



# Q4 2014 Earnings Conference Call

## March 3, 2015

# Speakers

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



**Chad Stone**  
Chief Financial Officer



**Todd Robinson**  
Director, Investor Relations

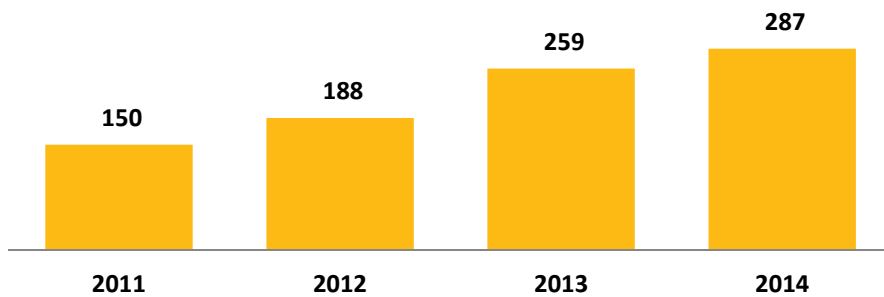
# Safe Harbor Statement

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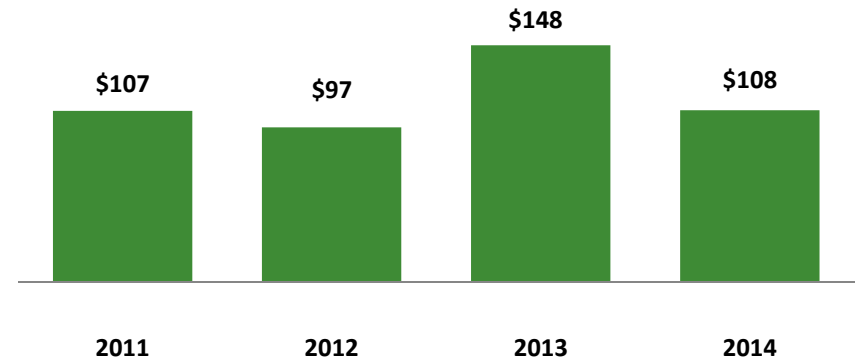
This presentation contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 as amended, including the Company's outlook in the first quarter of 2015 for gallons sold and Adjusted EBITDA, which is a non-GAAP financial measure. A reconciliation of Adjusted EBITDA to net income, the most comparable GAAP measure, is provided in the Appendix to this presentation. 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 and government tax credits and incentives in the US and Europe; 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; 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 implement and manage our international strategy; our ability to use the technology acquired from LS9 to produce renewable chemicals, fuels and other products on a commercial scale and at a competitive cost, and customer acceptance of the products produced; our ability to successfully integrate Syntroleum and Dynamic Fuels and their employees into our existing business; whether REG Geismar will be able to produce renewable hydrocarbon diesel consistently or profitably; and other risks and uncertainties described from time to time in REG's annual report on Form 10-K, quarterly reports on Forms 10-Q and other periodic filings with the Securities and Exchange Commission.

# Proven Results

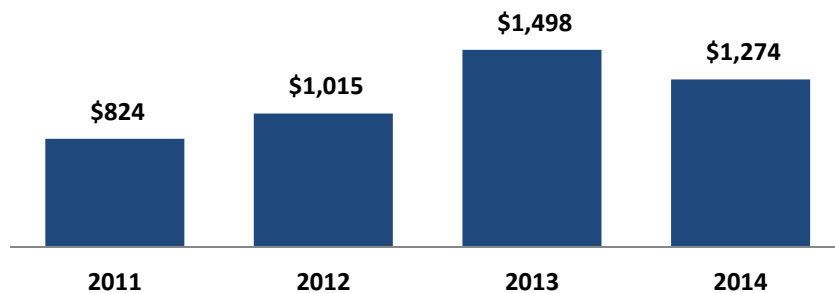
Gallons Sold – Annual Historical (mm gal)



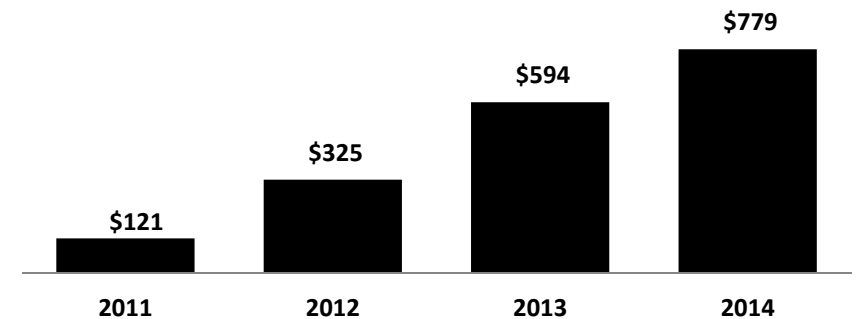
Adjusted EBITDA – Annual Historical (\$mm)<sup>1</sup>



Revenue – Annual Historical (\$mm)



Net Book Value – Year end Historical (\$mm)



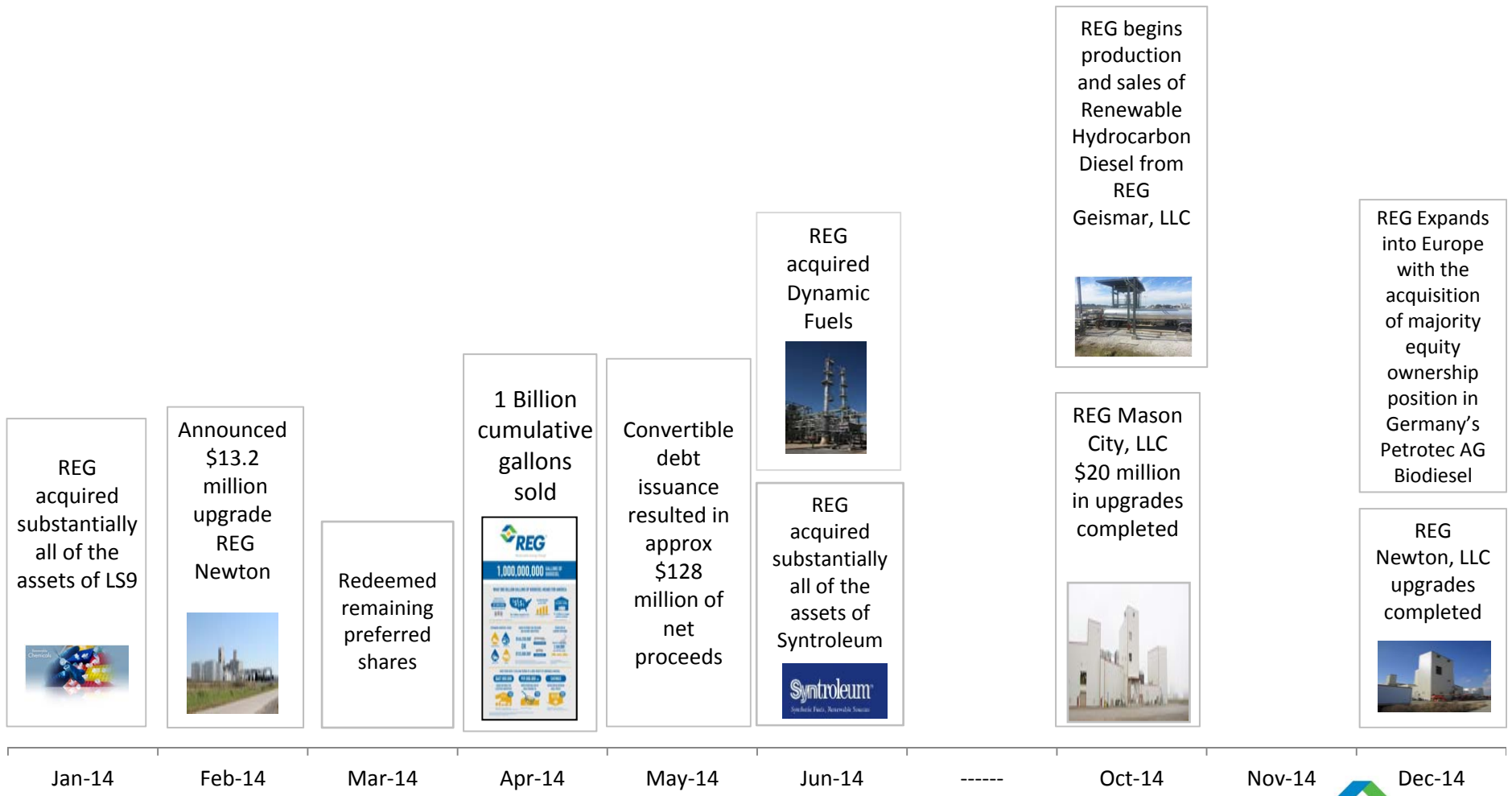
(1) Adjusted EBITDA is a non-GAAP measure. See Appendix for the definition of Adjusted EBITDA and reconciliation to Net Income determined in accordance with GAAP

# Multi year comparison

(in millions)	2014	2013	2012	2011	2014 vs 2011
Gallons sold of biomass-based diesel fuel	287	259	188	150	91%
Nameplate capacity	332	257	227	212	57%
Revenue	\$1,274	\$1,498	\$1,015	\$824	55%
Adjusted EBITDA <sup>1</sup>	\$108	\$148	\$97	\$107	1%
Net Book Value	\$779	\$594	\$325	\$121	543%

(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

# 2014 REG Highlights



# Fourth Quarter Financial Highlights

(in millions except for ASP)	Q4 2014	Y/Y Change
Gallons Sold	74	2%
ASP	\$3.03	-29%
Revenue	\$338	-14%
Adj EBITDA <sup>1</sup>	\$34	-6%

(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

# Full Year Financial Highlights

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(in millions)	2014	Y/Y Change
Revenue	\$1,274	-14%
Gallons Sold	287	11%
Adj EBITDA <sup>1</sup>	\$108	-27%

(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



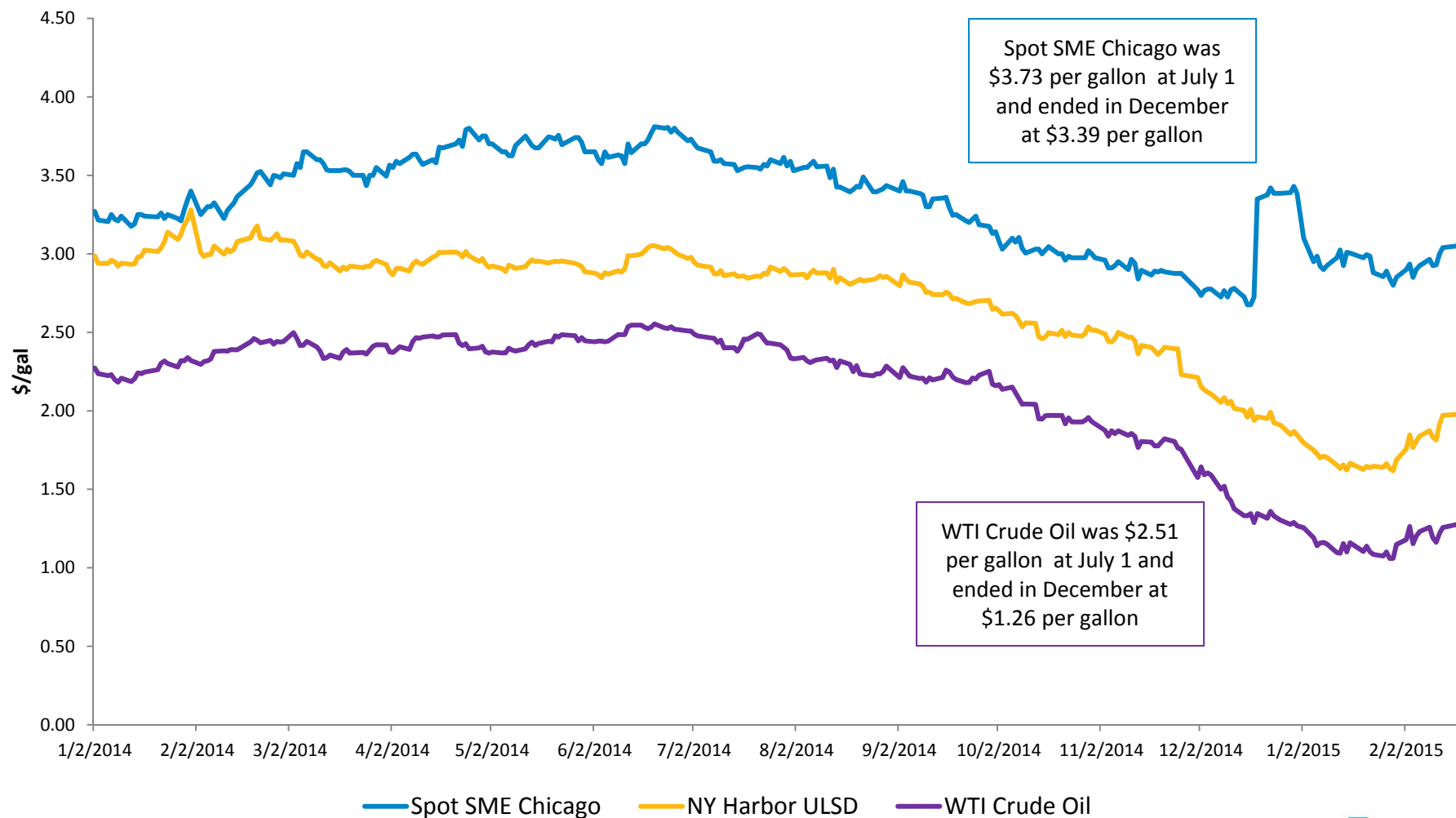
# Balance Sheet Strength

(in millions)	December 31, 2014	December 31, 2013	December 31, 2012
Cash and marketable securities	\$80.3	\$153.2	\$66.8
Receivables <sup>1</sup>	\$294.7	\$82.9	\$18.8
Inventory	\$97.5	\$85.8	\$45.2
Restricted cash	\$117.7	-	-
Net working capital	\$243.1	\$249.3	\$109.2
Total Assets	\$1,372.8	\$740.9	\$495.8
Term Debt <sup>2</sup>	\$252.9	\$34.2	\$37.0
Total Liabilities	\$594.2	\$142.8	\$87.9

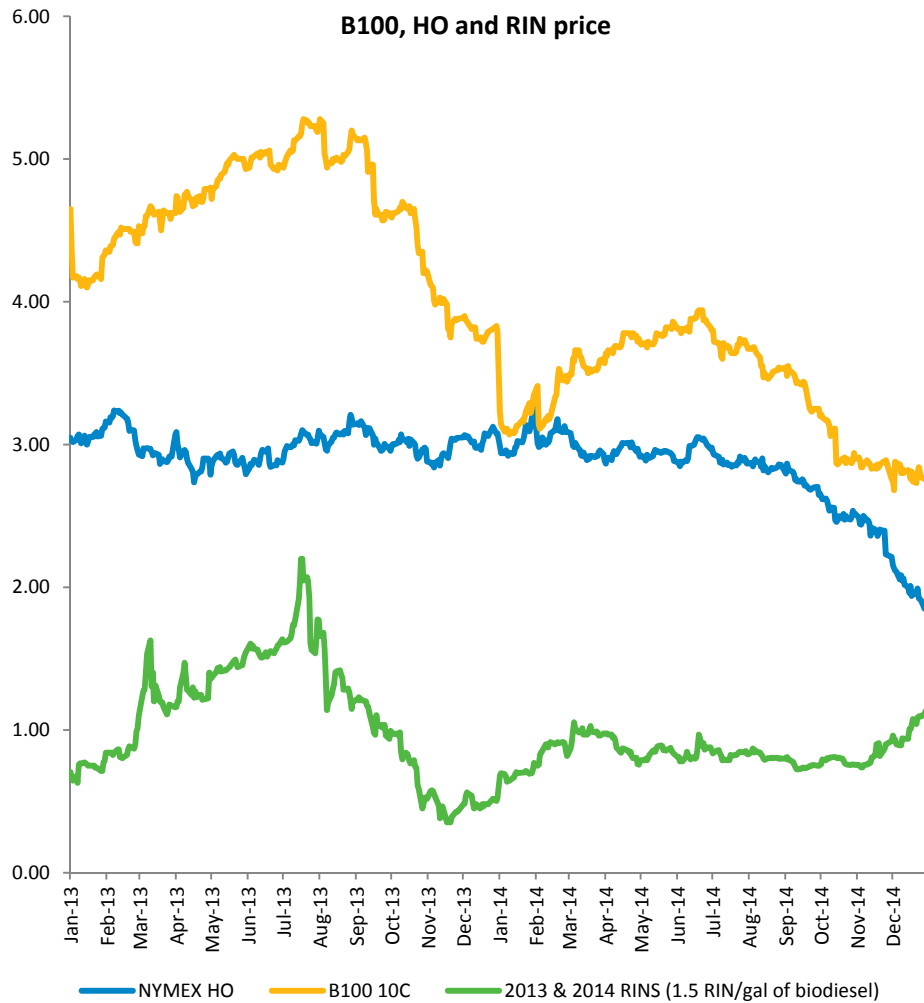
(1) Accounts receivable reflects the Federal Biodiesel Tax Benefit recorded in the fourth quarter

(2) Term debt includes \$100 million Gulf Opportunity Zone bonds. As of December 31, 2014, non-current restricted cash consisted of a \$101,315 certificate of deposit supporting a letter of credit for the GO Zone bonds.

# Market Prices implied that biodiesel prices are being more resilient than HO

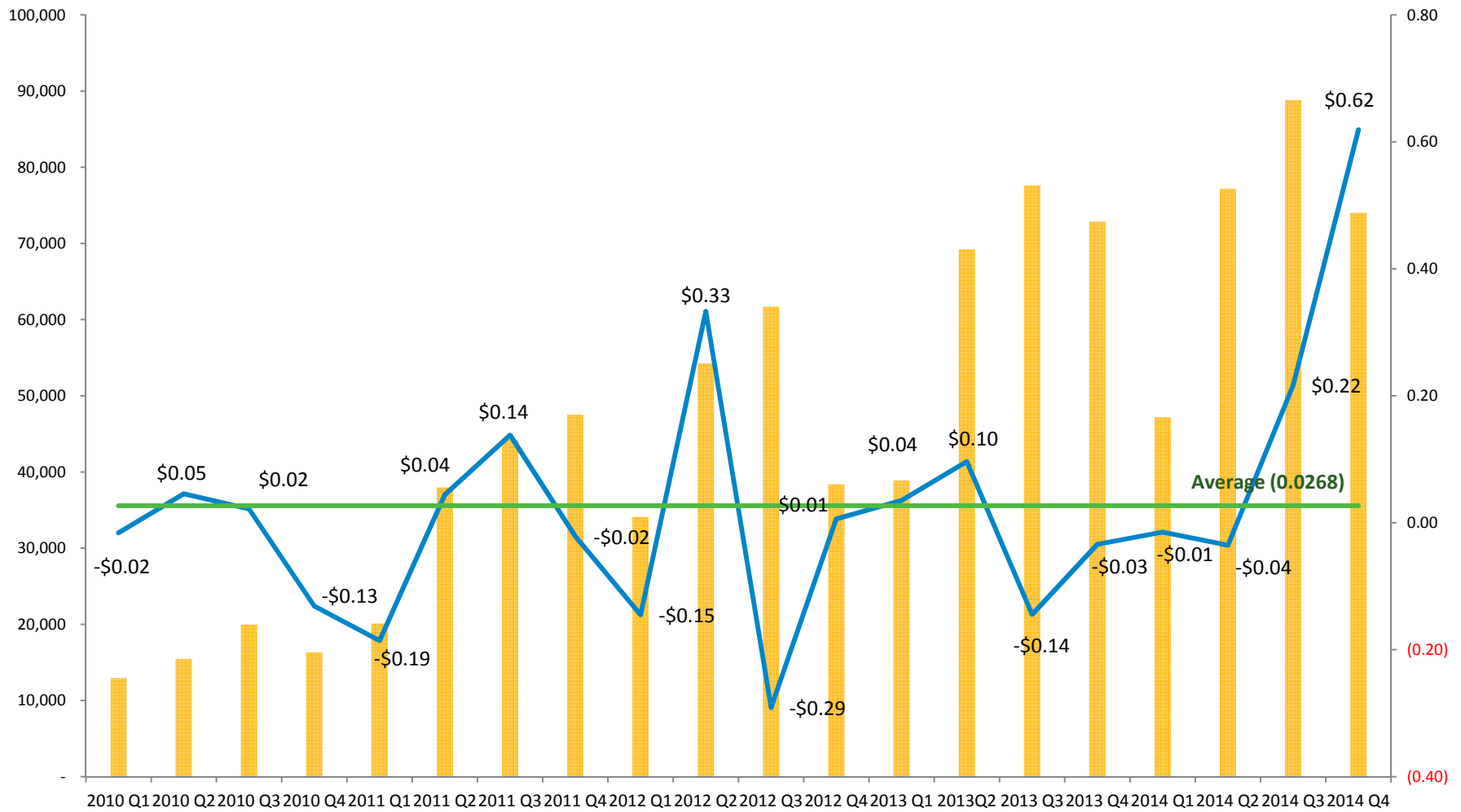


# Market Prices



Source: REG and OPIS

# Risk Management G/(L) Chart



Source: REG

# Liquidity and Capital Structure

(in millions except for Book value per share)	December 31, 2014	December 31, 2013	December 31, 2012
Term Debt <sup>1</sup>	\$252.9	\$34.2	\$37.0
Term Debt <sup>1</sup> /Total Capitalization	24.5%	5.4%	10.2%
Term Debt net of fully collateralized GOZone Bonds	\$152.9	\$34.2	\$37.0
Term Debt net of fully collateralized GOZone Bonds/Total Capitalization	16.4%	5.4%	10.2%
Net Book Value	\$778.7	\$594.1	\$324.8
Book value per share <sup>2</sup>	\$17.53	\$16.27	\$9.46

(1) Term debt includes \$100 million Gulf Opportunity Zone bonds. As of December 31, 2014, non-current restricted cash consisted of a \$101,315 certificate of deposit supporting a letter of credit for the GO Zone bonds.

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

# Outlook

## Assumptions:

- Decline in the overall energy complex
- Uncertainty related to RVO numbers
- Market participants trade as if the Federal Biodiesel Tax Credit will be reinstated at the end of 2015
- Colder weather than normal patterns
- Estimate based on the forward curve between feedstocks and biodiesel prices

(in millions)	Estimated Q1 2015
Gallons sold	50 - 60
Adjusted EBITDA	\$(10) - \$(30)

# Upcoming Conferences Appearances

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**27<sup>th</sup> Annual ROTH Conference**  
**March 8-11, 2015**  
**Dana Point, CA**



**Advance Bioeconomy Leadership Conference**  
**March 11-13, 2015**  
**Washington DC**



# Appendix Adjusted EBITDA Reconciliation



# Adjusted EBITDA Reconciliation

(in millions)	<u>1Q'14</u>	<u>2Q'14</u>	<u>3Q'14</u>	<u>4Q'14</u>	<u>2014</u>	<u>2013</u>
Net Income (Loss)	(2.36)	11.01	4.57	69.32	82.54	186.36
Income Tax (Benefit) Expense	(0.11)	(11.92)	(0.24)	15.85	3.57	4.94
Interest Expense	0.55	1.20	2.87	2.07	6.70	2.39
Other (income) expense, net	(0.05)	(0.38)	(0.13)	(0.10)	(0.66)	(0.38)
Change in fair value of contingent liability	-	(0.38)	(1.06)	(5.20)	(6.63)	-
Straight-line lease expense	(0.16)	(0.15)	(0.14)	(0.18)	(0.64)	(0.65)
Depreciation	3.00	3.19	3.33	5.73	15.25	9.70
Amortization	(0.18)	(0.18)	0.30	(0.15)	(0.22)	(0.75)
Other	-	-	-	0.07	0.07	(0.86)
Lease cancellation	-	1.90	-	-	1.90	-
Non-cash Stock Compensation	1.24	1.41	1.40	1.84	5.88	5.42
Retroactive BTC	12.78	18.55	23.88	(55.22) <sup>(2)</sup>	-	(57.75) <sup>(1)</sup>
<b>Adjusted EBITDA</b>	<b>14.71</b>	<b>24.25</b>	<b>34.78</b>	<b>34.03</b>	<b>107.77</b>	<b>148.42</b>

- (1) On January 2, 2013, the American Taxpayer Relief Act of 2012 was signed into law, which reinstated a set of tax extender items including the reinstatement of the federal biodiesel blenders tax credit for 2013 and retroactively reinstated the credit for 2012. The retroactive credit for 2012 resulted in a net benefit to us that was recognized in first quarter 2013, but because this credit relates to the operating performance and results of 2012 it is excluded from 2013 adjusted EBITDA and allocated to the 2012 periods based upon gallons sold.
- (2) On December 19, 2014, the Tax Increase Prevention Act of 2014 was signed into law, which reinstated a set of tax extender items including the retroactive reinstatement of the federal biodiesel mixture excise tax credit for 2014 and expired on December 31, 2014. The retroactive credit for 2014 resulted in a net benefit to us that was recognized in the fourth quarter of 2014, however because this credit relates to the full year operating performance and results, we allocated the first three quarters of 2014, respectively, based upon gallons sold and excluded those amounts from the fourth quarter 2014 adjusted EBITDA.