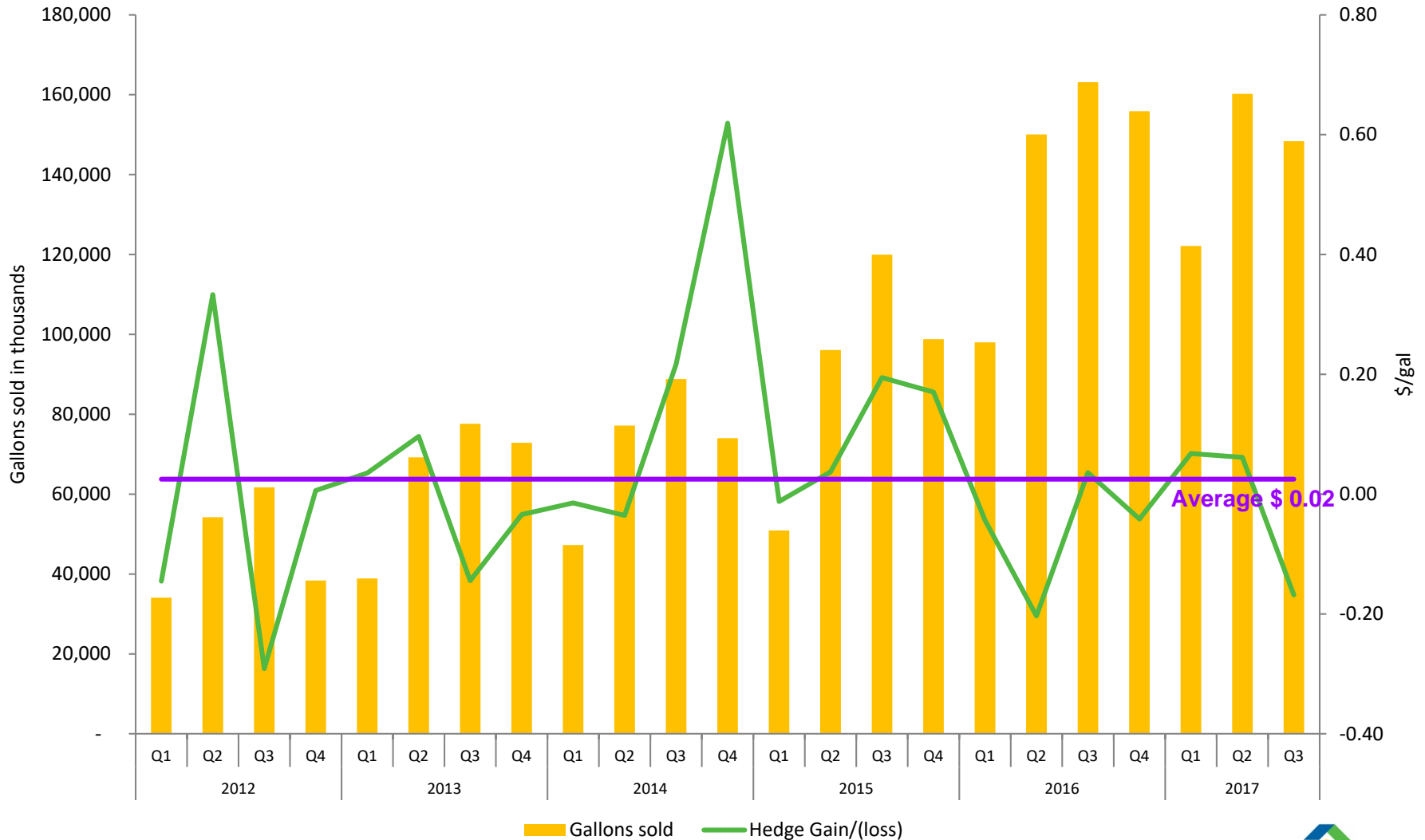
Energy and SBO Market Prices



Source: OPIS



Risk Management G/(L) Chart



Balance Sheet Strength

(in millions)	September 30, 2017	June 30, 2017	December 31, 2016
Cash and cash equivalents	\$112.2	\$87.6	\$116.2
Receivables ¹	\$87.7	\$66.9	\$164.9
Inventory	\$125.5	\$135.0	\$145.4
Net working capital	\$163.5	\$180.3	\$229.3
Total Assets	\$1,078.7	\$1,060.5	\$1,136.6
Current Liabilities	\$227.9	\$198.4	\$233.5
Term Debt ²	\$219.1	\$215.3	\$217.9
Total Liabilities	\$525.2	\$498.6	\$526.4

(1) Accounts receivable at 12/31/16 includes the Federal Biodiesel Tax Credit recorded in the fourth quarter of 2016

(2) Term debt before netting of debt issuance costs of \$5.7 million, \$5.8 million, and \$6.3 million at September 30, 2017, June 30, 2017, and December 31, 2016, respectively.

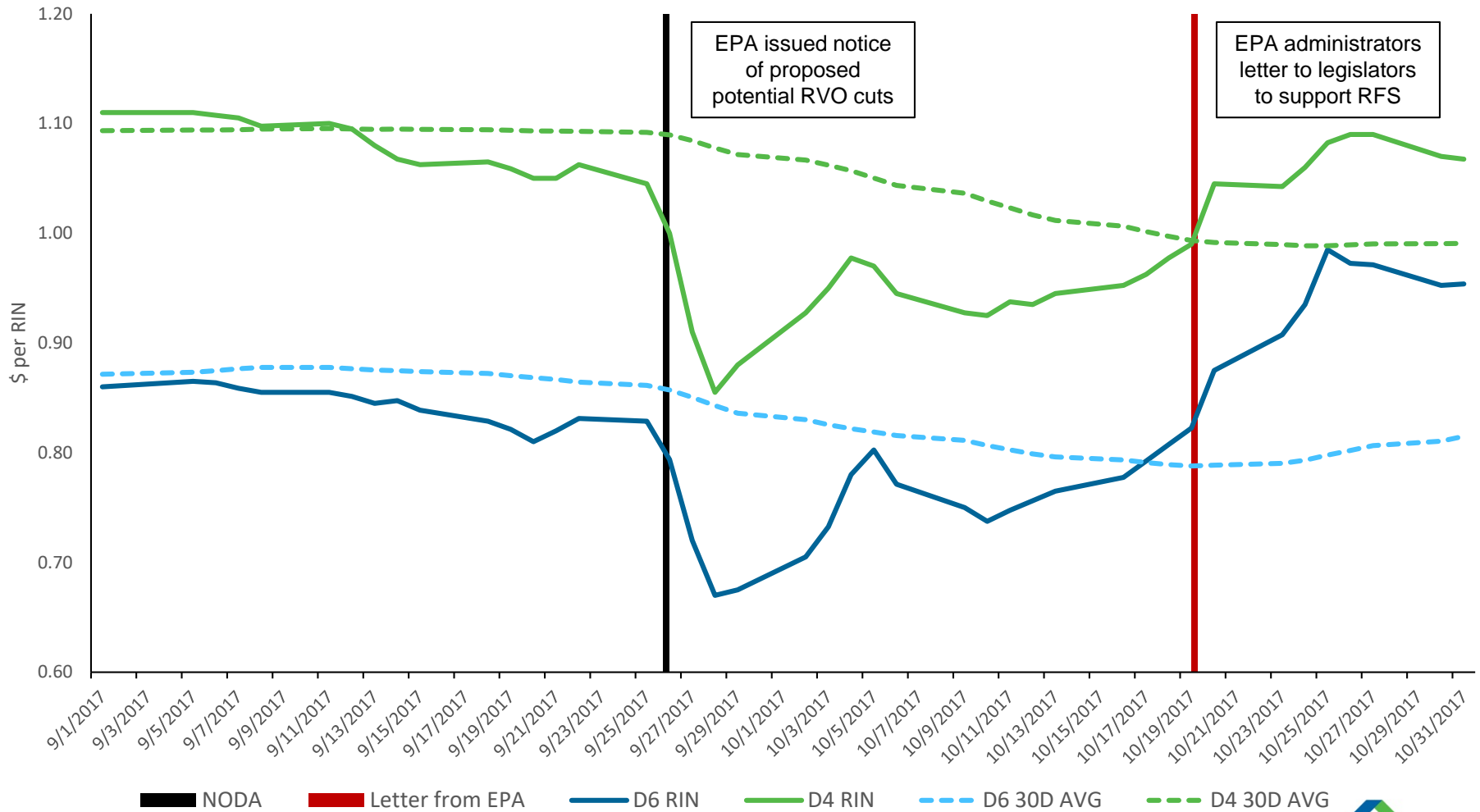
Liquidity and Capital Structure

(in millions except for Book value per share)	September 30, 2017	June 30, 2017	December 31, 2016
Term Debt	\$219.1	\$215.3	\$217.9
Term Debt/Total Capitalization	28.4%	27.7%	26.3%
Net Book Value	\$553.5	\$561.9	\$610.2
Book value per share ¹	\$14.25	\$14.52	\$15.83

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

RIN Market

D4 and D6 RIN Price



NODA
 Letter from EPA
 D6 RIN
 D4 RIN
 D6 30D AVG
 D4 30D AVG

Outlook

Estimate based on the forward curve between feedstock prices and biodiesel prices being stable as well as existing forward contracts.

(in millions)	Estimated Q4 2017
Gallons sold	140 – 155
Adjusted EBITDA ¹	\$5 - \$15
(in millions)	Full Year 2017
Adjusted EBITDA ¹	\$24 - \$34
Adjusted EBITDA ¹ if BTC Retroactively Reinstated	\$190 - \$220

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

Upcoming Conference Appearance



Roth Capital Partners
5th Annual Roth Industrials Corporate Access Day
December 12, 2017
New York city, NY



Appendix Adjusted EBITDA Reconciliation

Adjusted EBITDA Reconciliation

(in thousands)	3Q-2017	3Q-2016	YTD 3Q - 2017	YTD 3Q - 2016	Guidance without BTC				Guidance with BTC	
					Q4 Low	Q4 High	Full Year Low	Full Year High	Full Year Low	Full Year High
Net income (loss):	\$ (11,373)	\$ 23,505	\$ (62,096)	\$ 24,331	\$ (10,659)	\$ (159)	\$ (72,561)	\$ (62,061)	\$ 92,036	\$ 120,536
Adjustments:										
Income tax expense (benefit)	(115)	(1,203)	2,920	821	502	2	3,461	2,961	4,864	6,364
Interest expense	4,725	4,487	13,740	11,536	4,436	4,436	18,176	18,176	18,176	18,176
Depreciation	8,639	7,949	25,585	23,447	8,982	8,982	34,567	34,567	34,567	34,567
Amortization	307	(129)	583	(403)	24	24	607	607	607	607
EBITDA	\$ 2,183	\$ 34,609	\$ (19,268)	\$ 59,732	\$ 3,285	\$ 13,285	\$ (15,750)	\$ (5,750)	\$150,250	\$ 181,250
Other (income) expense, net	(12)	314	276	(1,904)	(167)	(167)	109	109	109	109
Change in fair value of convertible debt conversion liability	(8,560)	(3,013)	24,158	(16,445)	-	-	24,158	24,158	24,158	24,158
Change in fair value of contingent liability	1,433	1,124	1,998	4,680	396	396	2,394	2,394	2,394	2,394
Loss on the Geismar lease termination	-	-	3,967	-	-	-	3,967	3,967	3,967	3,967
Contingency gain related to insurance payments	-	(3,470)	-	(8,010)	-	-	-	-	-	-
Impairment of assets	-	-	1,341	-	-	-	1,341	1,341	1,341	1,341
Gain on involuntary conversion	(942)	-	(942)	-	-	-	(942)	(942)	(942)	(942)
Straight-line lease expense	(85)	(73)	(202)	(247)	(82)	(82)	(284)	(284)	(284)	(284)
Executive Severance Payment	2,420	-	2,420	-	-	-	2,420	2,420	2,420	2,420
Non-cash stock compensation	2,023	2,133	5,019	4,067	1,568	1,568	6,587	6,587	6,587	6,587
Adjusted EBITDA	\$ (1,540)	\$ 31,624	\$ 18,767	\$ 41,873	\$ 5,000	\$ 15,000	\$ 24,000	\$ 34,000	\$190,000	\$ 220,000

Total balance may not foot due to rounding.

Adjusted EBITDA Reconciliation

(in thousands)	1Q-2012	2Q-2012	3Q-2012	4Q-2012	1Q-2013	2Q-2013	3Q-2013	4Q-2013
Net income (loss):	\$ 14,017	\$ 14,433	\$ (6,040)	\$ (151)	\$ 46,403	\$ 23,130	\$ 86,703	\$ 30,130
Adjustments:								
Income tax expense (benefit)	1,363	4,471	(2,165)	(2,215)	30,189	15,314	(42,051)	1,483
Interest expense	1,053	1,059	1,150	1,417	576	604	577	640
Depreciation	2,026	2,069	2,097	1,832	2,080	2,296	2,598	2,731
Amortization	<u>(139)</u>	<u>(206)</u>	<u>(208)</u>	<u>(200)</u>	<u>(199)</u>	<u>(191)</u>	<u>(181)</u>	<u>(181)</u>
EBITDA	\$ 18,320	\$ 21,826	\$ (5,166)	\$ 683	\$ 79,049	\$ 41,153	\$ 47,646	\$ 34,803
Other (income) expense, net	(37)	(28)	(56)	(46)	(117)	(93)	(66)	(112)
Change in fair value of Seneca Holdco liability	(349)	-	-	-	-	-	-	-
Change in fair value of preferred stock conversion feature embedded derivatives	(11,975)	-	-	-	-	-	-	-
Non-reoccurring business interruption	-	-	-	863	(863)	-	-	-
Stock issued for glycerin agreement termination	1,898	-	-	-	-	-	-	-
Straight-line lease expense	(102)	(104)	(31)	(51)	(159)	(162)	(163)	(162)
Blenders tax credit	10,448	16,625	18,912	11,760	(57,372)	(373)	-	-
Non-cash stock compensation	<u>4,964</u>	<u>4,758</u>	<u>2,965</u>	<u>432</u>	<u>1,356</u>	<u>1,029</u>	<u>1,484</u>	<u>1,547</u>
Adjusted EBITDA	\$ 23,167	\$ 43,077	\$ 16,624	\$ 13,641	\$ 21,894	\$ 41,554	\$ 48,901	\$ 36,076

Total balance may not foot due to rounding.

Adjusted EBITDA Reconciliation

(in thousands)	1Q-2014	2Q-2014	3Q-2014	4Q-2014	1Q-2015	2Q-2015	3Q-2015	4Q-2015
Net income (loss):	\$ (2,359)	\$ 11,007	\$ 4,572	\$ 69,318	\$ (38,304)	\$ (2,163)	\$ (15,671)	\$ (95,572)
Adjustments:								
Income tax expense (benefit)	(107)	(11,919)	(248)	15,846	(897)	(707)	(1,050)	(6,047)
Interest expense	551	1,204	2,867	2,068	2,743	2,928	2,921	3,275
Depreciation	3,004	3,190	3,332	5,729	5,613	6,134	6,261	6,989
Amortization	<u>(185)</u>	<u>(184)</u>	<u>303</u>	<u>(150)</u>	<u>(219)</u>	<u>(206)</u>	<u>(199)</u>	<u>(91)</u>
EBITDA	\$ 904	\$ 3,298	\$ 10,826	\$ 92,811	\$ (31,064)	\$ 5,986	\$ (7,738)	\$ (91,446)
Other (income) expense, net	(48)	(384)	(124)	(106)	(565)	(1,779)	462	1,410
Change in fair value of contingent liability	-	(384)	(1,059)	(5,188)	293	(2,121)	1,106	363
Gain on bargain purchase	-	-	-	-	-	-	(5,358)	-
Impairment of goodwill	-	-	-	-	-	-	-	175,028
Non-recurring lease cancellation	-	1,904	-	-	-	-	-	-
Straight-line lease expense	(163)	(150)	(142)	(184)	(158)	(145)	(19)	(94)
Other	-	-	-	73	197	162	(4)	486
Blenders tax credit	12,778	18,550	23,887	(55,215)	15,745	22,883	27,264	(65,892)
Non-cash stock compensation	<u>1,235</u>	<u>1,414</u>	<u>1,392</u>	<u>1,842</u>	<u>1,080</u>	<u>1,156</u>	<u>1,191</u>	<u>1,734</u>
Adjusted EBITDA	\$ 14,706	\$ 24,248	\$ 34,780	\$ 34,033	\$ (14,472)	\$ 26,142	\$ 16,904	\$ 21,589

Total balance may not foot due to rounding.

Adjusted EBITDA Reconciliation

(in thousands)	1Q-2016	2Q-2016	3Q-2016	4Q-2016	1Q-2017	2Q-2017	3Q-2017
Net income (loss):	\$ (6,888)	\$ 7,714	\$ 23,505	\$ 20,382	\$ (15,914)	\$ (34,809)	\$ (11,373)
Adjustments:							
Income tax expense (benefit)	728	1,296	(1,203)	3,447	1,075	1,960	(115)
Interest expense	3,311	3,738	4,487	4,451	4,536	4,479	4,725
Depreciation	7,674	7,824	7,949	8,378	8,423	8,523	8,639
Amortization	(140)	(134)	(129)	46	127	149	307
EBITDA	\$ 4,685	\$ 20,438	\$ 34,609	\$ 36,704	\$ (1,753)	\$ (19,698)	\$ 2,183
Other (income) expense, net	88	(2,306)	314	(854)	320	(32)	(12)
Change in fair value of convertible debt conversion liability	-	(13,432)	(3,013)	3,400	172	32,546	(8,560)
Change in fair value of contingent liability	(15)	3,571	1,124	3,224	589	(24)	1,433
Loss on the Geismar lease termination	-	-	-	-	-	3,967	-
Contingency gain related to insurance payments	(3,543)	(997)	(3,470)	(1,884)	-	-	-
Impairment of assets	-	-	-	17,893	-	1,341	-
Gain on involuntary conversion	-	-	-	-	-	-	(942)
Straight-line lease expense	(94)	(80)	(73)	(38)	(32)	(85)	(85)
Executive Severance	-	-	-	-	-	-	2,420
Non-cash stock compensation	1,076	858	2,133	1,829	1,308	1,688	2,023
Adjusted EBITDA	\$ 2,197	\$ 8,052	\$ 31,624	\$ 60,274	\$ 604	\$ 19,703	\$ (1,540)
Estimated retroactive BTC net benefit	-	-	-	-	40,000	58,000	55,000
Adjusted EBITDA with retroactive BTC net benefit	\$ 2,197	\$ 8,052	\$ 31,624	\$ 60,274	\$ 40,604	\$ 77,703	\$ 53,460

Total balance may not foot due to rounding.