



# Renewable Energy Group, Inc.

ACT Conference

May 7, 2014

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# Safe Harbor Summary

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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 REG's anticipated financial results. 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, the effect of governmental programs on our business; government policy making and mandates relating to renewable fuels; the future price and volatility of feedstock; availability of federal and state governmental tax credits and incentives; whether REG will be able to use the recently acquired REG Life Sciences technology to produce renewable chemicals and other products on a commercial scale; REG's ability to produce such products profitably at a competitive cost; customer acceptance of REG Life Sciences products; the impact of risk management transactions; our ability to manage our growth; our customer concentration; anticipated trends and challenges in our business and competition in the markets in which we operate and other risks and uncertainties described from time to time in REG's public filings with the U.S. Securities and Exchange Commission. The forward-looking statements are made as of the date of this presentation and REG does not undertake to update any forward-looking statements.

# Presentation Outline

- Biodiesel Market Development
  - National
  - State
- Biodiesel Terminal Infrastructure Development
- REG Update



# Biodiesel Industry Fundamentals

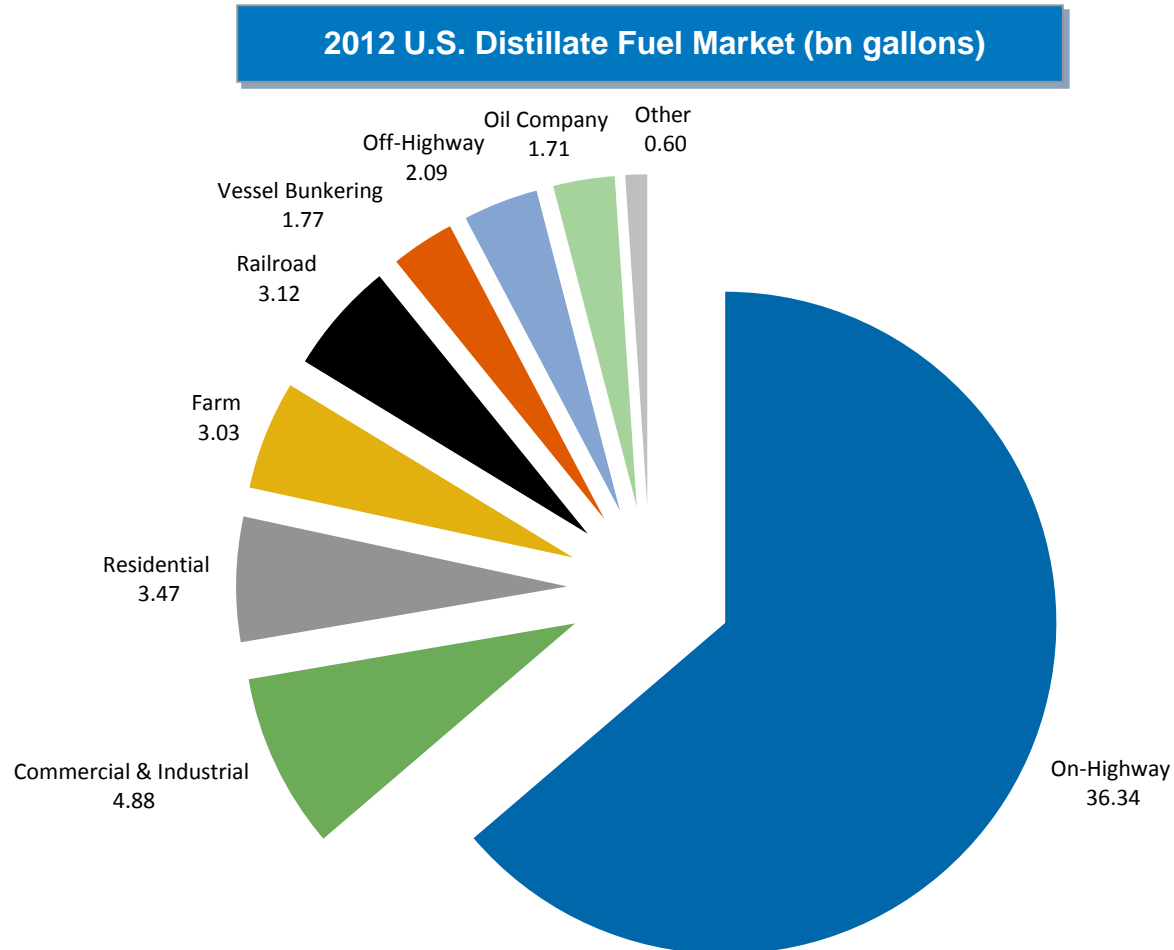
# Biodiesel Today

- 1.7+ billion gallons produced in 2013
- Last half of 2013 produced at a run rate of over 2.0 billion gallons
- Supports >50,000 jobs, and \$2.7 billion in U.S. household income
- Drop-in WITHOUT blend wall
- Reduces GHG >50% and carbon intensity by up to 96% compared to petroleum



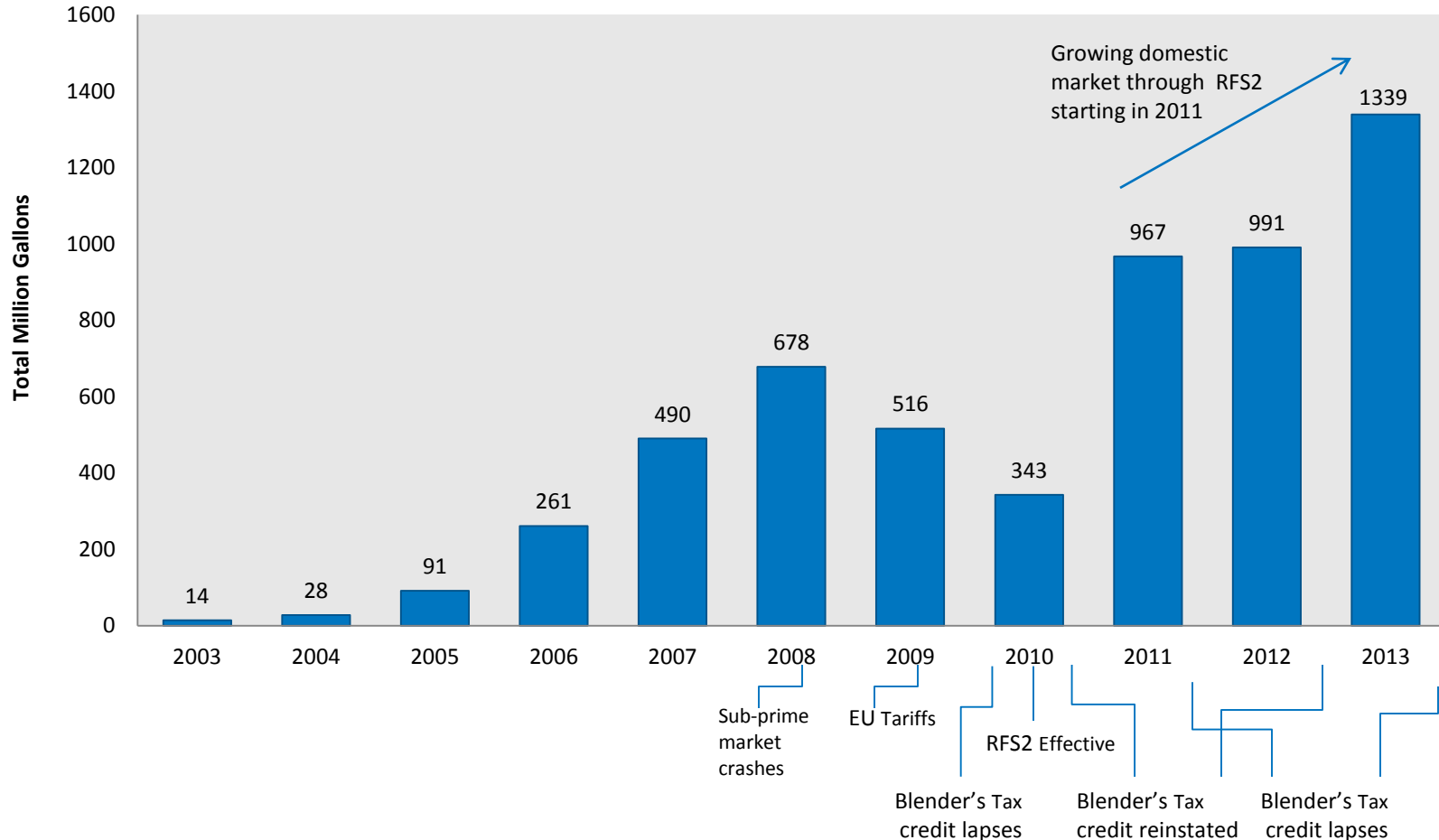
# Addressable Market – 57.02 Billion Gallons

**Biodiesel helps meet demand in a large and growing market**



# Growing Domestic Market

## U.S. Biodiesel Production



Notes:

Source: 2003-2010 Alternative Fuels Data Center  
2011-2013 EIA

# Biodiesel Market Drivers

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- Federal Policy
  - Blenders Tax Credit
    - Expired December 31, 2013
  - RFS-2
    - 2013 RVO = 1.28 Billion Gallons
    - 2014 RVO = To Be Determined
- State Incentives

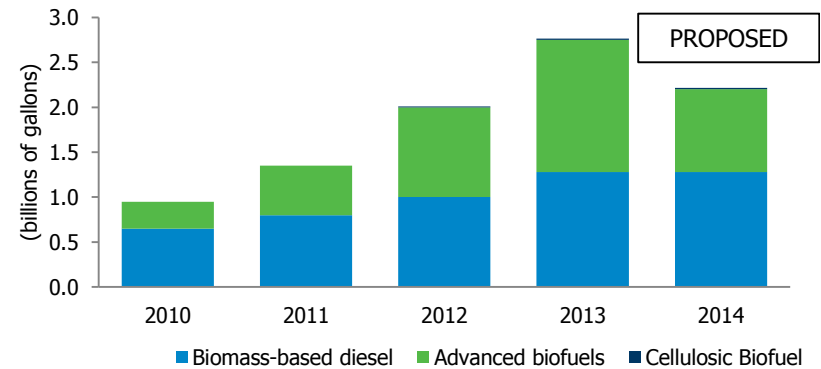


# Federal Regulatory Fundamentals

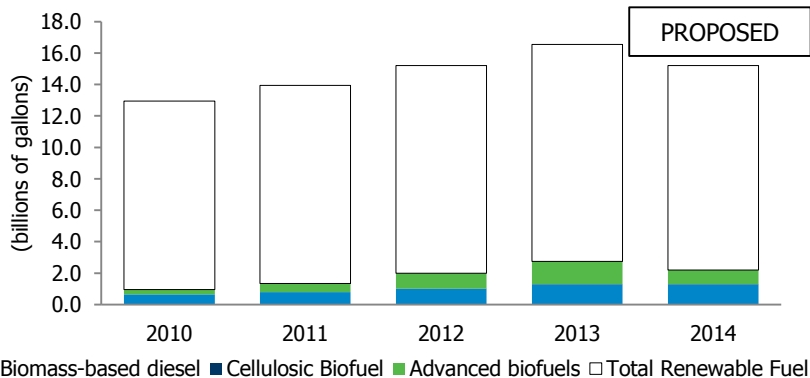
## Biodiesel is the highest volume commercially available, domestically produced Advanced Biofuel

- Commercially available drop-in fuel, compatible with existing diesel infrastructure
- RFS2 program provides stable demand and has strong support
  - \$0 direct outlay from U.S. government
  - Federal support for the Ag industry
- Multi-feedstock, raw material flexibility
- Biomass-based diesel RINs are valid for compliance with the Advanced Biofuel and Renewable Fuel RVOs

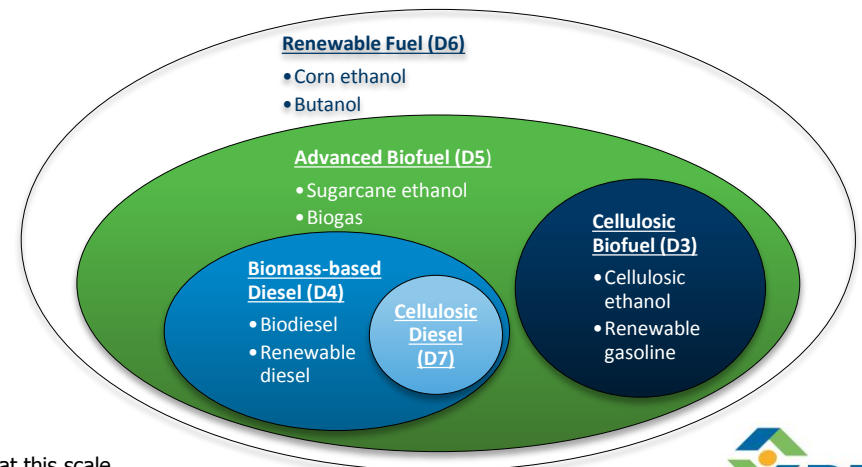
## U.S. RFS2 Advanced Biofuel Volume Requirements<sup>1,4</sup>



## U.S. RFS2 Renewable Fuel Volume Requirements<sup>1,3,4</sup>



## Biodiesel RINs Can Satisfy 3 RVO Categories<sup>1,2</sup>



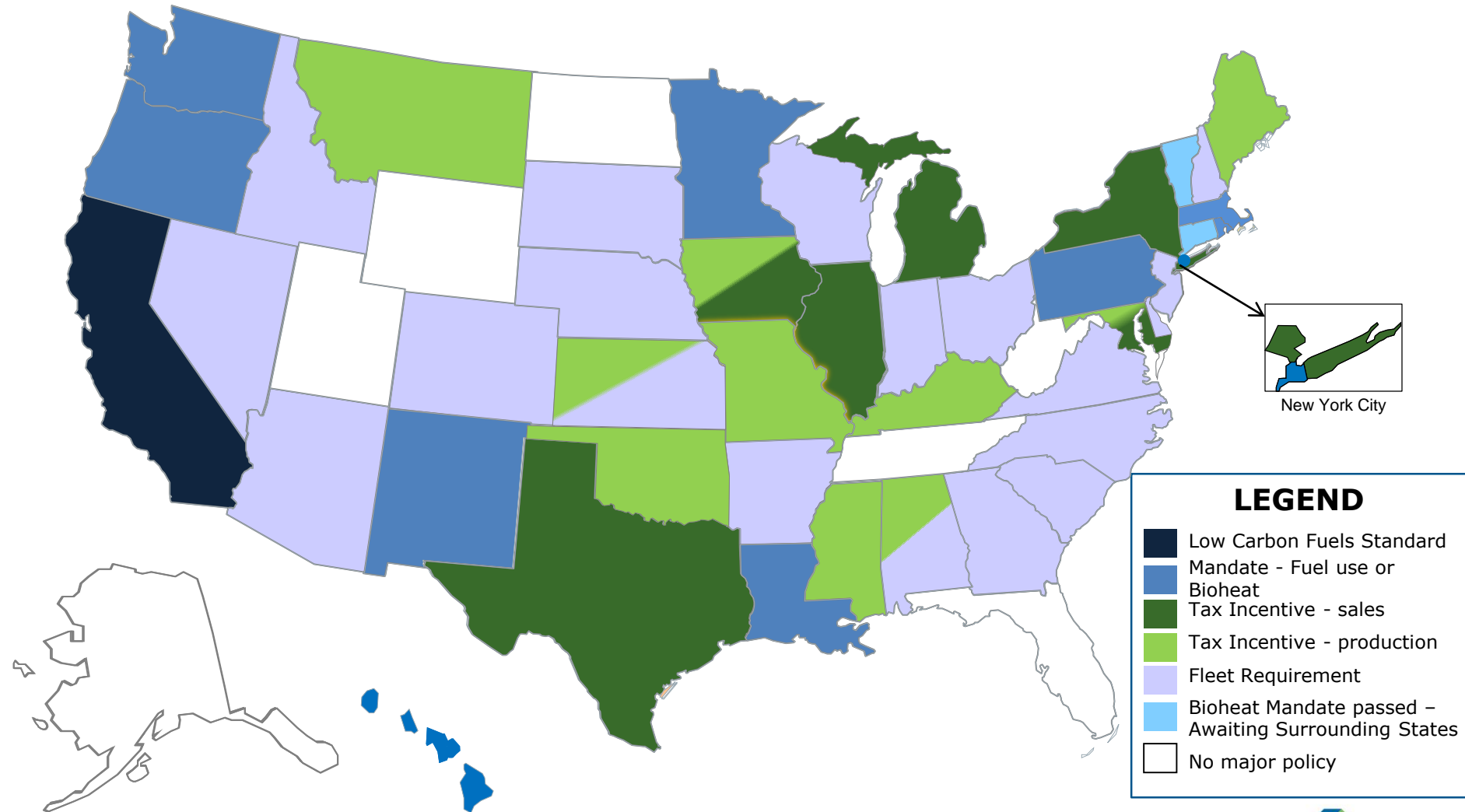
Source: 1 EPA

Note: 2 Oval sizes not proportionate to volumes

3 Cellulosic Biofuel RVO is 0.1% of Total Renewable Fuel RVO in 2014 and not visible at this scale

4 2014 RVOs are proposed as of 11/29/2013

# States with Notable Biodiesel Policies



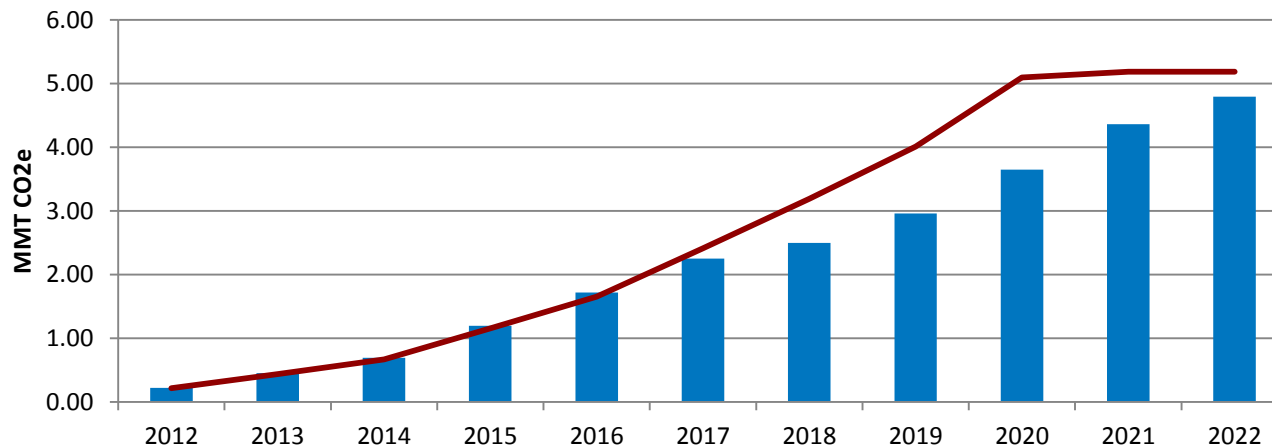
**LEGEND**

- Low Carbon Fuels Standard
- Mandate - Fuel use or Bioheat
- Tax Incentive - sales
- Tax Incentive - production
- Fleet Requirement
- Bioheat Mandate passed - Awaiting Surrounding States
- No major policy

Note: Current as of 3/13/2014  
 Source: DOE Alternative Fuels Data Center and Individual State Statutes

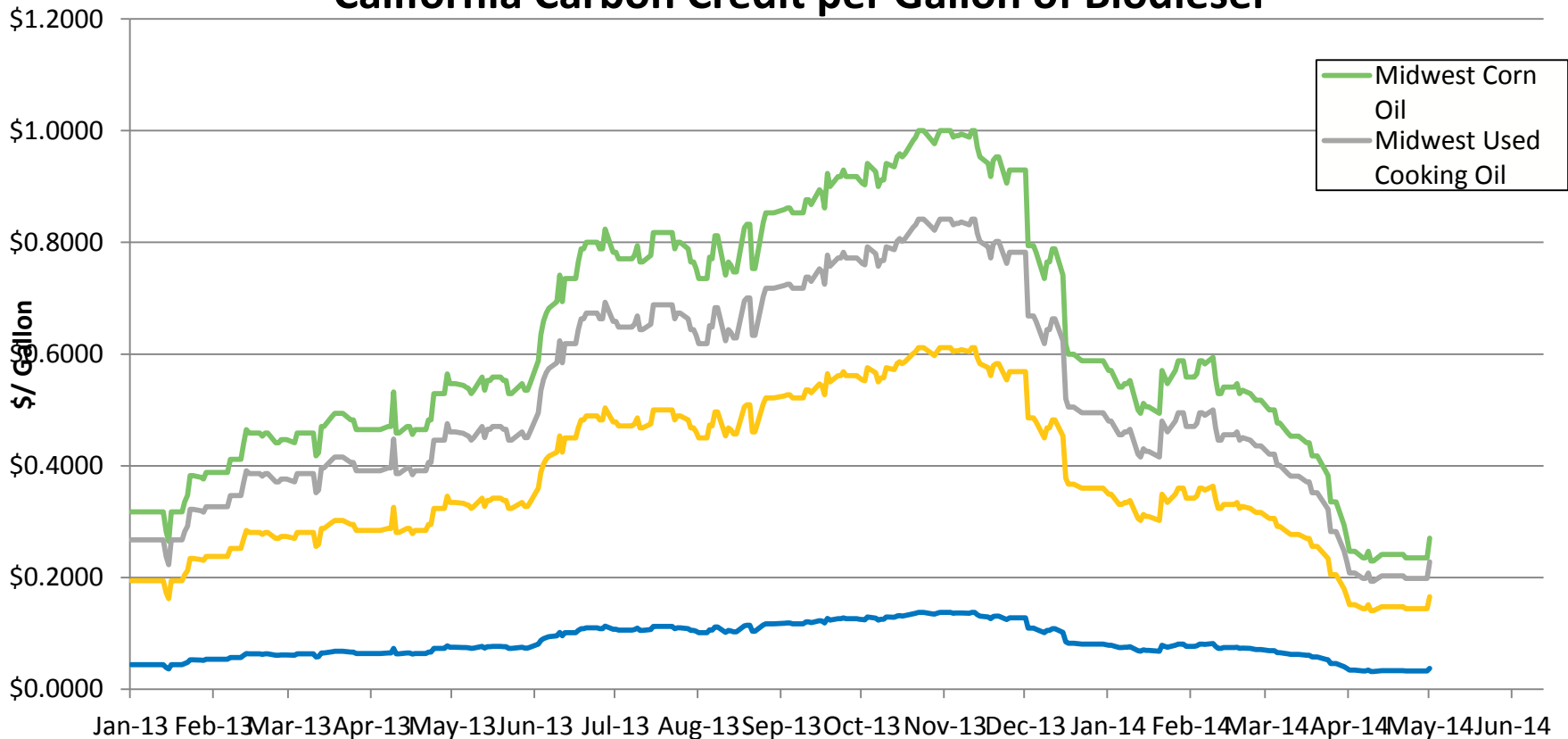
# California: Low Carbon Fuel Standard Driving Market

- LCFS requires a 10% reduction in carbon intensity (CI) by 2020
  - ~ 20 billion gallon market (16B gasoline, 4B diesel)
  - 10% reduction creates demand for equivalent of ~ 2 billion gallons of zero carbon fuel
- Low carbon biodiesel poised to make a major contribution to carbon reduction goals



# LCFS Credit Value Per Gallon of Biodiesel

## California Carbon Credit per Gallon of Biodiesel



# Comparison of Current and 2009 Average CIs and Pathway Identifiers

Fuel Type	Current Average CI Range (gCO <sub>2</sub> e/MJ)	Current Average CI	Current Pathway Identifiers	2009 Average CI	2009 Pathway Identifiers
<b>Gasoline (CARBOB)</b>	<b>99.18</b>	<b>99.18</b>	<b>1</b>	<b>95.86</b>	<b>1</b>
<b>Corn Ethanol</b>	<b>73.21-120.99</b>	<b>88.65</b>	<b>35</b>	<b>93.5</b>	<b>13</b>
<b>Sugarcane Ethanol</b>	<b>58.40-78.94</b>	<b>68.8</b>	<b>6</b>	<b>66.06</b>	<b>3</b>
CNG	11.26-68.00	40.1	4	Same	Same
<b>LNG</b>	<b>15.56-93.37</b>	<b>55.2</b>	<b>9</b>	<b>30.9</b>	<b>3</b>
Electricity	104.71-124.10	114.4	2	Same	Same
Hydrogen	76.10-142.20	109.7	5	Same	Same
<b>Diesel</b>	<b>98.03</b>	<b>98.03</b>	<b>1</b>	<b>94.71</b>	<b>1</b>
<b>Biodiesel</b>	<b>4.00-83.25</b>	<b>28.7</b>	<b>5</b>	<b>36.95</b>	<b>3</b>
Renewable Diesel	19.65-82.16	47.4	3	Same	Same

Note: Includes direct and land use or other indirect effects.

Source: California Air Resources Board, October 2013; Tables 6-7. Carbon Intensity Lookup Table for Gasoline and Fuels that Substitute as Gasoline, December 2012 and December 2009; analysis by Hart Energy Research & Consulting, 2014



# Biodiesel Infrastructure Development

# Criterion for Biodiesel Terminal Selection

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- Local Biodiesel Demand
  - Distillate Consumption
  - State Biodiesel Incentives
  - Existing Customers
- Proximity to Biodiesel Production Capacity
- Terminal Capabilities
  - Size/Description of Biodiesel Tank
  - Rail Access
  - Distillate Access
- Partner Selection
- Terms

# Case Study: New Biodiesel Terminal Houston

## Local Biodiesel Demand

- Distillate Consumption: Houston large market for distillate consumption.
- State Biodiesel Incentives: Yes---\$.20/gallon for B99 gallons blended with distillate.
- Existing Customers: Yes

## Proximity to Biodiesel Production Capacity

- REG Houston (Seabrook, TX)

## Terminal Capabilities

- Large dedicated biodiesel tank near major distillate distribution

## Partner Selection

- Existing customer

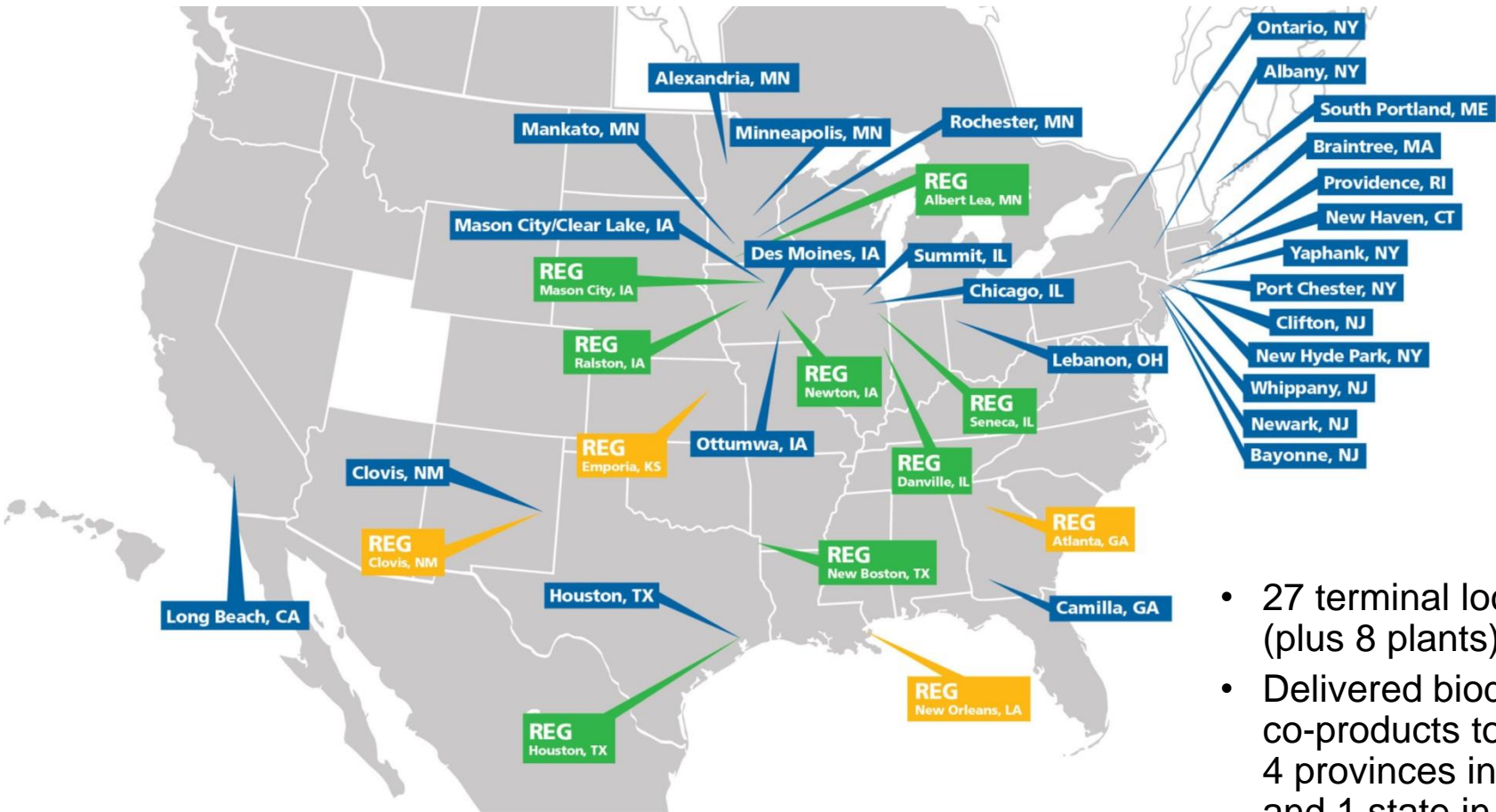
## Terms





# Broad Biofuel & Co-Product Sales, Marketing and Logistics Capabilities

## Distribution Footprint at Plants, Terminals and to Customers



- 27 terminal locations (plus 8 plants)
- Delivered biodiesel and co-products to 43 states, 4 provinces in Canada and 1 state in Mexico

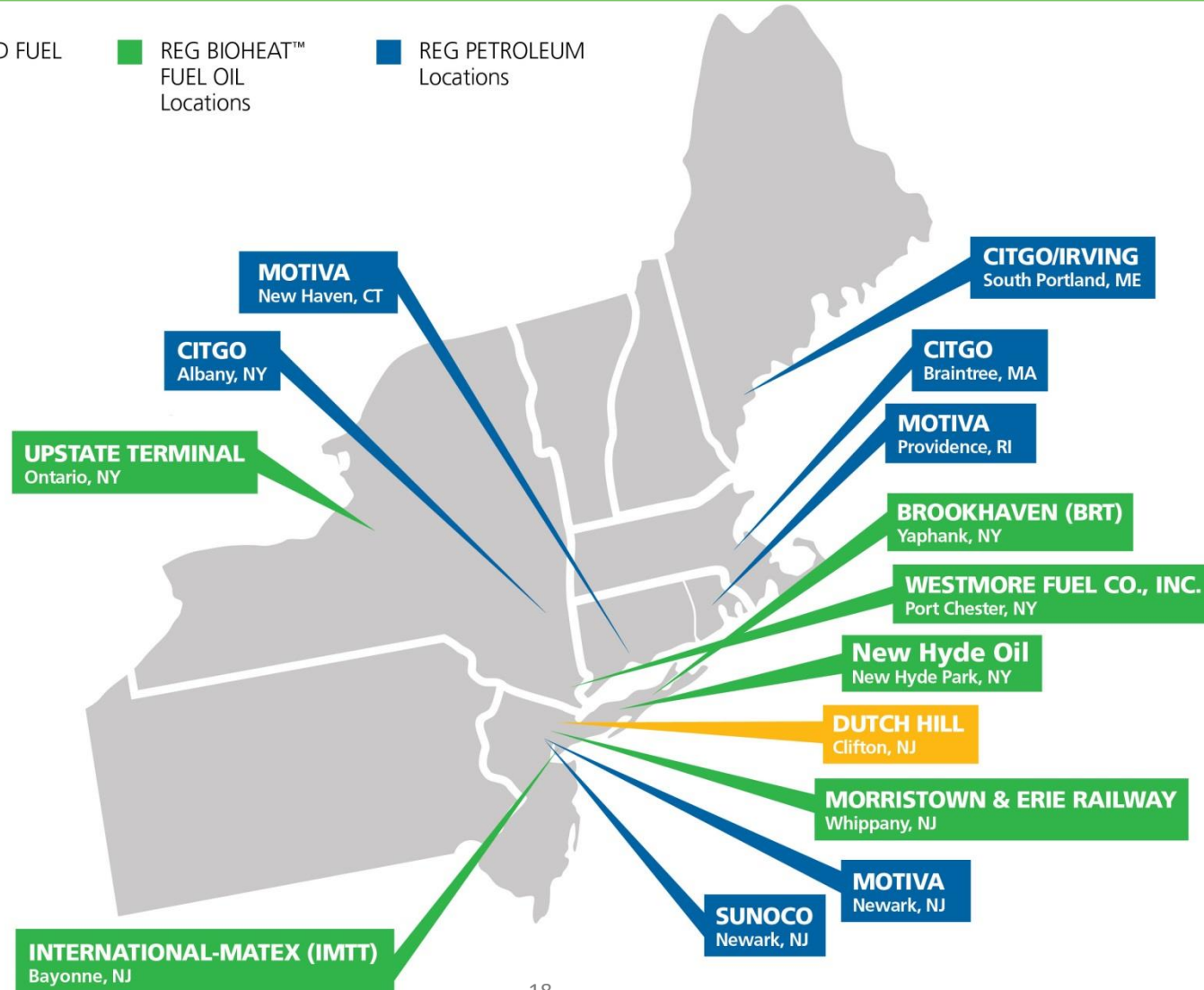
REG PRODUCT DELIVERED – 2013
  REG TERMINAL POSITIONS
  REG BIOREFINERIES Operational Facilities
  REG BIOREFINERIES Growth Opportunities

# REG Energy Services Locations

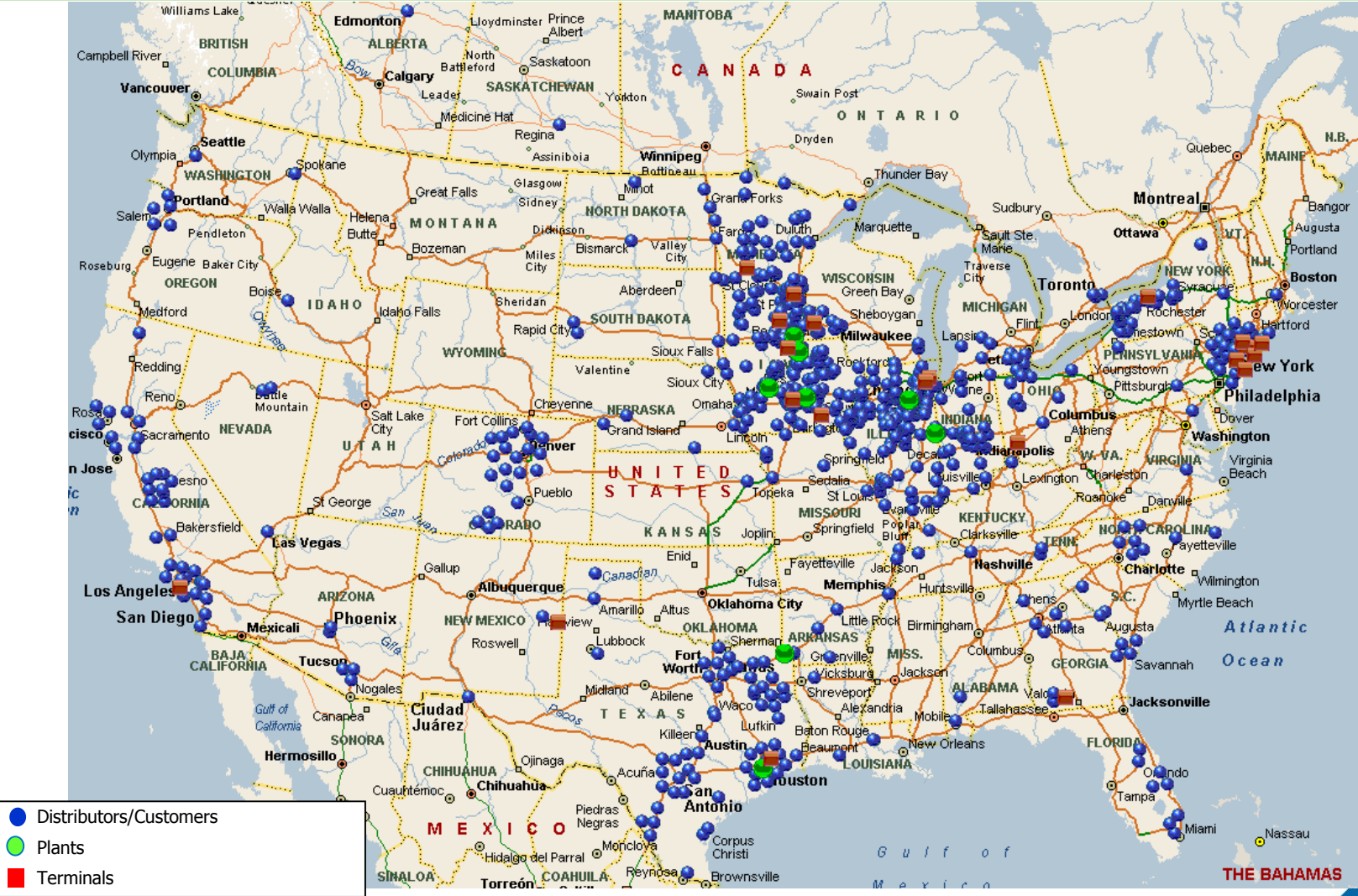
REG BLENDED FUEL Locations

REG BIOHEAT™ FUEL OIL Locations

REG PETROLEUM Locations



# REG National Distribution – 2013





Renewable Energy Group, Inc.

# Nation's Leading Biodiesel Producer and Marketer

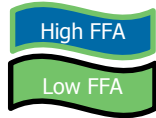
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- Company Founded in 1996 and is Largest Producer of Biodiesel in U.S.
- Marketed 259 million gallons of biodiesel in 2013
- 8 biodiesel plants operating today.
- Margin Advantage Due to Lower Cost Feedstock Production Capabilities
- Premium Quality Biodiesel

# Production Leadership

ACTIVE – 257 MMGY Nameplate Capacity

Feedstock Flexible



## REG Albert Lea



30 MMGY; Albert Lea, MN

## REG Danville



45 MMGY; Danville, IL

## REG Newton



30 MMGY; Newton, IA

## REG New Boston



15 MMGY; New Boston, TX

## REG Seneca



60 MMGY; Seneca, IL

Refined Feedstock Only

Low FFA

## REG Houston



35 MMGY; Seabrook, TX

## REG Mason City



30 MMGY; Mason City, IA

## REG Ralston



12 MMGY; Ralston, IA

Repairs Required or Partially completed



## REG Atlanta



15 MMGY; Ellenwood, GA

## REG Clovis



15 MMGY; Clovis, NM

## REG Emporia



60 MMGY; Emporia, KS

## REG New Orleans



60 MMGY; St. Rose, LA

# Sales and Marketing Leadership

## REG-9000® Advertising



## REG-9000® Biodiesel Advantages

- Marketed based on fuel characteristics, not the type of feedstock
- Positioned as premium quality product

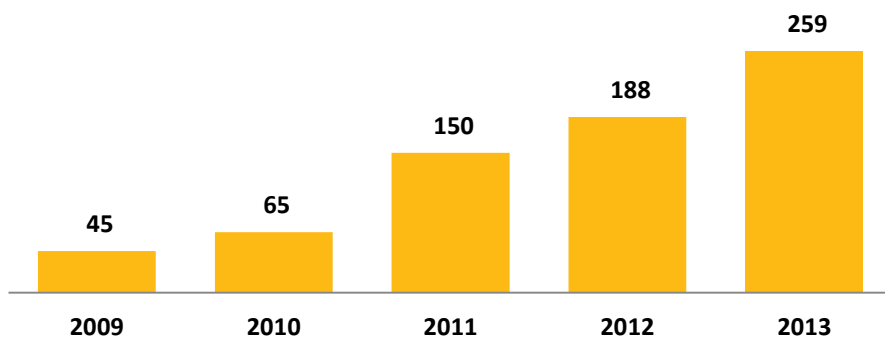
## Competitive Advantages

- Ability to produce from a wide range of lower cost raw materials enables pricing flexibility
- Reliability as an off-take customer for key suppliers of contract-manufactured fuel
- Ability to meet stringent customer specifications
- Preferred supplier to key customers and trading partners

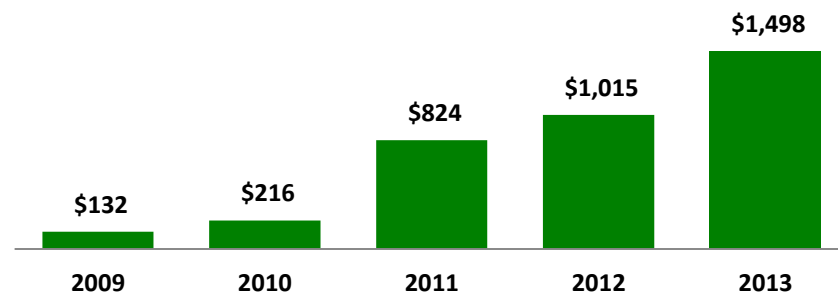
Note: REG-9000 is a trademark of REG

# Track Record of Growth

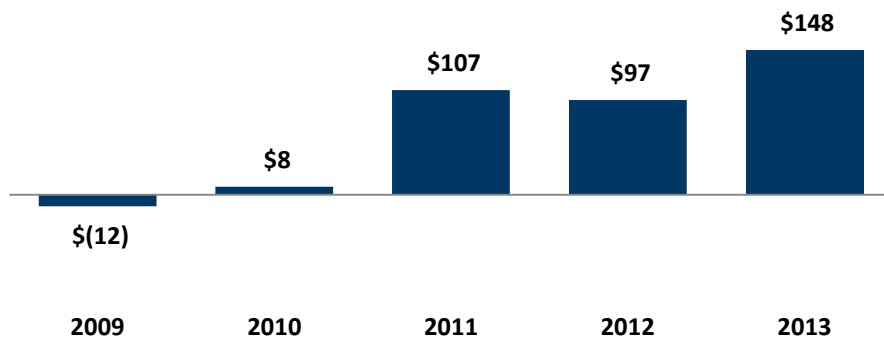
## Gallons Sold – Annual Historical (mm gal)



## Revenue – Annual Historical (\$mm)



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



## Balance Sheet Position – Annual Historical (\$mm)

	12/31/2013	12/31/2012	12/31/2011	12/31/2010
Cash	\$153.2	\$66.8	\$33.6	\$6.9
Net Working Capital	\$249.3	\$109.2	\$90.2	\$(3.6) <sup>2</sup>
Total Assets	\$740.9	\$495.8	\$484.4	\$369.6
Term Debt	\$34.2	\$37.0	\$81.6	\$86.6
Net Book Value	\$594.1	\$324.8	\$120.6	\$35.1

- Note: 1 See Appendix (Slide 38) for a definition of Adjusted EBITDA and a detailed reconciliation to Net Income  
 2 REG Danville term loan was then due within 12 months and current liabilities included \$23.6 million related to the plant as of 12/31/2010



# Growth Strategy



**Optimize and grow** our fully-integrated biodiesel offering across North America



**Expand** into the production of additional advanced biofuels, renewable chemicals and related products and services



**Diversify** into environmental services and specialty products



Grow our biodiesel business **internationally**

Organic  
and with  
partners

Acquisitions

Investments

Joint  
Ventures

# Contact Information

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