



DARLING
INGREDIENTS

EARNINGS REPORT

Q4 | FEBRUARY 27, 2023

SAFE HARBOR STATEMENT

This presentation contains “forward-looking” statements that are subject to risks and uncertainties that could cause the actual results of Darling Ingredients Inc. (the “Company”) to differ materially from those expressed or implied in the statements. Statements that are not statements of historical facts are forward-looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as “estimate,” “project,” “planned,” “contemplate,” “potential,” “possible,” “proposed,” “intend,” “believe,” “anticipate,” “expect,” “may,” “will,” “would,” “should,” “could” “combined adjusted EBITDA guidance” and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on the Company’s current expectations and assumptions regarding its business, the economy and other future conditions. The Company cautions readers that any such forward-looking statements it makes are not guarantees of future performance and that actual results may differ materially from anticipated results or expectations expressed in its forward-looking statements as a result of a variety of factors, including many that are beyond the Company’s control. These factors include, among others, existing and unknown future limitations on the ability of the Company’s direct and indirect subsidiaries to make their cash flow available to the Company for payments on the Company’s indebtedness or other purposes; global demands for bio-fuels and grain and oilseed commodities, which have exhibited volatility, and can impact the cost of feed for cattle, hogs and poultry, thus affecting available rendering feedstock and selling prices for the Company’s products; reductions in raw material volumes available to the Company due to weak margins in the meat production industry as a result of higher feed costs, reduced consumer demand or other factors, reduced volume from food service establishments, or otherwise; reduced demand for animal feed; reduced finished product prices, including a decline in fat and used cooking oil finished product prices; changes to worldwide government policies relating to renewable fuels and greenhouse gas (“GHG”) emissions that adversely affect programs like the U.S. government’s renewable fuel standard, low carbon fuel standards (“LCFS”) and tax credits for biofuels both in the United States and abroad; possible product recall resulting from developments relating to the discovery of unauthorized adulterations to food or food additives; the occurrence of 2009 H1N1 flu (initially known as “Swine Flu”), Highly pathogenic strains of avian influenza (collectively known as “Bird Flu”), severe acute respiratory syndrome (“SARS”), bovine spongiform encephalopathy (or “BSE”), porcine epidemic diarrhea (“PED”) or other diseases associated with animal origin in the United States or elsewhere, such as the outbreak of African Swine Fever (“ASF”) in China and elsewhere; the occurrence of pandemics, epidemics or disease outbreaks, such as the current COVID-19 outbreak; unanticipated costs and/or reductions in raw material volumes related to the Company’s compliance with the existing or unforeseen new U.S. or foreign (including, without limitation, China) regulations (including new or modified animal feed, Bird Flu, SARS, PED, BSE, ASF or similar or unanticipated regulations) affecting the industries in which the Company operates or its value added products; risks associated with the DGD Joint Venture, including possible unanticipated operating disruptions, a decline in margins on the products produced by the DGD Joint Venture, and issues relating to the announced SAF upgrade project; failure to close on strategic acquisitions; risks and uncertainties relating to international sales and operations, including imposition of tariffs, quotas, trade barriers and other trade protections imposed by foreign countries; difficulties or a significant disruption in our information systems or failure to implement new systems and software successfully, risks relating to possible third party claims of intellectual property infringement; increased contributions to the Company’s pension and benefit plans, including multiemployer and employer-sponsored defined benefit pension plans as required by legislation, regulation or other applicable U.S. or foreign law or resulting from a U.S. mass withdrawal event; bad debt write-offs; loss of or failure to obtain necessary permits and registrations; continued or escalated conflict in the Middle East, North Korea, Ukraine or elsewhere, including the Russia-Ukraine war; uncertainty regarding the exit of the U.K. from the European Union; and/or unfavorable export or import markets. These factors, coupled with volatile prices for natural gas and diesel fuel, inflation rates, climate conditions, currency exchange fluctuations, general performance of the U.S. and global economies, disturbances in world financial, credit, commodities and stock markets, and any decline in consumer confidence and discretionary spending, including the inability of consumers and companies to obtain credit due to lack of liquidity in the financial markets, among others, could cause actual results to vary materially from the forward looking statements included in this release or negatively impact the Company’s results of operations. Among other things, future profitability may be affected by the Company’s ability to grow its business, which faces competition from companies that may have substantially greater resources than the Company. 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SUMMARY HIGHLIGHTS

Solid Financial Performance

	Q4-2022	FY-2022
Net Sales	\$1,768.1	\$6,532.2
Net Income	\$156.6	\$737.7
EPS Diluted	\$0.96	\$4.49
Combined Adjusted EBITDA	\$413.0	\$1,541.0
Global Ingredients EBITDA	\$267.0	\$1,097.5
Feed Ingredients EBITDA	\$191.4	\$810.1
Food Ingredients EBITDA	\$65.4	\$256.7
Fuel Ingredients EBITDA	\$172.4	\$536.6
Share Repurchase Program	\$22.5 million	\$125.5 million

Growing Shareholder Value

Definitive agreement to purchase Gelnex – Oct. 18, 2022

De Jong Recycling acquisition – Oct. 31, 2022

Definitive agreement to purchase Miropasz Group – Nov. 2, 2022

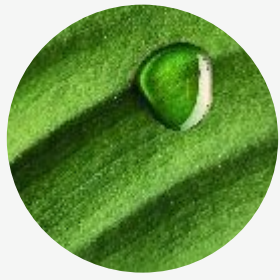
Diamond Green Diesel Port Arthur, Texas start up – Nov. 2022

Investment decision on sustainable aviation fuel – Jan. 2023

2022 Significant Business Highlights

- Record combined adjusted EBITDA of \$1.541 billion
- Acquired [Op de Beeck](#), a leading organic waste processing company in Belgium, growing the company's European green energy business
- Acquired [Valley Proteins](#), strengthening the core business by adding 18 rendering plants in the southern, southeast and mid-Atlantic regions of the U.S.
- Entered the rendering business in Brazil with the acquisition of [FASA Group](#), adding 14 plants and 1.3 million metric tons of processing
- Started up DGD Port Arthur, Texas plant on time and under budget, bringing the joint venture's renewable diesel production to 1.2 billion gallons per year
- Entered into a definitive agreement, subject to regulatory approval, to purchase [Gelnex](#) to grow the company's food segment through increased collagen production
- Entered into a definitive agreement, subject to regulatory approval, to purchase [Miropasz](#), providing the company with access to additional poultry rendering in Poland, Europe's largest poultry provider
- Signed onto the [Science-Based Target initiative](#), continuing to set a high level for sustainability and advancing the company's 2050 net-zero goal





Strong Full Year Earnings, Positioned for Continued Growth

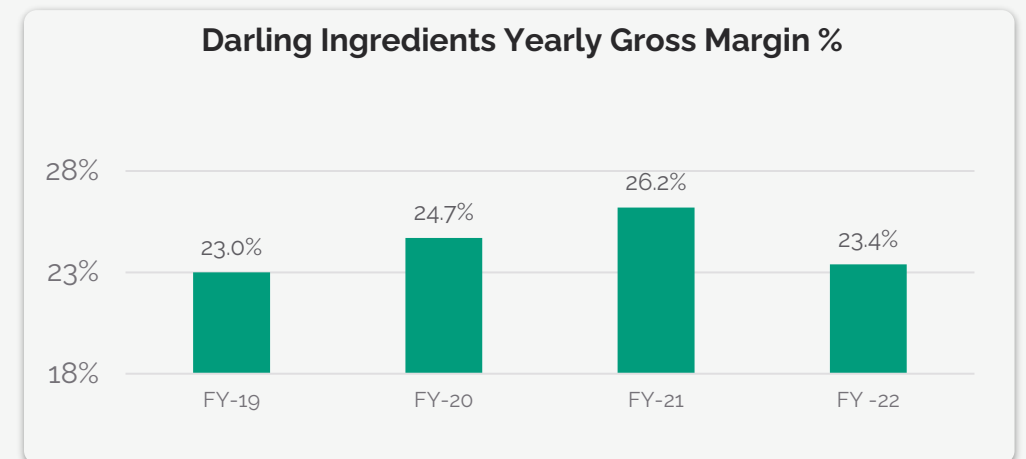
In millions, except per share	Q4-2022	Q4-2021	% variance	FY 2022	FY 2021	% variance
Net Sales	\$1,768.1	\$1,310.1	35.0%	\$6,532.2	\$4,741.4	37.8%
Gross Margin	\$388.8	\$321.1	21.1%	\$1,529.6	\$1,242.0	23.2%
Gross Margin %	22.0%	24.5%	(10%)	23.4%	26.2%	(10.7%)
Net Income	\$156.6	\$155.8	0.5%	\$737.7	\$650.9	13.3%
EPS Diluted	\$0.96	\$0.94	2.1%	\$4.49	\$3.90	15.1%

Balance Sheet		
In millions, except ratio data	As of 12/31/2022	As of 1/1/2022
Cash (including restricted)	\$127.3	\$69.1
Revolver availability	\$1,313	\$1,286
Net working capital	\$512.2	\$291.7
Total debt	\$3,384.8	\$1,463.4
Leverage ratio (2)	2.54X	1.57X

(2) Per bank covenant

EBITDA In millions	Q4-2022	Q4-2021	% variance	FY 2022	FY 2021	% variance
Feed	\$191.4	\$167.5	14.2%	\$810.1	\$613.7	32.0%
Food	\$65.4	\$49.4	32.4%	\$256.7	\$194.9	31.7%
Fuel (1)	\$172.4	\$104.6	64.8%	\$536.6	\$483.1	11.1%
Corporate	(\$16.2)	(\$14.7)	(10.2%)	(\$62.5)	(\$56.9)	(9.8%)
Total combined adjusted EBITDA	<u>\$413.0</u>	<u>\$306.8</u>	34.6%	<u>\$1,541.0</u>	<u>\$1,234.8</u>	24.8%

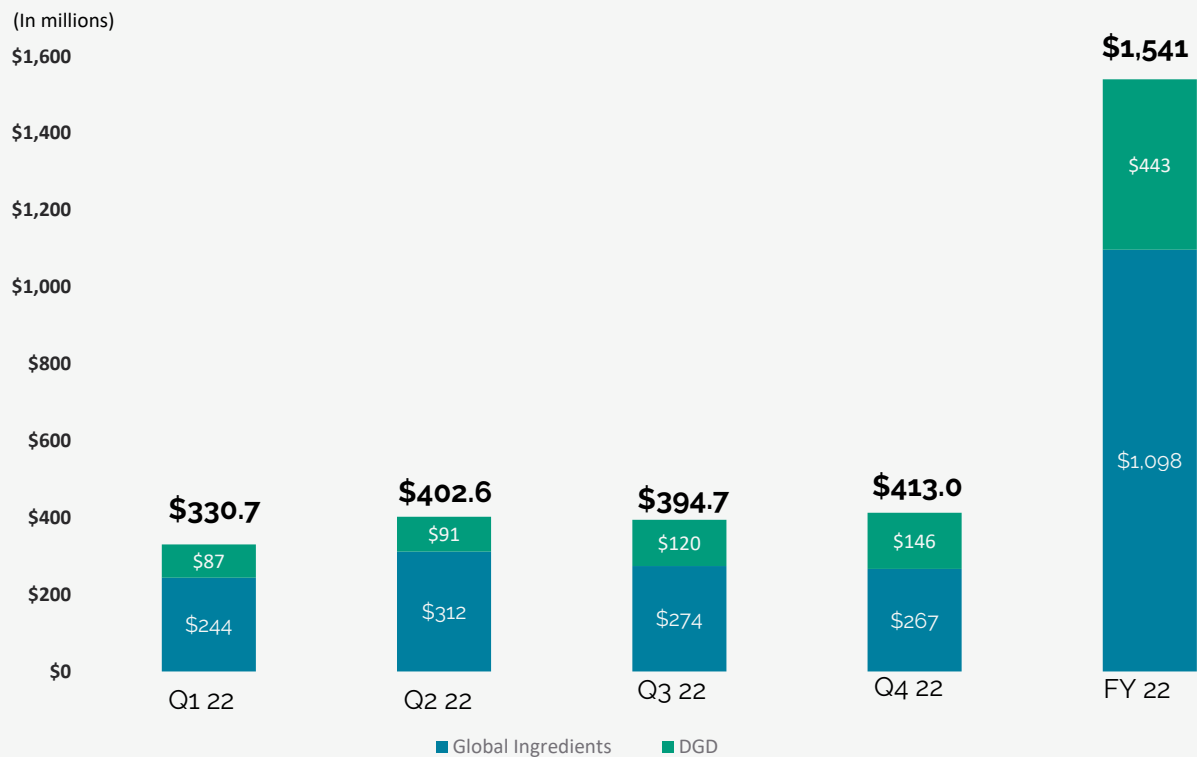
(1) Includes Fuel Segment EBITDA and Darling's share of DGD EBITDA



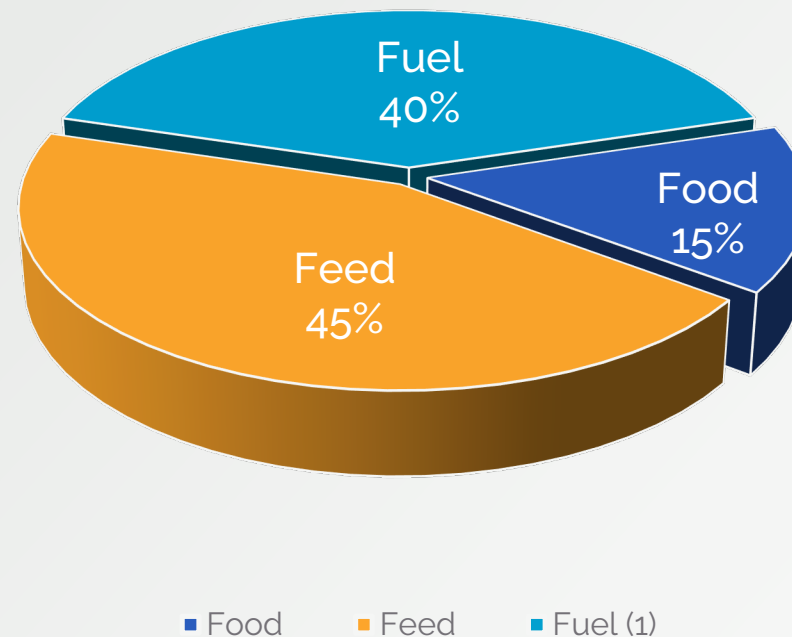


Fourth Quarter EBITDA

Combined Adjusted EBITDA



Q4 2022 % of Total EBITDA by Segment



(1) Includes Fuel Segment EBITDA and Darling's share of DGD EBITDA





Feed Segment

Deliberate focus on integration efforts

Key Drivers

- Global raw material volumes remaining strong with no signs of easing
- Integration of acquisitions progressing
- Quarter-over-quarter gross margins showed slight improvement
- Q4 global fat prices slightly weaker reflecting anticipated downtime and turn arounds at various RD facilities
- Proteins steady with strong export demand for value added
- Petfood demand and annual contracting reflecting continued strength and growth
- Energy prices have eased, both US natural gas and Europe

	US \$ (in millions)	Q4-2022	Q4-2021	FY-2022	FY-2021
Net Sales		\$ 1,216,073	\$ 846,498	\$ 4,539,000	\$ 3,039,500
Cost of sales & operating expenses		950,778	621,581	3,473,506	2,206,248
Gross Margin		\$ 265,295	\$ 224,917	\$ 1,065,494	\$ 833,252
Loss (gain) on sale of assets		169	(60)	(3,426)	(550)
Selling, general & administrative expenses		73,736	57,484	258,781	220,078
Restructuring and asset impairment charges		-	-	8,557	-
Depreciation & amortization		91,282	56,538	295,249	218,942
Segment operating income		\$ 100,108	\$ 110,955	\$ 506,333	\$ 394,782
Equity in net income (loss) of other unconsolidated subsidiaries		\$ (831)	\$ 1,554	\$ 5,102	\$ 5,753
Segment Income		\$ 99,277	\$ 112,509	\$ 511,435	\$ 400,535
Segment EBITDA		\$ 191,390	\$ 167,493	\$ 810,139	\$ 613,724
Raw material processed (mmts)*		3.2	2.2	11.4	8.9





Feed Segment

	US \$ (in millions)	Fats	Proteins	Other	Total Rendering	Used Cooking Oil	Bakery	Other	Total
Net Sales Three Months Ended Jan. 1, 2022	\$ 368.6	\$ 250.8	\$ 41.3	\$ 660.7	\$ 111.8	\$ 64.5	\$ 9.5	\$ 846.5	
Increase in sales volumes	107.0	108.4	-	215.4	14.1	1.6	-	231.1	
Increase/(Decrease) in finished goods prices	78.8	100.8	-	179.6	(16.5)	14.5	-	177.6	
Increase/(Decrease) in currency exchange rates	(13.8)	(18.5)	0.7	(31.6)	(1.4)	(0.1)	-	(33.1)	
Other change	-	-	(13.9)	(13.9)	-	-	7.9	(6.0)	
Total Change	172.0	190.7	(13.2)	349.5	(3.8)	16.0	7.9	369.6	
Net sales three months ended Dec. 31, 2022	\$ 540.6	\$ 441.5	\$ 28.1	\$ 1,010.2	\$ 108.0	\$ 80.5	\$ 17.4	\$ 1,216.1	

	US \$ (in millions)	Fats	Proteins	Other	Total Rendering	Used Cooking Oil	Bakery	Other	Total
Net Sales Twelve Months Ended Jan. 1, 2022	\$ 1,198.1	\$ 1,022.7	\$ 173.4	\$ 2,394.2	\$ 319.1	\$ 287.4	\$ 38.8	\$ 3,039.5	
Increase in sales volumes	289.4	275.1	-	564.5	55.8	5.1	-	625.4	
Increase in finished goods prices	500.9	237.1	-	738.0	147.6	41.5	-	927.1	
Decrease in currency exchange rates	(37.2)	(58.3)	(1.3)	(96.8)	(3.4)	(0.6)	(0.0)	(100.8)	
Other change	-	-	28.8	28.8	-	-	19.0	47.8	
Total Change	753.1	453.9	27.5	1,234.5	200.0	46.0	19.0	1,499.5	
Net sales twelve months ended Dec. 31, 2022	\$ 1,951.2	\$ 1,476.6	\$ 200.9	\$ 3,628.7	\$ 519.1	\$ 333.4	\$ 57.8	\$ 4,539.0	





Food Segment

Record year driven by hydrolyzed collagen

Key Drivers

- Fifth consecutive record annual EBITDA
- Global collagen business remains strong and on plan
- Fiscal year gross margin improvement due to continued shift to higher margin hydrolyzed collagen and slight reduction in raw material prices – more than offsetting higher energy prices
- Gelnex expected to close during Q2
- South American expansion should be on-line by end of Q1, early Q2

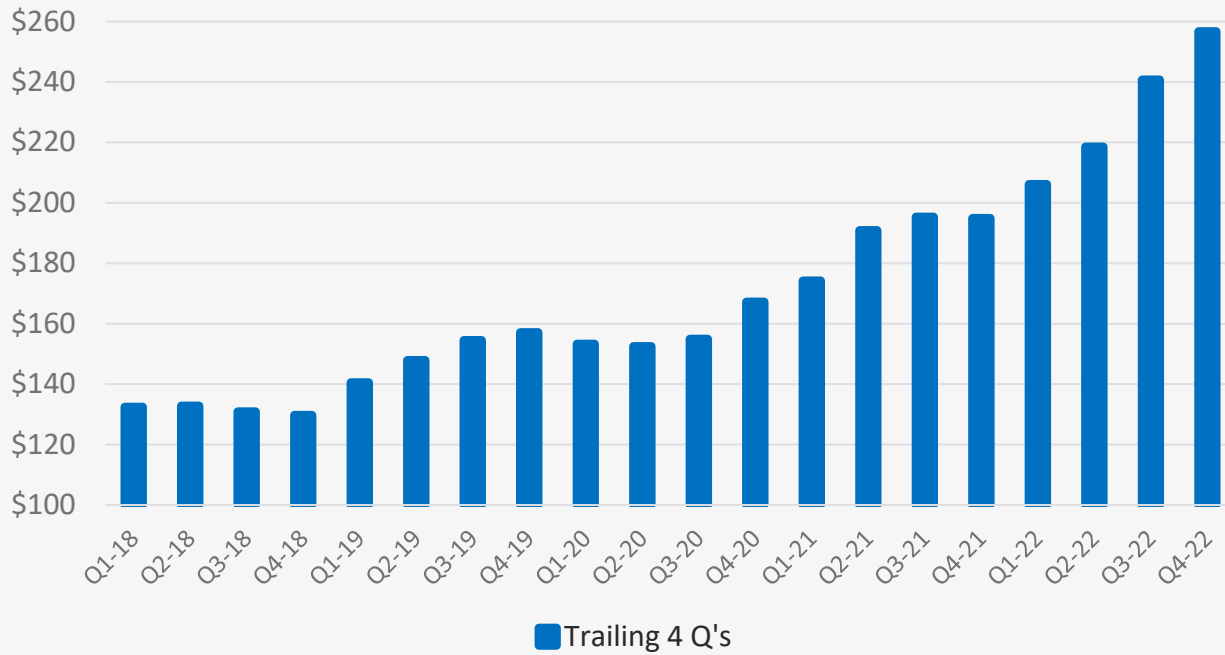
US \$ (in millions)	Q4-2022	Q4-2021	FY-2022	FY-2021
Net Sales	\$ 387,733	\$ 344,677	\$ 1,459,630	\$ 1,271,629
Cost of sales & operating expenses	294,417	272,972	1,102,250	979,232
Gross Margin	\$ 93,316	\$ 71,705	\$ 357,380	\$ 292,397
Gain on sale of assets	(117)	(87)	(1,008)	(88)
Selling, general & administrative expenses	28,073	22,405	101,681	97,555
Restructuring & asset impairment charges	21,109	-	21,109	-
Depreciation & amortization	14,722	15,263	59,029	60,929
Segment Income	\$ 29,529	\$ 34,124	\$ 176,569	\$ 134,001
Segment EBITDA	\$ 65,360	\$ 49,387	\$ 256,707	\$ 194,930
Raw material processed (mt)*	277,000	290,000	1,100,000	1,110,000



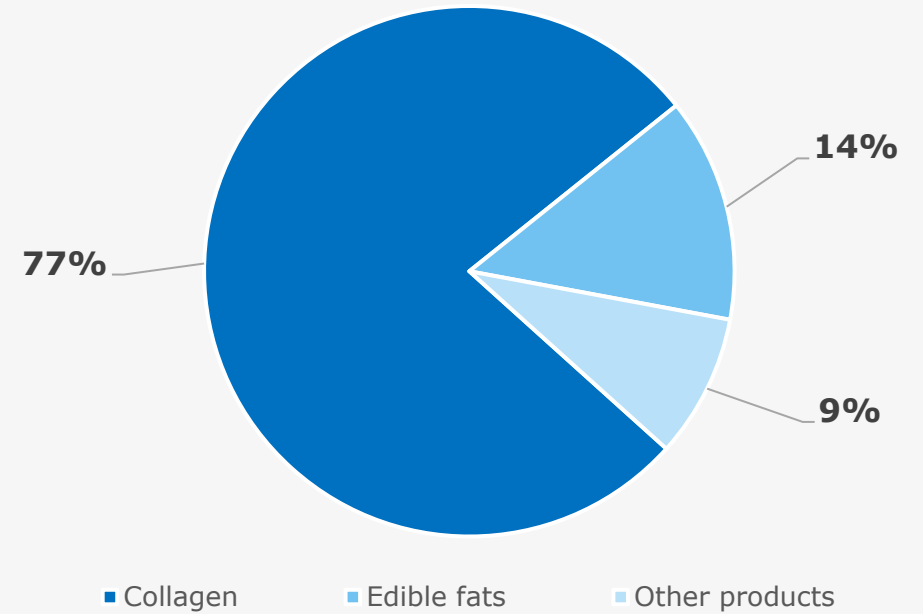


Food Segment

Food Segment Trailing 4Q adjusted EBITDA



Fiscal Year 2022 % of Sales Breakdown





Fuel Segment

Key Drivers

- Diamond Green Diesel sold 754 million gallons of renewable diesel, \$1.18 EBITDA per gallon for fiscal year 2022
- Diamond Green Diesel 3 in Port Arthur, Texas started up in November 2022, on-time, under budget
- Sustainable aviation fuel adds optionality and diversity in 2025
- Project 1.2 billion gallons sold in 2023
- European green energy business continues to grow with additional expansions planned.

US \$ (in millions)	Q4-2022	Q4-2021	FY-2022	FY-2021
Net Sales	\$ 164,277	\$ 118,893	\$ 533,574	\$ 430,240
Cost of sales & operating expenses	134,093	94,371	426,853	313,905
Gross Margin	30,184	24,522	106,721	116,335
Loss (gain) on sale of assets	14	(18)	(60)	(320)
Selling, general & administrative expenses	3,769	3,177	13,690	16,999
Restructuring and asset impairment charges	-	-	-	778
Depreciation & amortization	8,606	6,222	29,500	25,436
Equity in net income of Diamond Green Diesel	123,448	69,663	372,346	351,627
Segment Income	\$ 141,243	\$ 84,804	\$ 435,937	\$ 425,069
Segment EBITDA	\$26,401	\$21,363	\$93,091	\$99,656
DGD adjusted EBITDA (Darling's Share)	\$145,984	\$ 83,192	\$443,487	\$383,419
Segment EBITDA (1)	\$172,385	\$ 104,555	\$536,578	\$483,075
Raw material processed (mt)**	370,000	330,000	1,420,000	1,280,000



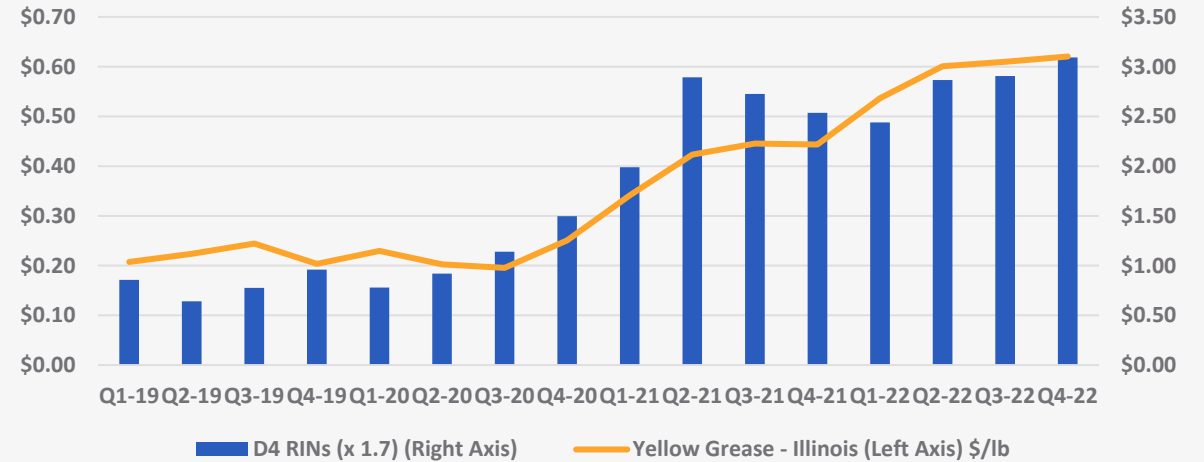


Fuel Segment

Diamond Green Diesel

US \$ and gallons (in millions)	Q4 2022	Q4 2021	FY 2022	FY 2021
EBITDA (Entity) – recorded w/no BTC	\$75.5	\$19.8	\$125.9	\$395.6
EBITDA (Entity) – recorded including BTC	\$292.0	\$166.4	\$887.0	\$766.8
Pro forma Adjusted EBITDA (Darling's share)	\$146.0	\$83.2	\$443.5	\$383.4
Total gallons produced	224.6	148.1	780.0	371.6
Total gallons sold/shipped	208.0	146.5	753.5	370.2
EBITDA per gallon sold/shipped	\$1.40	\$1.14	\$1.18	\$2.07

Quarterly Avg. Prices
D4 RINs (1.7 Multiple) & Yellow Grease - IL



2023: Growing Shareholder Value

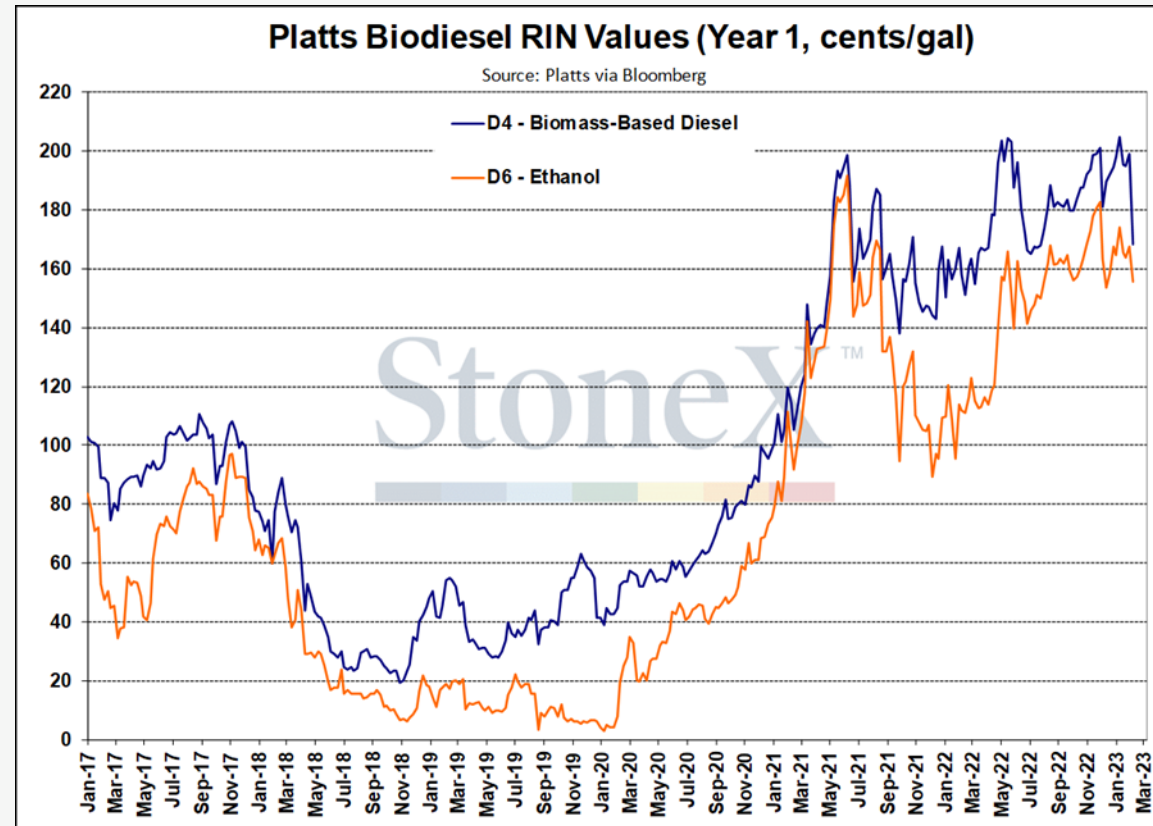
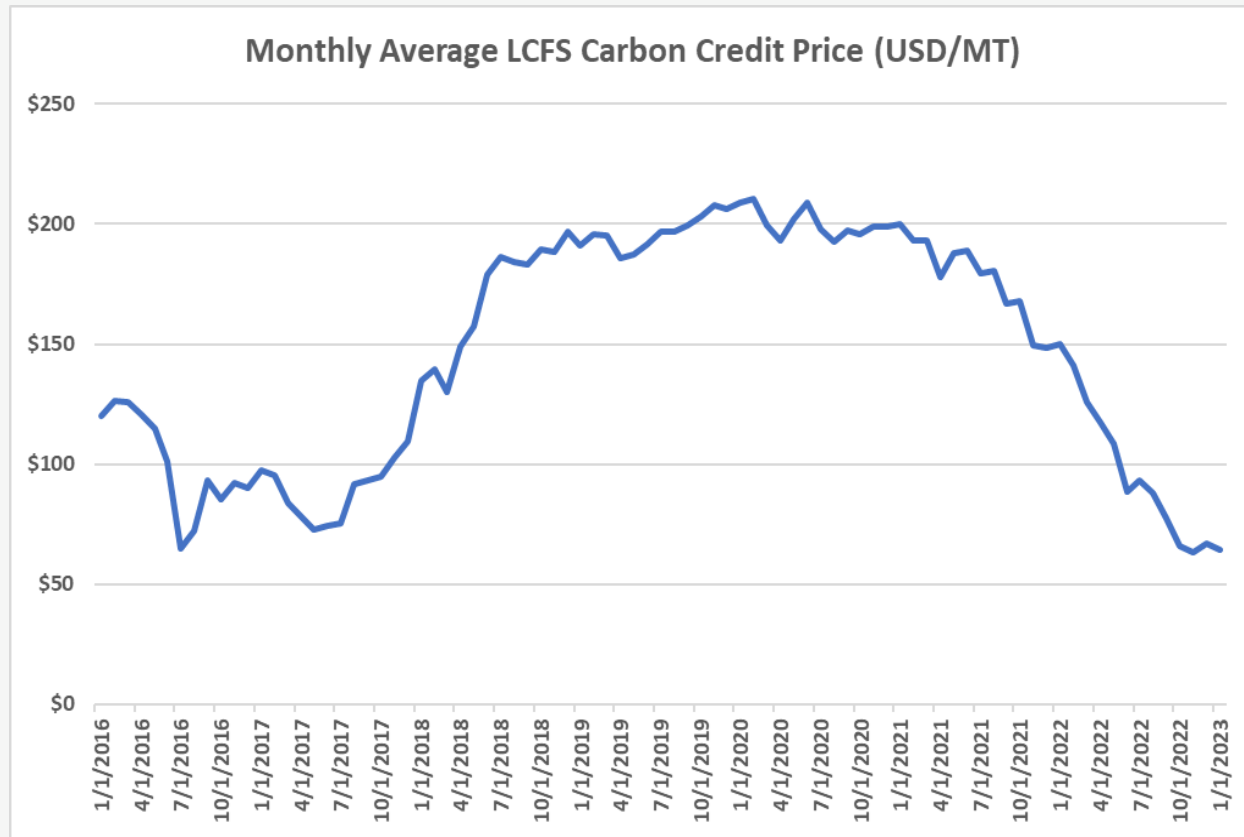
- Laser focus on integration efforts, both operationally, geographically and administratively
- Expected DGD dividends in 2023 will help to reduce debt
- Work toward investment grade
- Continue opportunistic share repurchase program, \$374.5 million remaining as of year end
- Expansion projects to drive profitable growth
 - Grow green energy in Europe
 - Expand existing US plants to accommodate customer growth and increase waste feedstock supply
 - Additional spray dry capacity for hydrolyzed collagen production
- Expect continued growth; fiscal year 2023 guidance \$1.80-\$1.85 billion combined adjusted EBITDA



APPENDIX ADDITIONAL INFORMATION



California LCFS RIN Value History



Feed Segment – Historical

US\$ (in millions)	Q1-2021	Q2-2021	Q3-2021	Q4-2021	Total 2021	Q1-2022	Q2-2022	Q3-2022	Q4-2022	Total 2022
Net Sales	\$ 651.4	\$ 771.9	\$ 769.6	\$ 846.5	\$ 3,039.5	\$ 879.4	\$ 1,170.3	\$ 1,273.1	\$1,216.1	\$4,539.0
Gross Margin	176.9	215.5	216.0	224.9	833.3	233.9	306.0	260.2	265.3	\$1,065.5
Gross Margin %	27.1%	27.9%	28.1%	26.6%	27.4%	26.6%	26.1%	20.4%	21.8%	23.5%
Loss (Gain) on sale of assets	(0.1)	(0.1)	(0.2)	(0.1)	(0.6)	(0.3)	(1.0)	(2.3)	0.2	(3.4)
SG&A	52.6	55.0	55.0	57.5	220.1	56.2	64.9	64.0	73.7	258.8
SG&A Margin %	8.1%	7.1%	7.1%	6.8%	7.2%	6.4%	5.5%	5.0%	6.1%	5.7%
Operating Income	69.8	106.7	107.4	111.0	394.8	123.7	164.6	117.9	100.1	506.3
Adj. EBITDA ⁽¹⁾	\$ 124.4	\$ 160.7	\$ 161.2	\$ 167.5	\$ 613.7	\$ 178.0	\$ 242.1	\$ 198.6	\$ 191.4	\$810.1
Adj. EBITDA Margin %	19.1%	20.8%	20.9%	19.8%	20.2%	20.2%	20.7%	15.6%	15.7%	17.8%
Raw Material Processed (mmts)*	2.23	2.19	2.22	2.27	8.92	2.31	2.70	3.1	3.2	11.3



Food Segment – Historical

US\$ (in millions)	Q1-2021	Q2-2021	Q3-2021	Q4-2021	Total 2021	Q1 -2022	Q2-2022	Q3-2022	Q4-2022	Total 2022
Net Sales	\$ 298.1	\$ 317.0	\$ 311.9	\$ 344.7	\$ 1,271.6	\$ 354.8	\$ 369.2	\$ 347.9	\$387.7	\$1,459.6
Gross Margin	71.7	78.5	70.5	71.7	292.4	84.5	88.2	91.3	93.3	357.4
Gross Margin %	24.0%	24.8%	22.6%	20.8%	23.0%	23.8%	23.9%	26.3%	24.1%	24.5%
Loss/(gain) on sale of assets	0.1	(0.0)	(0.0)	(0.1)	(0.1)	(0.1)	(0.1)	(0.8)	(0.1)	(1.0)
SG&A	25.2	25.5	24.4	22.4	97.6	26.8	22.9	23.9	28.1	101.7
SG&A Margin %	8.5%	8.1%	7.8%	6.5%	7.7%	7.6%	6.2%	6.9%	7.2%	7.0%
Operating Income	31.5	37.1	31.2	34.1	134.0	42.2	51.0	53.8	29.5	176.6
Adj. EBITDA	\$ 46.4	\$ 53.0	\$ 46.1	\$ 49.4	\$ 194.9	\$ 57.7	\$ 65.4	\$ 68.2	\$65.4	\$256.7
Adj. EBITDA Margin %	15.6%	16.7%	14.8%	14.3%	15.3%	16.2%	17.7%	19.6%	16.9%	17.6%
Raw Material Processed (mmts)*	0.26	0.27	0.28	0.29	1.11	0.28	0.27	0.27	.28	1.10



Fuel Segment – Historical

US\$ (in millions)	Q1-2021	Q2-2021	Q3-2021	Q4-2021	Total 2021	Q1-2022	Q2-2022	Q3-2022	Q4-2022	Total 2022
Net Sales	\$ 97.2	\$ 109.7	\$ 104.4	\$ 118.9	\$ 430.2	\$ 132.0	\$ 110.7	\$ 126.6	\$ 164.3	\$ 533.6
Gross Margin	25.4	26.6	39.8	24.5	116.3	27.3	24.4	24.8	30.2	106.7
Gross Margin %	26.1%	24.2%	38.1%	20.6%	27.0%	20.7%	22.1%	19.6%	18.4%	20.0%
Loss (gain) on sale of assets	0.0	(0.1)	(0.3)	(0.0)	(0.3)	(0.0)	(0.0)	(0.0)	0.0	(0.1)
SG&A	4.9	4.5	4.5	3.2	17.0	3.9	4.3	1.7	3.8	13.7
Restructuring and asset impairment charges	0.8	-	-	-	0.8	-	-	-	-	-
Depreciation and amortization	6.2	6.7	6.4	6.2	25.4	6.6	6.9	7.3	8.6	29.5
Equity in net income of DGD	102.2	125.8	54.0	69.7	351.7	71.8	73.7	103.4	123.4	372.3
Operating Income	95.8	141.3	83.2	84.8	405.1	88.6	86.9	119.2	141.2	435.9
Base adjusted EBITDA	20.5	22.2	35.6	21.4	99.7	23.4	20.2	23.1	26.4	93.1
DGD adjusted EBITDA (Darling's Share)	108.2	132.0	60.0	83.2	383.4	86.6	90.6	120.3	146.0	443.5
Combined adjusted EBITDA (1)	\$ 108.8	\$ 154.2	\$ 95.6	\$ 104.6	\$ 483.1	\$110.0	\$110.8	143.4	172.4	536.6
Raw Material Processed (mmts) (2)	0.33	0.31	0.30	0.33	1.28	0.34	0.35	0.36	0.37	1.42

(1) Includes Fuel Segment base EBITDA and Darling's share of DGD EBITDA.

(2) Excludes feed stock (raw material) processed at the DGD joint venture.



Historical Pricing

2022 Finished Product Pricing		2022 Average Jacobsen Prices (USD)																
Feed Segment Ingredients		January	February	March	Q1 Avg.	April	May	June	Q2 Avg.	July	August	Sept.	Q3 Avg.	Oct.	Nov.	Dec.	Q4 Avg.	Year Avg.
Bleachable Fancy Tallow - Chicago Renderer / cwt		\$67.00	\$72.03	\$74.70	\$71.39	\$75.60	\$81.00	\$81.76	\$79.51	\$82.00	\$82.00	\$77.62	\$80.04	\$74.00	\$74.00	\$69.43	\$72.34	\$75.82
Yellow Grease - Illinois / cwt		\$45.38	\$55.50	\$60.02	\$53.91	\$58.00	\$60.50	\$61.74	\$60.11	\$60.50	\$60.85	\$61.64	\$61.09	\$62.81	\$63.23	\$60.08	\$62.01	\$59.28
Used Cooking Oil (UCO) - Illinois / cwt		\$59.20	\$63.47	\$68.02	\$63.89	\$69.00	\$69.00	\$69.00	\$68.89	\$65.88	\$64.00	\$65.31	\$64.98	\$64.61	\$66.75	\$62.96	\$64.76	\$65.63
Meat and Bone Meal - Ruminant - IL/ ton		\$275.50	\$291.84	\$374.50	\$317.22	\$360.00	\$360.00	\$379.52	\$366.62	\$405.00	\$405.00	\$399.29	\$404.41	\$390.00	\$390.00	\$402.50	\$392.39	\$370.16
Poultry By-Product Meal - Feed Grade - Mid South/ton		\$358.38	\$362.50	\$380.00	\$367.03	\$380.00	\$381.91	\$393.93	\$385.83	\$390.00	\$390.00	\$390.71	\$388.85	\$388.21	\$387.50	\$397.50	\$390.37	\$383.02
Poultry By-Product Meal - Pet Food - Mid South/ton		\$759.38	\$764.50	\$764.41	\$761.70	\$800.00	\$826.20	\$779.05	\$801.36	\$750.00	\$800.00	\$847.62	\$762.27	\$736.90	\$700.00	\$687.50	\$711.00	\$759.09

2022 Vegetable Oils Pricing		2022 Average Jacobsen Prices (USD)																
Competing Ingredient for Feed Segment fats & biofuel feedstock		January	February	March	Q1 Avg.	April	May	June	Q2 Avg.	July	August	Sept.	Q3 Avg.	Oct.	Nov.	Dec.	Q4 Avg.	Year Avg.
Soybean Oil (crude/de-gummed) - Central Illinois / cwt		\$64.42	\$69.42	\$78.75	\$71.30	\$84.32	\$85.79	\$80.45	\$83.48	\$74.30	\$73.18	\$73.75	\$70.70	\$75.04	\$67.46	\$65.17	\$75.72	\$75.30
Soybean Oil (RBD) - Central Illinois / cwt		\$75.57	\$79.66	\$91.29	\$82.65	\$96.50	\$102.81	\$98.78	\$99.83	\$87.30	\$84.18	\$83.80	\$83.50	\$84.17	\$76.96	\$76.17	\$84.82	\$87.70
Distiller's Corn Oil - IL/WI cwt		\$64.76	\$79.00	\$76.00	\$73.25	\$78.73	\$80.11	\$74.28	\$77.63	\$72.50	\$72.50	\$72.45	\$69.80	\$74.14	\$77.46	\$66.00	\$73.32	\$73.50

2022 Cash Corn Pricing		Average Wall Street Journal Prices (USD)																
Competing Ingredient for Bakery Feeds and Fats		January	February	March	Q1 Avg.	April	May	June	Q2 Avg.	July	August	Sept.	Q3 Avg.	Oct.	Nov.	Dec.	Q4 Avg.	Year Avg.
Corn - Track Central IL #2 Yellow / bushel		\$6.22	\$6.70	\$7.70	\$6.90	\$8.10	\$8.23	\$8.30	\$8.20	\$6.79	\$7.60	\$7.08	\$7.01	\$6.88	\$6.68	\$6.76	\$6.85	\$7.24

2022 European Benchmark Pricing		Average Thomson Reuters Prices (USD)																
Palm Oil - Competing ingredient for edible fats in Food Segment Soy meal - Competing ingredient for protein meals in Feed Segment		January	February	March	Q1 Avg.	April	May	June	Q2 Avg.	July	August	Sept.	Q3 Avg.	Oct.	Nov.	Dec.	Q4 Avg.	Year Avg.
Palm oil - CIF Rotterdam / metric ton		\$1,342	\$1,502	\$1,820	\$1,555	\$1,700	\$1,698	\$1,588	\$1,662	\$1,256	\$1,075	\$882	\$1,071	\$1,018	\$1,107	\$1,004	\$1,043	\$1,347.00
Soy meal - CIF Rotterdam / metric ton		\$535	\$576	\$617	\$576	\$583	\$531	\$535	\$550	\$531	\$538	\$537	\$535	\$539	\$532	\$569	\$547	\$552.00

Comparison	QTR. over QTR. (Sequential)			Year over Year (Q1)		
	Q3-2022 Avg.	Q4-2022 Avg.	% Change	Q4-2021 Avg.	Q4-2022 Avg.	% Change
Average Jacobsen Prices (USD)						
Bleachable Fancy Tallow - Chicago Renderer / cwt	\$80.04	\$72.34	-9.6%	\$66.15	\$72.34	9.4%
Yellow Grease - Illinois / cwt	\$61.09	\$62.01	1.5%	\$44.30	\$62.01	40.0%
Used Cooking Oil (UCO) - Illinois / cwt	\$64.98	\$64.76	-0.3%	\$55.31	\$64.76	17.1%
Meat and Bone Meal - Ruminant - Illinois / ton	\$404.41	\$392.39	-3.0%	\$261.79	\$392.39	49.9%
Poultry By-Product Meal - Feed Grade - Mid South / ton	\$388.85	\$390.37	0.4%	\$335.07	\$390.37	16.5%
Poultry By-Product Meal - Pet Food - Mid South / ton	\$762.27	\$711.00	-6.7%	\$650.25	\$711.00	9.3%
Soybean Oil (crude/de-gummed) - Central Illinois / cwt	\$70.70	\$75.72	7.1%	\$63.48	\$75.72	19.3%
Soybean Oil (RBD) - Central Illinois / cwt	\$83.50	\$84.82	1.6%	\$76.69	\$84.82	10.6%
Distiller's Corn Oil - IL/WI per cwt	\$69.80	\$73.32	5.0%	\$57.77	\$73.32	26.9%
Average Wall Street Journal Prices (USD)						
Corn - Track Central IL #2 Yellow / bushel	\$7.01	\$6.85	-2.3%	\$5.48	\$6.85	25.0%
Average Thomson Reuters Prices (USD)						
Palm oil - CIF Rotterdam / metric ton	\$1,130	\$1,043	-7.7%	\$1,349	\$1,043	-22.7%
Soy meal - CIF Rotterdam / metric ton	\$535	\$547	2.2%	\$466	\$547	17.4%



Adjusted EBITDA

Adjusted EBITDA <i>(U.S. dollars in thousands)</i>	Three Months Ended		Twelve Months Ended	
	December 31, 2022	January 1, 2022	December 31, 2022	January 1, 2022
Net income attributable to Darling	\$ 156,560	\$ 155,754	\$ 737,690	\$ 650,914
Depreciation and amortization	117,384	80,805	394,721	316,387
Interest expense	46,139	14,972	125,566	62,077
Income tax expense	37,995	37,782	146,626	164,106
Restructuring and asset impairment charges	21,109	-	29,666	778
Acquisition and integration costs	2,738	1,396	16,372	1,396
Foreign currency losses	5,272	900	11,277	2,199
Other (income) expense, net	(242)	1,341	3,609	4,551
Equity in net income of Diamond Green Diesel	(123,448)	(69,663)	(372,346)	(351,627)
Equity in net (income) loss of other unconsolidated subsidiaries	831	(1,554)	(5,102)	(5,753)
Net income attributable to noncontrolling interests	2,671	1,843	9,402	6,376
Adjusted EBITDA (Non-GAAP)	<u>\$ 267,009</u>	<u>\$ 223,576</u>	<u>\$ 1,097,481</u>	<u>\$ 851,404</u>
Foreign currency exchange impact	18,134	(1)	59,715	(2)
Pro forma Adjusted EBITDA to Foreign Currency (Non-GAAP)	<u>\$ 285,143</u>	<u>\$ 223,576</u>	<u>\$ 1,157,196</u>	<u>\$ 851,404</u>
DGD Joint Venture Adjusted EBITDA (Darling's Share)	<u>\$ 145,984</u>	<u>\$ 83,192</u>	<u>\$ 443,487</u>	<u>\$ 383,419</u>
Darling plus Darling's share of DGD Joint Venture Adjusted EBITDA	<u>\$ 412,993</u>	<u>\$ 306,768</u>	<u>\$ 1,540,968</u>	<u>\$ 1,234,823</u>

(1) The average rate assumption used in this calculation was the actual average rate for the three months ended December 31, 2022 of €1.00:USD\$1.02 and CAD\$1.00:USD\$0.74, as compared to the average rate for the three months ended January 1, 2022 of €1.00:USD\$1.14 and CAD\$1.00:USD\$0.79, respectively.

(2) The average rate assumption used in this calculation was the actual average rate for the twelve months ended December 31, 2022 of €1.00:USD\$1.05 and CAD\$1.00:USD\$0.77, as compared to the average rate for the twelve months ended January 1, 2022 of €1.00:USD\$1.18 and CAD\$1.00:USD\$0.80, respectively.





Q4 – 22 Earnings ●●●●●

EVENT CALENDAR

Bank of America Global Ag and Minerals Conference

March 1 – Fort Lauderdale, Florida

Raymond James Annual Institutional Investors Conference

March 7 – Orlando, Florida

Scotia Howard Weil Energy Conference

March 8 – Miami, Florida

35th Annual Roth Conference

March 13 – Dana Point, California

Piper Sandler Annual Energy Conference

March 21 – Las Vegas, Nevada



Non-U.S. GAAP Measures

Adjusted EBITDA is not a recognized accounting measurement under GAAP; it should not be considered as an alternative to net income, as a measure of operating results, or as an alternative to cash flow as a measure of liquidity and is not intended to be a presentation in accordance with GAAP. Adjusted EBITDA is presented here not as an alternative to net income, but rather as a measure of the Company's operating performance. Since EBITDA (generally, net income plus interest expense, taxes, depreciation and amortization) is not calculated identically by all companies, this presentation may not be comparable to EBITDA or Adjusted EBITDA presentations disclosed by other companies. Adjusted EBITDA is calculated in this presentation and represents, for any relevant period, net income/(loss) plus depreciation and amortization, goodwill and long-lived asset impairment, interest expense, income tax provision, other income/(expense) and equity in net loss of unconsolidated subsidiary. Management believes that Adjusted EBITDA is useful in evaluating the Company's operating performance compared to that of other companies in its industry because the calculation of Adjusted EBITDA generally eliminates the effects of financing, income taxes and certain non-cash and other items that may vary for different companies for reasons unrelated to overall operating performance.

Pro forma Adjusted EBITDA to Foreign Currency is not a recognized accounting measurement under GAAP. The Company evaluates the impact of foreign currency on its adjusted EBITDA. DGD Joint Venture Adjusted EBITDA (Darling's share) is not reflected in the Adjusted EBITDA or the Pro forma Adjusted EBITDA to Foreign Currency (Non-GAAP).

As a result, the Company's management uses Adjusted EBITDA as a measure to evaluate performance and for other discretionary purposes. In addition to the foregoing, management also uses or will use Adjusted EBITDA to measure compliance with certain financial covenants under the Company's Senior Secured Credit Facilities, 6% Notes, 5.25% Notes and 3.625% Notes that were outstanding at Dec. 31, 2022. However, the amounts shown in this presentation for Adjusted EBITDA differ from the amounts calculated under similarly titled definitions in the Company's Senior Secured Credit Facilities, 6% Notes, 5.25% Notes and 3.625% Notes, as those definitions permit further adjustments to reflect certain other non-recurring costs, non-cash charges and cash dividends from the DGD Joint Venture. Additionally, the Company evaluates the impact of foreign exchange impact on operating cash flow, which is defined as segment operating income (loss) plus depreciation and amortization.



EARNINGS REPORT

Q4 | FEBRUARY 27, 2023

