



Renewable Energy Group (NASDAQ: REGI)

October 1st, 2020

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2 Industry Outlook

3 Investment Thesis

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5 Catalysts and Risks

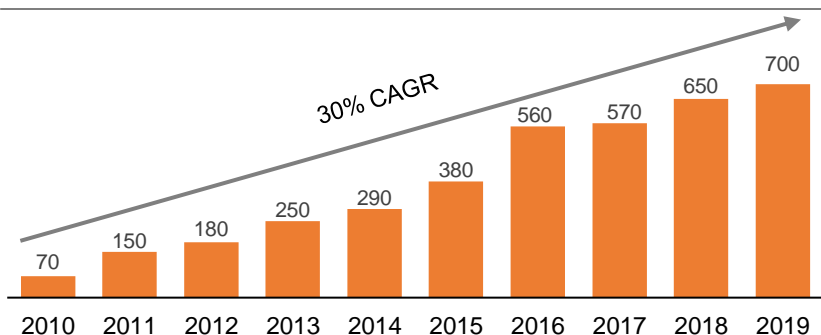
6 Recommendation

Renewable Energy Group (NASDAQ: REGI)

Business Description

- Renewable Energy Group is North America's largest producer of biodiesel, operating 13 biorefineries and a feedstock processing facility
- REGI provides cleaner, lower carbon transportation fuels through an integrated value chain model
- REGI products are alternatives for petroleum diesel that produces significantly lower carbon emissions
- In 2019, REGI produced 700mm gallons of biomass-based diesel

Sales Volume Growth (mmgy)¹



REGI derives a small portion of revenues from the sale of co-products from the sale of petroleum-based heating oil and diesel fuel acquired by third parties, along with the sale of such items further blended with biodiesel produced by REGI facilities.

Management Team



Name	Cynthia Warner	Brad Albin	Gary Haer	Doug Lenhart
Position	President & CEO	VP, Manufacturing	VP, Sales	VP, Procurement
Years Exp.	35	31	20	30
Background	EVP of Operations for Andeavor, overseeing refining	Various manufacturing executive roles at Power Packaging & LaBatt's	Director of Sales for biodiesel at West Central	SVP in various multinational integrated agricultural corporations

Total Segmented Revenue (\$US mm)

	2019	2018
Biomass-based Diesel	1,389.6	1474.4
Petroleum and Blended Diesel	270.3	239.4
Other Biomass-based Diesel	215.1	178.1
Separated RIN Sales	98.2	137.8
Professional Services	1.6	93.3
Government Incentives	666.4	367.4
Total Revenue	\$2,641.3	\$2,382.9

Management Analysis


“Moving to 150+” Strategy Success


- In late 2016, REGI announced the push of the “Moving to 150+” management strategy, exciting shareholders and proving to be successful
- The strategy called for US\$150mm+ in adjusted EBITDA, assuming the retroactive reinstatement of the Biodiesel Mixture Tax Credit (BTC)
- The strategy included various areas of focus to grow revenue and improve EBITDA margins, such as increase biodiesel sales, improve internal operations, capture the downstream margin, and launch various specialty products


CEO Resigned & Replaced

- In July 2017, REGI CEO Daniel Oh resigned from both his position and the Company’s Board for unknown reasons
- REGI hired an outsider CEO in late 2017, Cynthia Warner, previously EVP of Operations for Andeavor, leading the company’s strategic growth and growing EBITDA well beyond the 150+ strategy in 6 months
- Warner serves as a member of the Board of Directors for IDEX Corporation and a member of the Board of Directors for Sempra Energy

Strategy Highlights

- 

Maximizing
Expected US\$100mm+ of adjusted EBITDA from base business without reselling third-party diesel (RHD)
- 

Optimizing
Realizing full year of RHD returns estimated at US\$50mm+ of adjusted EBITDA
- 

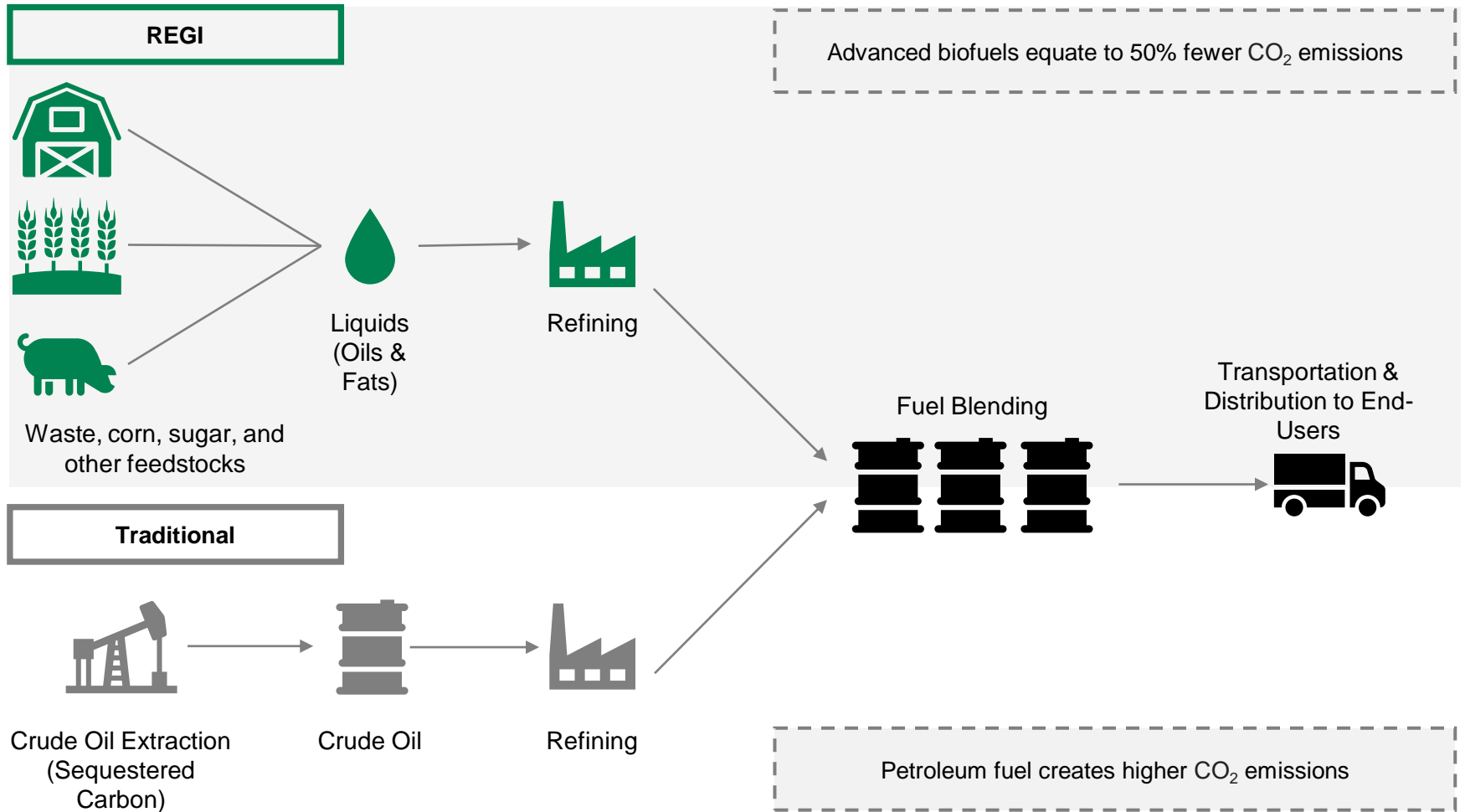
Expanding
Add new geographies and products to business offerings, thereby increasing sales

Board of Directors Maintain Lengthy Relationships

- Many of the Directors sitting on REGI’s Board have fostered lengthy relationships with the company
- Jeffrey Stroburg, Chairman, joined the Board in 2006, after acting as CEO of REGI from 2006 to 2011
- 3 Directors have served on the Board since 2007, chairing various committees
- 3 Directors have joined the Board since 2018, all of whom were appointed by the Chairman

Biodiesel Business Model

Lower Carbon Intensity & Cleaner Products Delivered Through Existing Infrastructure Channels



Biodiesel & Renewable Diesel

Differences Between the Two

- There are 2 types of biomass based diesel: biodiesel and renewable diesel
- Renewable diesel is composed of hydrocarbon chains that are indistinguishable from petroleum diesel, meaning that it meets specifications for use in existing infrastructure and diesel engines and is not subject to any blending limitations
- Both fuels are made from biomass or materials derived from biomass, but they differ in how they are produced and in their physical properties

REGI Renewable Diesel

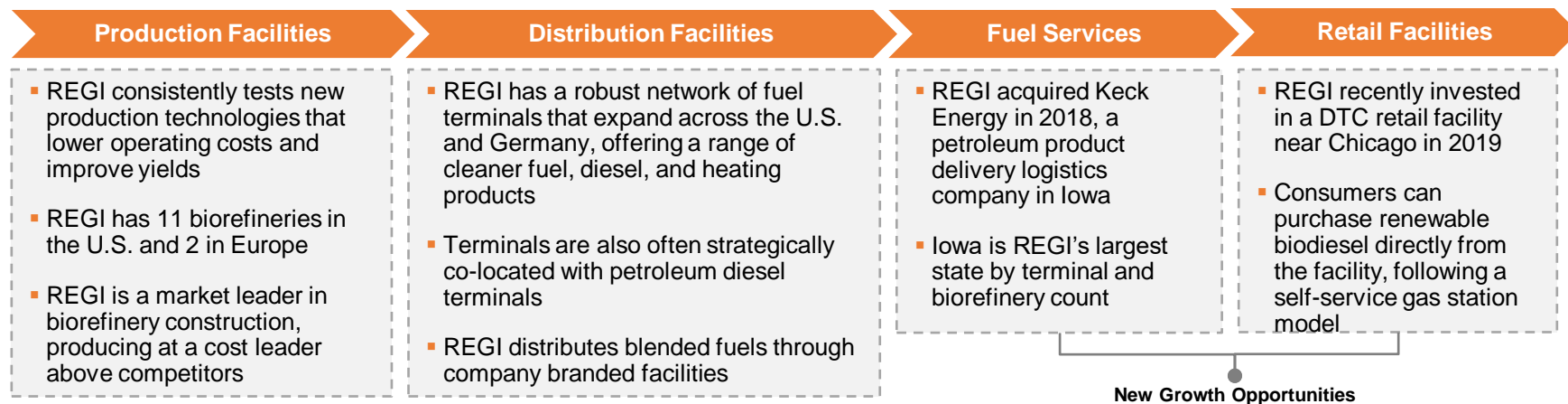
- REGI renewable diesel (RD) is not as widely available as biodiesel, as a result renewable diesel carries a price premium compared to biodiesel
- RD is a cleaner, higher quality product that withstands cold and storage much better than traditional biodiesel
- To take advantage of the price premium for renewable diesel, REGI is considering expanding their renewable diesel operations
- As of 2020, all REGI renewable diesel is refined in one facility in Louisiana

REGI Production Facilities by Fuel Type

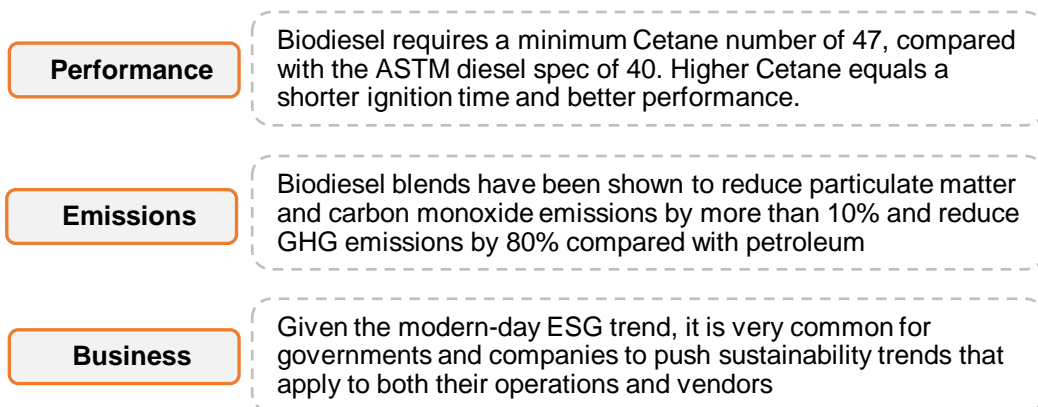
Location	Fuel	Yearly Capacity (mmgy)
Albert Lea, Minnesota	Biodiesel	30
Danville, Texas	Biodiesel	45
DeForest, Wisconsin	Biodiesel	20
Emden, Germany	Biodiesel	27
Geismar, Louisiana	Renewable Diesel	75
Grays Harbor, Washington	Biodiesel	100
Mason City, Iowa	Biodiesel	30
Newton, Iowa	Biodiesel	30
Oeding, Germany	Biodiesel	23
Ralston, Iowa	Biodiesel	30
Seabrook, Texas	Biodiesel	35
Seneca, Illinois	Biodiesel	60

REGI Value Chain

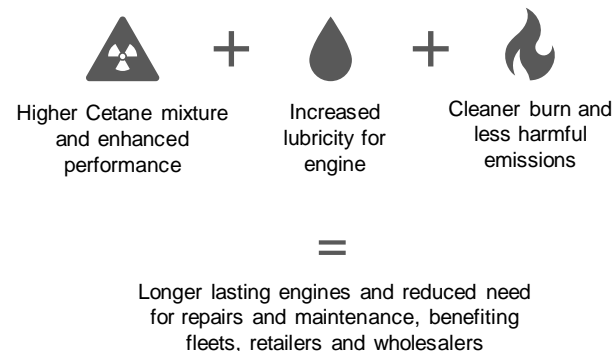
Product Sale Process



REGI Biodiesel Customer Value Proposition

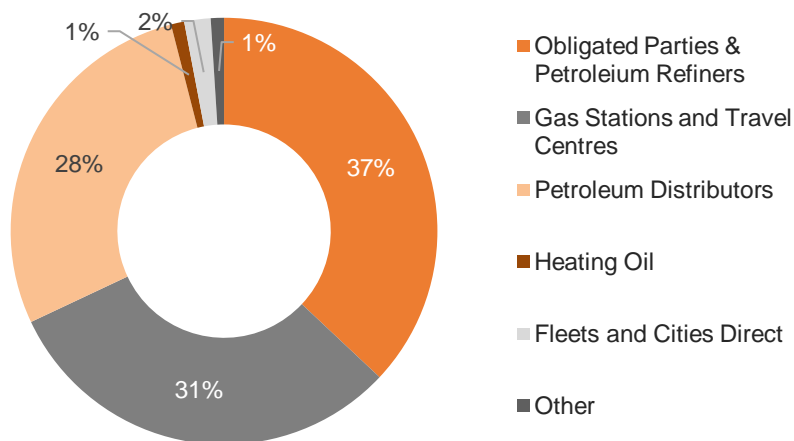


Potential for Cost Advantage

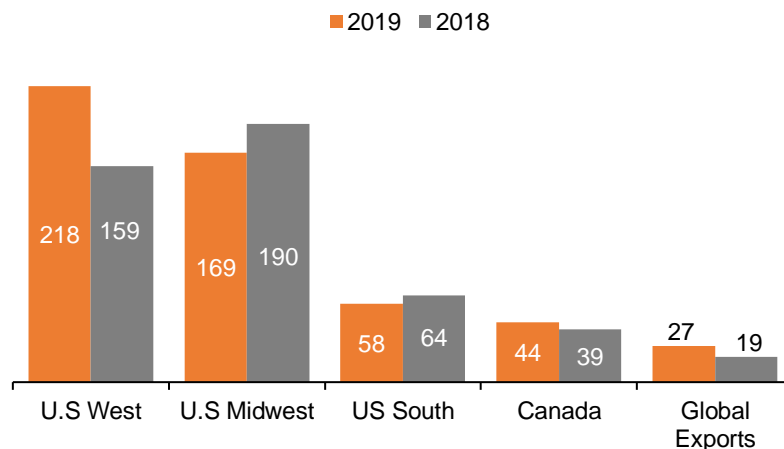


REGI Customer Base

2019 Sales by Customer Segment



Gallons Sold by Region (mmgy)



2019 Gallons Sold by Top 5 Customers (mmgy)

Customer Type	2015	2016	2017	2018	2019
Travel Centre and Gas Station 1	111	133	126	81	75
Petroleum Distributor	4	20	28	36	41
Petroleum Refiner 1	5	11	7	12	28
Petroleum Refiner 2	1	2	10	23	27
Travel Centre and Gas Station 2	7	23	7	36	25
Top 5 Customers Total	127	188	178	189	298
REGI Total	375	567	587	649	700
Top 5 Customers as a % of Total	34%	33%	30%	29%	28%

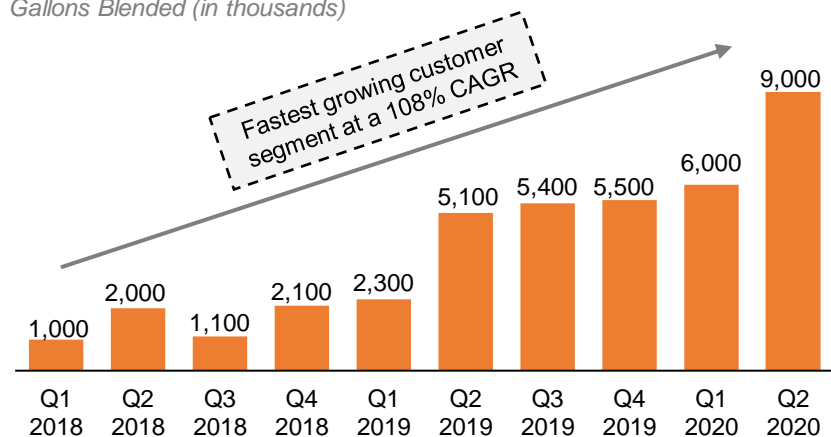
Commentary

- The dependency of REGI's top five customers is slowly decreasing as new customers emerge
- Three out of five of the top five customers are increasing their demand for REGI's various biodiesel and related petroleum products
- The total demand from REGI's top five customers has more than doubled since 2015

Operating Metrics

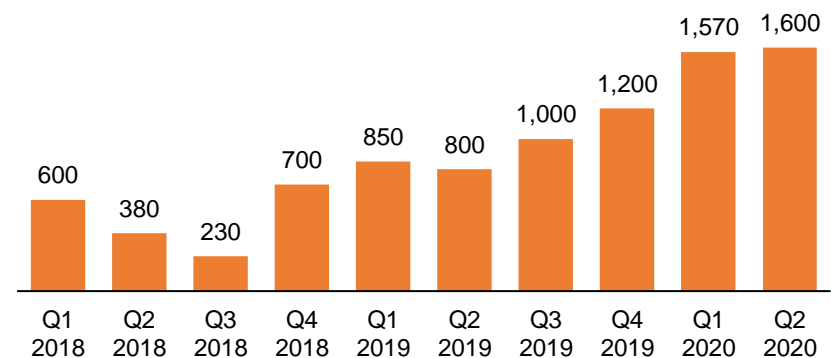
Gallons Sold to Fleet Segment Customers

Gallons Blended (in thousands)



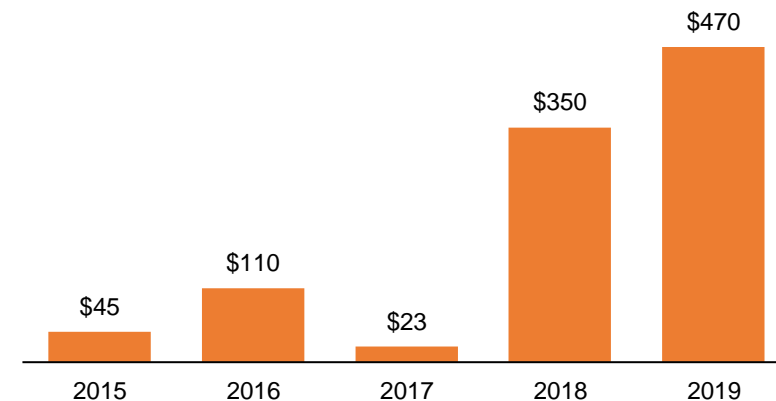
Sales of Blends of Biodiesel in Renewable Diesel

Gallons Biodiesel (in thousands)



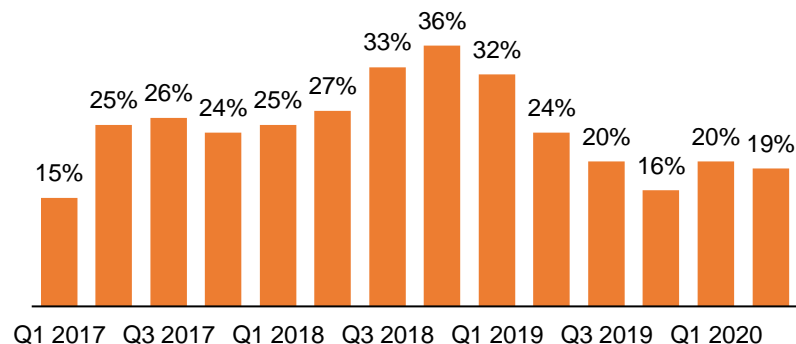
Trailing 12-Month EBITDA

\$US mm



Trailing 12-Month ROIC

After-tax EBIT / Invested Capital



PV Chart and Capitalization Table

Price-Volume Analysis



Market Data

(in \$US mm)	Capitalization	
Share Price (01-Oct-2020)	(US\$)	\$53.93
Basic Shares Outstanding	(mm)	39.3
Diluted Securities	(mm)	-
Market Capitalization	(US\$ mm)	2,119
(-) Cash & Equivalents	(US\$ mm)	(79)
(+) Short-Term Debt	(US\$ mm)	415
(+) Long-Term Debt	(US\$ mm)	1,488
(+) Minority Interest	(US\$ mm)	-
Enterprise Value	(US\$ mm)	3,943

Trading Multiples

EV / 2019A EBITDA	-	8.4x
EV / 2020E EBITDA	-	20.3x
EV / 2021E EBITDA	-	12.8x
P / 2019A EPS	-	6.0x
P / 2020E EPS	-	16.2x
P / 2021E EPS	-	10.1x

Market Data

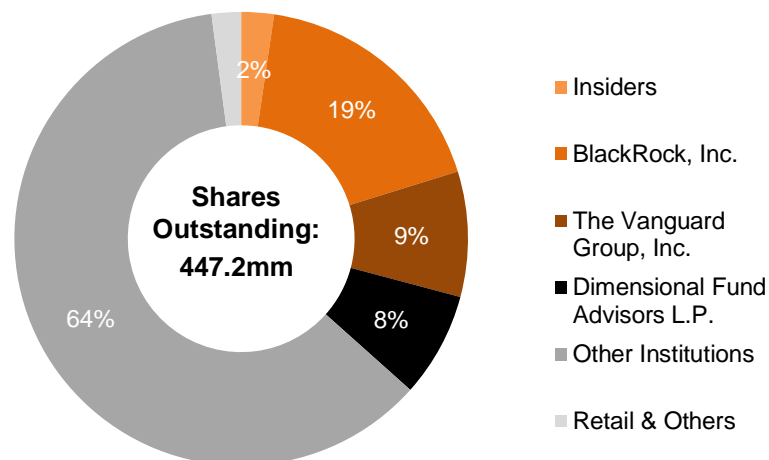
52-Week High	(US\$)	\$54.99
% of 52-Week High	(%)	98.1%
52-Week Low	(US\$)	\$14.01
Beta	-	1.15

Shareholder Overview

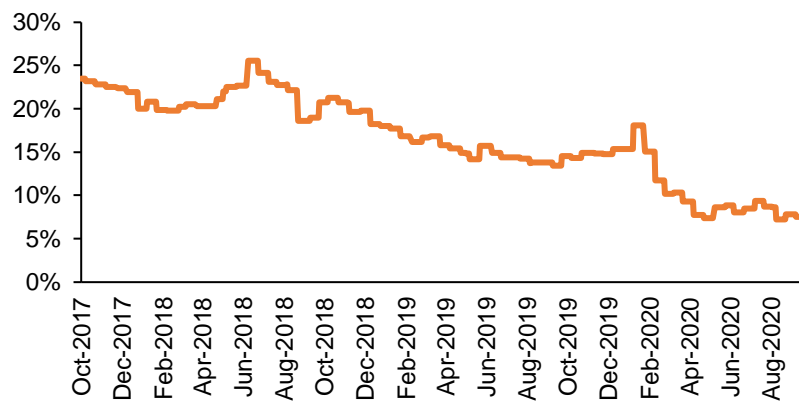
Shareholder Summary

	# of Shares Held	% of Shares Outstanding
Insiders		
Stroburg, Jeffrey	0.2	0.5%
Harding, Peter J. M.	0.1	0.3%
Stone, Chad	0.1	0.3%
Howard, Randolph L.	0.1	0.3%
Other Insiders	0.4	1.0%
Total Insiders	1.0	2.4%
Institutions		
BlackRock, Inc.	7.3	18.7%
The Vanguard Group, Inc.	3.7	9.3%
Dimensional Fund Advisors L.P.	3.1	7.8%
State Street Global Advisors, Inc.	2.0	5.0%
Grantham Mayo Van Otterloo & Co. LLC	1.4	3.5%
Private Management Group, Inc.	1.1	2.9%
DNB Asset Management AS	1.0	2.4%
Parsifal Capital Management, LP	0.9	2.2%
Northern Trust Global Investments	0.8	2.1%
Invesco Ltd.	0.8	2.1%
Invesco Capital Management LLC	0.7	1.7%
Teachers Insurance and Annuity Association	0.7	1.7%
Other Institutions	15.8	40.2%
Total Institutions	39.2	99.8%
Retail & Other Investors	0.9	2.4%
Public Float	38.3	97.6%
Total Basic Shares Outstanding	39.3	100.0%

Ownership Structure



Short Interest



Liquidity Analysis

Debt Snapshot

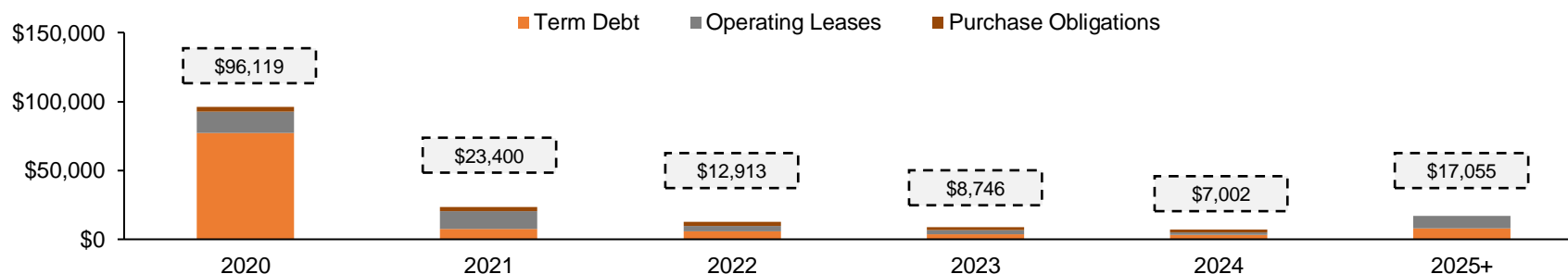
Debt Summary (US\$ thousands)

Type	Interest Type	Maturity	Amount Out	Interest Rate	Interest Expense	Cum Obligation / Adj. EBITDA
Term Debt						
Convertible Senior Notes	Fixed	2036	69,668	4.00%	2,786.7	0.3x
Danville term loan, secured	Floating	2022	6,468	5.00%	323.4	0.0x
Ralston term loan	Flotating	2025	15,980	3.25%	519.4	0.1x
Grays Harbor term loan	Floating	2022	6,966	3.50%	243.8	0.0x
Capital term loan	Fixed	2028	6,929	3.99%	276.5	0.0x
Total Secured Debt			106,011		4,149.7	0.5x
Unsecured Debt						
Total revolving loan (current)			76,990	2.3%	1,732.3	0.4x
Total Unsecured Debt			76,990		1,732.3	0.4x
Total Debt			183,001		5,882.0	0.8x
Total Operating Leases			53,087			0.2x
Total Purchase Obligations			12,089			0.1x
Total Debt and Obligations			195,090		5,882.0	0.9x

Key Metrics

Adj. 2019 EBITDA	\$217 mm
Total Debt / EBITDA	0.8x
Total Net Debt / EBITDA	0.7x
Interest Coverage	36.7x
Total Cash Balance (FY 2019)	\$50 mm

Payments Due by Period (US\$ thousands)



Sources: Capital IQ, Company Filings

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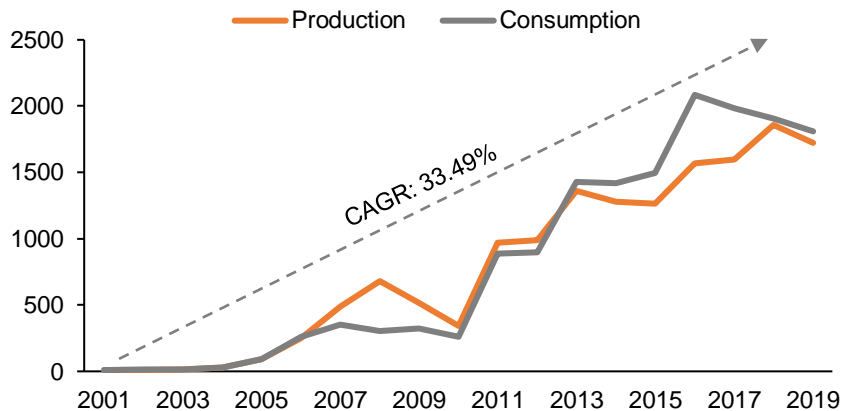
Renewable Fuel Industry Growth

Industry Overview

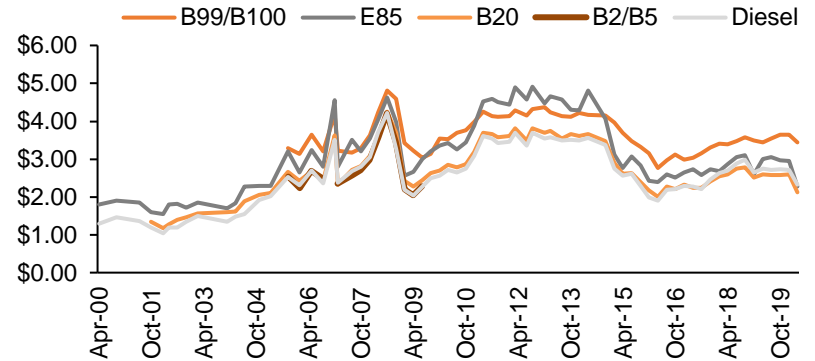
- The renewable fuel industry is comprised of 4 major categories: Advanced Fuels, Biodiesel, Cellulosic Ethanol, and Conventional Ethanol
- Applications of these fuels include machinery and transportation vehicles
- Biofuels can be produced domestically, which could lead to lower fossil fuel imports
- Diverting these crop end use cases to biofuel production may lead to more land area devoted to agriculture, increased use of polluting inputs, and higher food prices

U.S. Biodiesel Production & Consumption

Gallons Biodiesel (in mm)



Mixed Biodiesel Prices Against Diesel (per GGEs)¹



Biodiesel follows the same price trends as diesel and is not sold for a premium over conventional diesel.

Notes: U.S. Biodiesel Production & Consumption

- Between 2007-2009, production exceeded domestic consumption allowing companies to export due to high prices
- U.S. production companies began exporting products to the EU, prompting the EU to issue a protectionist policy
- EPA² issued volume requirements for Biodiesel through 2014-2017 which guaranteed a market for biodiesel with an increase each year
- From 2013-2017, consumption exceeded production resulting in biodiesel imports

Industry Outputs & Feedstock

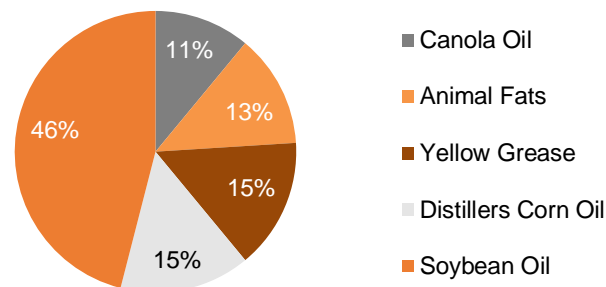
Biodiesel

- Biodiesel also known as Bio-based Diesel is an alternative fuel manufactured from feedstocks and is used in diesel vehicles
- Biodiesel is produced by transesterification which is a process that converts fats and oils into biodiesel and glycerin
- The market is relatively small but has been growing over the past 5 years and currently accounts for ~3.2% of the 62 billion gallons sold annually in the diesel market

Conventional Starch Ethanol

- Ethanol is a renewable biofuel made from biomass
- The most common production process uses yeast to ferment starch and sugars in corn, wheat, sugar cane and sugar beet
- Corn is the main feedstock for fuel ethanol in the U.S. due to its abundance and low price
- The estimated production cost varied from \$1.63/gallon to \$3.47/gallon between 2008 and 2017

Inputs: 2019 Biodiesel Fuel Feedstock Use



There are multiple potential feedstocks that can be used to produce Biodiesel; Facilities can use various feedstocks and do not require a certain input to produce

Cellulosic Ethanol

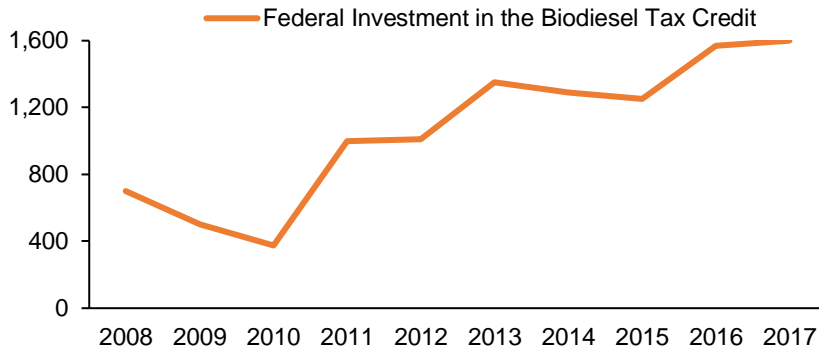
- Cellulosic ethanol is a large potential source of fuel ethanol which is produced by breaking down cellulose in plant fibers
- Is considered an Advanced Biofuel and involves a more complicated production process than fermentation called cellulose hydrolysis
- While large potential sources of cellulosic feedstocks exist, commercial production of cellulosic fuel ethanol is relatively small
- The U.S. EPA's volume standard has been growing at a 41.41% CAGR for the past 10 years

INDUSTRY OUTLOOK

Policies

Biodiesel Market

(in \$US mm)



The estimated cumulative federal investment for the biodiesel production tax credit since its inception is \$9.8bn

Biodiesel Tax Credit (BTC)

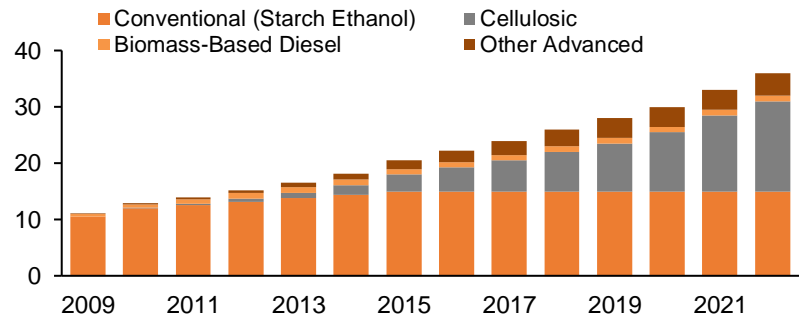
- The federal biodiesel tax credit (BTC), provides a \$1.00 refundable tax credit per gallon through 2022
- REGI also obtains carbon credits when selling to California and Oregon
- California LCFS carbon credits range from \$175.00/metric ton to \$209.00/metric ton, and Oregon ranges from \$142.50/metric ton to \$170.00/metric ton
- More than 40 states have implemented similar programs according to the U.S. Department of Energy

Ethanol Market

- Ethanol received significant government support under federal law in the form of mandated biofuel use, tax incentives, loan & grant programs, and other regulatory requirements
- National Energy Act of 1978 helped grow what was a small start-up industry
- EPA¹ of 2005 mandated blending 7.5bn gallons of biofuel with gasoline annually by 2012
- EISA² of 2007 expanded RFS to 36bn gallons by 2022

Policies

Gallons (in bn)



The EPA provides yearly Renewable Fuel Standards (RFS) for each renewable fuel category which guarantees a market for renewable fuels and provides a guide for production companies

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Market Leader Position Creates Economies of Scale

Competitive Position

- REGI's underlying competitive differentiators are biomass-based diesel & RIN quality, supply reliability, and offers a competitive price to customers
- Being the largest producer in North America with operations in Germany allows REGI to enter the EU market without incurring large logistical expenses
- Production contracts are determined by customers prior to production which hedges the risk of volatile commodity pricing for feedstock inputs to maintain robust margins

Ability to Satisfy and Exceed Customers Needs

Capacity to Fulfill Large Contracts

- A large maximum production capacity allows large customers to solely rely on REGI to deliver

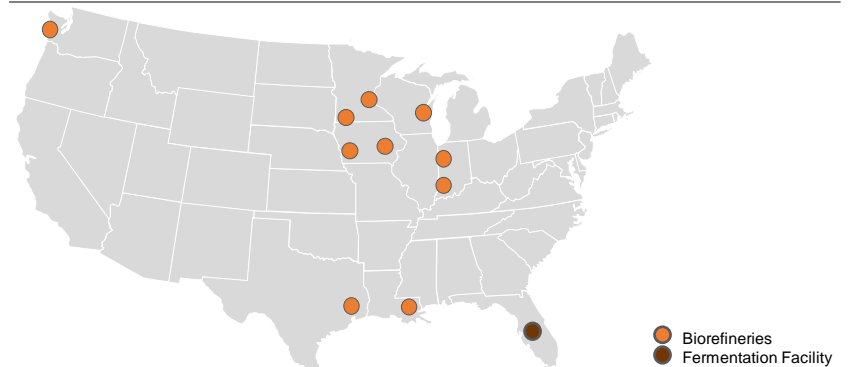
Cleaner Products to Satisfy Customers Needs

- Due to increasing pressures for companies to improve ESG standards, REGI is able to produce reduced emissions fuel

Reduced Prices to Win Contracts

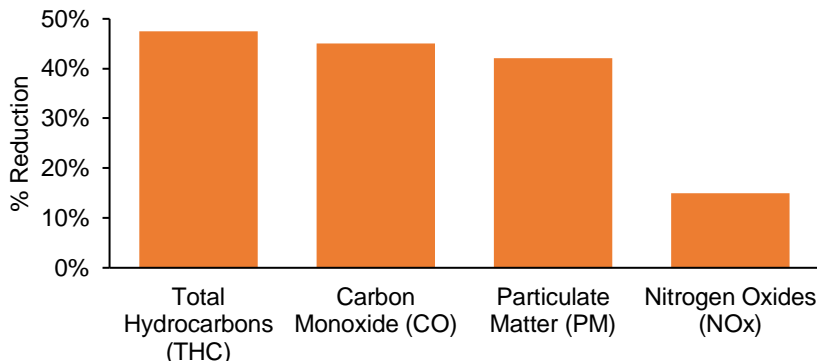
- Due to economies of scale, REGI is able to price competitively and win contracts while maintaining a market leader position

Large Scale U.S. Operations & EU Presence



11 Biomass-Based Diesel Plants (Biorefineries) producing 639 MMGY¹ Effective Capacity; 2 German Biorefineries

REG Ultra Clean Diesel Emission Reductions



REGI's biodiesel advancements require a larger fixed asset base to produce which act as barriers to entry for new entrants attempting to compete in the high quality biodiesel industry

Feedstock Flexibility

REGI Feedstock Utilization

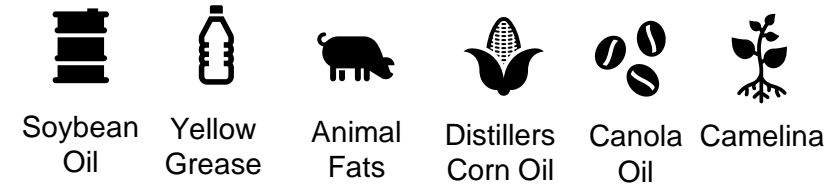
- REGI can produce from a wide range of lower cost, lower carbon intensity (CI) raw materials in the same facility which enables a cost advantage over producers that rely primarily higher cost virgin vegetable oils
- Feedstock costs typically comprise 70%-95% of overall operating costs
- Well positioned to incorporate new feedstocks into their production process by working with developers of next generation feedstocks

Purchasing Feedstock Contracts

- REGI procures their feedstocks from numerous vendors in quantities ranging from truckload to railcar to water vessel to pipeline
- There is no established futures market for the lower-cost feedstocks that REGI utilizes
- Expects a reduction in the supply of lower cost feedstocks, particularly cooking oil, corn oil, and animal fat, due to restaurant, ethanol plant, and meat packing plant closures related to COVID-19
- A pandemic catalyst yields relatively higher availability and lower price of Soybean Oil

U.S. Inputs to Biodiesel Production

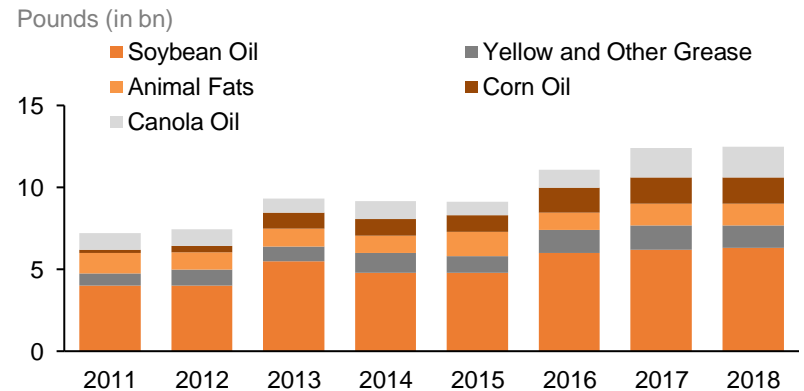
Current Options



Growth Opportunities



Feedstock Options & Approved Pathways



As next generation feedstocks come to market in the near future, REGI is best positioned to capitalize on low cost opportunities

Feedstock Flexibility: A Case Study

Stringent Customer Expectations: Case 1

United Parcel Service (UPS)

- UPS is the the world's largest package delivery company, a leader in the U.S. less-than-truckload industry and a premier provider of global supply chain management solutions
- Owns 240 aircrafts, 106,000 cars, and vans totaling \$3.8 billion spent on fuel, equivalent to 7.3% of all operating expenses
- Logged over 500 million miles on its more than 5,000 "advanced fuel" vehicles
- Announced a contract to purchase 46 million gallons of renewable fuels over the next 3 years sourced from three different suppliers including REGI

Analysis

- With internal company goals set at a capped rate, it is critical REGI offers a competitive production price to win contracts with the aid of low feedstock prices
- Beyond price, REGI's products are being continually developed through R&D investments in order to lower the carbon intensity of the fuel
- Products with reduced emissions include REG Ultra Clean Diesel which can help a company meet their ESG goals

Stringent Customer Expectations: Case 2

FedEx Corporation

- FedEx provides a broad portfolio of transportation, e-commerce and business services through companies competing collectively, operating independently and managed collaboratively, under the respected FedEx brand
- Spent \$3.7 bn on fuel, equivalent to 8.2% of its overall operating expenses
- Hopes to rely on biofuels for 30% of its jet fuel by 2030
- Recently announced that it would purchase 3 mm gallons of biofuel per year for the next 8 years. FedEx picked a single supplier, Red Rocks Biofuel, for its purchase
- REGI lost the contract due to FedEx's need of low-carbon jet fuels which is Red Rocks niche

Development & Expansion Posed for Growth

Downstream Expansion Strategy is Unprecedented

Acquisition of Keck Energy

- In September 2018, REGI acquired Keck Energy, a company with over 85 years of experience delivering petroleum products
- The Keck Energy acquisition is REGI's first step into the fuel delivery service space, providing them with a larger advantage over other biomass based fuel refiners



DTC Sales

Branded Fueling Stations

- In July 2019, REGI opened their first REG branded fueling station, adjacent to REF Seneca biorefinery in Illinois
- The fueling station serves a variety of customers from trucking fleets, local diesel vehicle owners, and other customers as the first step in their downstream expansions strategy



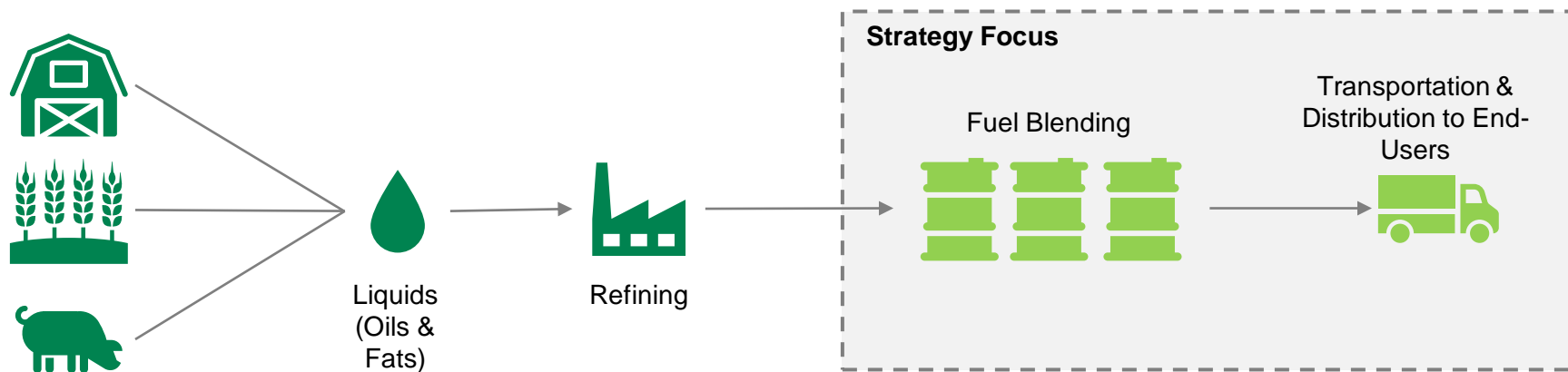
Terminal Locations

- REGI has 19 total end use customers as of FY 2019
- Downstream expansion allows REGI to get closer to their customers to better meet demand
- 12 new terminal agreements completed in 2019
- 135% increase in sales of REG Ultra Clean
- 65% increase in sales of blended fuel in 2019
- Moving closer to the consumer allows for margin expansion and higher blends of biomass-based diesel

Acquisition History: The recent acquisitions are REGI's first transactions outside of biorefinery focused targets. Prior to the management change in 2017, REGI solely focused on acquiring biodiesel refinery locations to add into the production facility portfolio. REGI acquired six single-location biorefinery companies from 2012 to 2017

Development & Expansion Posed for Growth

Future REGI Value Chain Following Downstream Growth



Margin Enhancement Initiatives from Downstream Push

- 1 **Self-Blending & Fleet Sales:** REGI purchases petroleum diesel and blends their own biodiesel in varying percentages (12% on average). REGI then sells the blended items to fleet customers and retail buyers (fleet customers increased 62% YoY as a result)
- 2 **Direct to Customer B100 Sales:** REGI aims to increase its sales of pure B100 directly to customers. The company is sponsoring pilot programs to test technologies to allow use of B100 in delivery fleet trucks, expanding downstream reach
- 3 **Low-Cost Marketing Projects:** Rollout of the REGI cardlock fuel station at its Seneca facility, which enables trucks to fill up with REGI blended fuel. Additionally, REGI announced a deal with Hunt and Sons to deliver REGI fuel to 12 cardlock stations in CA

Development & Expansion Posed for Growth

Biodiesel Margin Uplift Scenario Analysis

Wholesale Pricing

Market B100	\$3.10
(-) Discount to Incentivize	\$0.75

Wholesale Selling Price **\$2.35**

Assumptions

- USLD: \$1.50 per gallon
- BTC: \$1 per gallon
- RINs: \$0.50 per credit
- B100: \$3.10 per gallon
- Average LCFS Premium: \$1.40 per gallon
- Most popular wholesale fuel is REG9000
- Transportation cost to CA: \$0.75 per gallon
- Selling B20 to fleets assumes B20 blends 85% of ULSD

Glossary

- USLD: Ultra-low-sulfur diesel
- BTC: biodiesel tax credit
- RINs: Renewable Identification Number (1.5-1.7 created for gallon produced by REGI)
- B100: pure biodiesel that is typically used as a blendstock to produce lower blends and is rarely used as a transportation fuel
- LCFS premium: Low Carbon Fuel Standard regulation in CA
- B20 blend: 6% to 20% biodiesel (B100)

Selling to Fleets

Self Blending & Fleet Sales Pricing

ULSD Selling Price	\$1.50
(-) B20 Discount	\$0.23
(+) BTC	\$1.00
(+) 1.5 X RINs	\$0.75
(-) Wholesale Selling Price	\$2.35

Spread vs. Wholesale Price **\$0.68**

% Uplift of margin 29.0%

Selling DTC

DTC B100 Sales

DTC B100 Selling Price	\$3.10
(-) Wholesale Selling Price	\$2.35

Spread vs. Wholesale Price **\$0.75**

% Uplift of margin 32.0%

Selling Renewable Diesel

Blending Biodiesel into Renewable Diesel

ULSD Selling Price	\$1.50
(+) BTC	\$1.00
(+) 1.5 X RINs	\$0.75
(+) Net LCFS Premium (Credit - Transport Cost to CA)	\$0.65
(-) Wholesale Selling Price	\$2.35

Spread vs. Wholesale Price **\$1.55**

% Uplift of margin 66.0%

Development & Expansion Poised for Growth

Renewable Diesel Leader

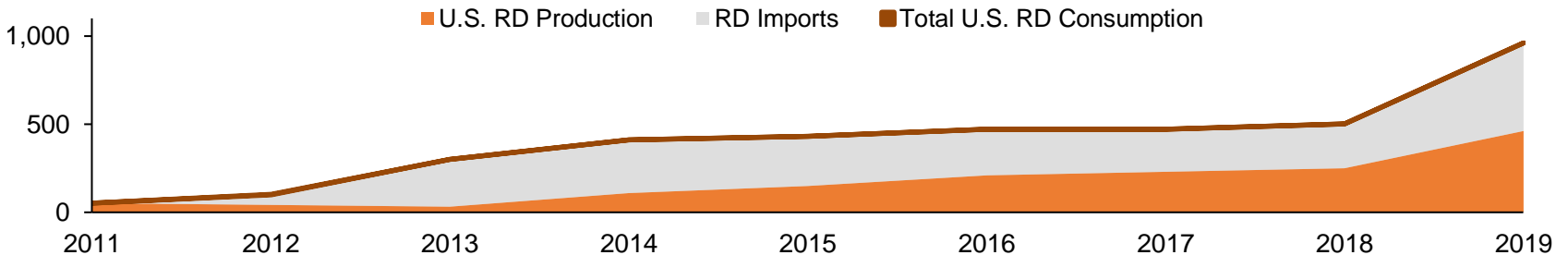
- REGI is a first mover in the growing renewable diesel market, largely taking advantage of California government incentives
- REGI is currently designing a new renewable diesel facility with a production capacity of 250 mmgy
- Currently, REGI operates 1 of only 4 currently operational RD-dedicated plants in the U.S. (~20% of current U.S. capacity) serving a rapidly growing market demand

Renewable Diesel Market Growth

- Renewable diesel is undergoing rapid growth as a clean-burning renewable substitute for conventional petroleum diesel, particularly in California where LCFS incentives give the fuel a material economic benefit
- In the last 3 years U.S. renewable diesel production doubled to ~460mmgy in 2019 (from ~230mmgy in 2016)
- 12 projects have been proposed that would add ~2.5bn Gal/Year to U.S. renewable diesel capacity by 2024, more than 6x current capacity

Renewable Diesel Consumption, Production, & Imports

Gallons Renewable Diesel (mm)



Key Takeaway: Renewable diesel consumption remained flat from 2014 to 2018 due to a lack in government incentives. CA's LCFS incentive combatted this in 2018, by setting a standard to incrementally decrease the carbon intensity of motor gasoline and diesel fuel by at least 10% by 2020 relative to a 2010 baseline

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Discounted Cash Flows

DCF Valuation Assumptions

- Revenue growth is primarily attributed to YoY growth in gallons sold, RINs sold as a % of gallons sold and government incentives as a % of BBD segment revenue
 - Revenue per gallon sold is based on the 3-year average price for diesel
 - Base case for RINs sold as a % of gallons sold is based on the 2019A % given the EPA can change policy for acquiring and selling RINs
 - Government incentives include BTCs and LCFS, given the lack of certainty with government policies it is projected to decline as a % of BBD segment revenue
- EBITDA margins stay flat at 15.0% for the first 3 years of the forecast period due to BTCs, then drop down to 10.3% given BTC uncertainty

WACC: **7.6%**
 Forecast Period: 2020 to 2030
 Perp. Growth Rate: **1.5%**
 FDSO: **41 mm**

Statutory Tax Rate:
 2020E-2022E: **5.0%**
 2023E-Terminal: **24.0%**

EBITDA Margin:
 2020E-2022E: **15.0%**
 2023E-Terminal: **10.3%**

DCF Unlevered Cash Flow Summary

(USD millions)	Forecast Period															
	2016A	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E	Terminal
Revenue	2,041	2,155	2,383	2,641	1,795	2,111	2,187	2,270	2,369	2,464	2,556	2,642	2,722	2,795	2,837	2,837
% Growth	-	5.6%	10.6%	10.8%	(24.7%)	17.6%	3.6%	3.8%	4.4%	4.0%	3.7%	3.4%	3.0%	2.7%	1.5%	1.5%
Adjusted EBITDA	102	26	356	456	268	316	327	233	243	253	262	271	279	287	291	291
% Margin	5.0%	1.2%	15.0%	17.3%	15.0%	15.0%	15.0%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%	10.3%
(-) Depreciation & Amortization	(31)	(34)	(36)	(36)	(45)	(52)	(52)	(52)	(52)	(52)	(51)	(50)	(49)	(47)	(42)	(42)
% of CapEx	51.9%	50.0%	77.9%	85.4%	85.4%	86.6%	87.7%	88.8%	90.0%	91.1%	92.3%	93.4%	94.6%	95.7%	98.0%	98.0%
Adjusted EBIT	71	(8)	320	420	223	264	275	181	191	201	211	221	230	239	249	249
% Margin	3.5%	(0.4%)	13.4%	15.9%	12.4%	12.5%	12.6%	8.0%	8.1%	8.2%	8.3%	8.4%	8.5%	8.6%	8.8%	8.8%
% Growth		<i>nmf</i>	<i>nmf</i>	31.3%	(30.3%)	18.4%	4.3%	(34.2%)	5.5%	5.2%	4.9%	4.6%	4.3%	4.0%	4.1%	4.1%
(-) Cash Taxes	(111)	70	(13)	(63)	(11)	(13)	(14)	(43)	(46)	(48)	(51)	(53)	(55)	(57)	(60)	(60)
Tax rate (%)	<i>nmf</i>	<i>nmf</i>	<i>nmf</i>	15.1%	5.0%	5.0%	5.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%	24.0%
NOPAT	(40)	62	307	357	212	251	261	138	145	153	160	168	175	182	189	189
(+) Depreciation & Amortization	31	34	36	36	45	52	52	52	52	52	51	50	49	47	42	42
(-) CapEx	(60)	(68)	(47)	(43)	(53)	(60)	(59)	(58)	(58)	(57)	(55)	(54)	(52)	(49)	(43)	(43)
% of Revenue	3.0%	3.1%	2.0%	1.6%	3.0%	2.8%	2.7%	2.6%	2.4%	2.3%	2.2%	2.0%	1.9%	1.8%	1.5%	1.5%
(-) Change in Net Working Capital	-	79	(20)	(350)	47	(24)	(5)	(5)	(6)	(5)	(4)	(4)	(3)	(2)	(1)	(1)
% of Change in Revenue		(69.2%)	8.7%	135.5%	8.0%	7.5%	6.9%	6.4%	5.8%	5.3%	4.7%	4.2%	3.6%	3.1%	2.0%	2.0%
Unlevered Free Cash Flows	(69)	106	277	1	251	219	249	126	134	143	152	161	169	177	188	188

Sources: Capital IQ, Company filings

Discounted Cash Flows

Valuation Summary

Cumulative PV of Free Cash Flow	1,272
<i>% of Enterprise Value</i>	45.7%
Terminal Value	
Terminal Year EBITDA	291
Terminal Year UFCF	188
Perpetuity Growth Rate	1.5%
Terminal Value	3,084
Terminal Value for EBITDA Multiple	3,199
Implied EV / EBITDA Multiple	11.0x
Implied EV / UFCF Multiple	17.0x
PV of Terminal Value	1,513
<i>% of Enterprise Value</i>	54.3%
Enterprise Value	2,785
(-) Short Term Debt	(68)
(-) Long Term Debt	(34)
(-) Minority Interest	-
(+) Cash	331
(+) Investments in Associates	-
Equity Value	3,014
Basic Shares	39
(+) Diluted Securities	2
Fully Diluted Shares Outstanding	41
Implied Share Price	\$73.20
Current Share Price	\$55.70
Premium to Current Share Price	31.4%

Discount Rate Analysis

WACC	
10-Year US Treasury	0.7%
Market Risk Premium	5.0%
Beta	1.45
Cost of Equity	7.9%
Cost of Debt	3.9%
Tax Rate	5.0%
After-Tax Cost of Debt	3.7%
Target Debt/Capitalization	8.0%
WACC	7.6%

Debt Tranches		
	Face Value	Effective Interest Rate
<i>(USD millions)</i>		
Convertible Senior Notes	69	4.00%
Danville term loan, secured	6	5.00%
Ralston term loan	15	3.25%
Grays Harbor term loan	7	3.50%
Capital term loan	7	3.99%
Weighted Average		3.92%

Valuation Takeaways

- The DCF analysis yields an implied price of \$73.20 (+31.4%)
- The base case uses a 7.6% WACC with a 1.5% perpetuity growth rate

Discounted Cash Flows

Sensitivity Analysis

Equity Value Per Share						
		Terminal growth				
		0.5%	1.0%	1.5%	2.0%	2.5%
Discount rate	6.6%	\$77.66	\$81.38	\$85.83	\$91.25	\$98.00
	7.1%	\$72.36	\$75.38	\$78.95	\$83.21	\$88.41
	7.6%	\$67.81	\$70.30	\$73.20	\$76.62	\$80.71
	8.1%	\$63.86	\$65.94	\$68.33	\$71.11	\$74.38
	8.6%	\$60.41	\$62.16	\$64.14	\$66.43	\$69.10

Implied Return						
		Terminal growth				
		0.5%	1.0%	1.5%	2.0%	2.5%
Discount rate	6.6%	39.4%	46.1%	54.1%	63.8%	75.9%
	7.1%	29.9%	35.3%	41.7%	49.4%	58.7%
	7.6%	21.7%	26.2%	31.4%	37.6%	44.9%
	8.1%	14.7%	18.4%	22.7%	27.7%	33.5%
	8.6%	8.5%	11.6%	15.2%	19.3%	24.1%

Equity Value Per Share						
		Revenue Growth Sensitivity				
		(1.0%)	(0.5%)	0.0%	0.5%	1.0%
Margin Sensitivity	(2.0%)	\$54.06	\$55.96	\$57.95	\$60.02	\$62.19
	(1.0%)	\$61.05	\$63.26	\$65.57	\$67.98	\$70.50
	0.0%	\$68.04	\$70.56	\$73.20	\$75.95	\$78.81
	1.0%	\$75.03	\$77.87	\$80.82	\$83.91	\$87.13
	2.0%	\$82.03	\$85.17	\$88.45	\$91.87	\$95.44

Implied Return						
		Revenue Growth Sensitivity				
		(1.0%)	(0.5%)	0.0%	0.5%	1.0%
Margin Sensitivity	(2.0%)	(3.0%)	0.5%	4.0%	7.8%	11.6%
	(1.0%)	9.6%	13.6%	17.7%	22.1%	26.6%
	0.0%	22.2%	26.7%	31.4%	36.3%	41.5%
	1.0%	34.7%	39.8%	45.1%	50.6%	56.4%
	2.0%	47.3%	52.9%	58.8%	64.9%	71.3%

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Strong Potential for Value-Enhancing Catalysts

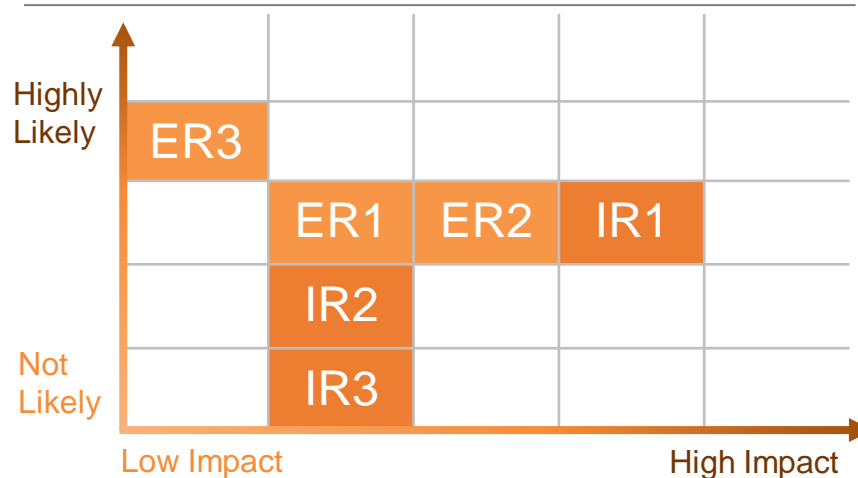
Near-Term Catalysts

- **Expansion of Low-Carbon Regional Programs:** The LCFS program has created a vastly undersupplied market for renewable diesel, thereby increasing the price premium
- **Plant #2 Site Selection & Partnerships:** REGI is in the process of engineering the company's second renewable diesel plant (250 mmgy)
- **Strategic Downstream Marketing Efforts:** REGI to target additional marketing agreements

Long-Term Catalysts

- **Biden Administration EPA:** Favourable regulation and government incentives introduced from Biden administration
- **ESG Push:** ESG standards become more important among corporations, thereby increasing demand for biodiesel
- **Emerging Markets:** Rising demand for biodiesel in Europe, expanding their production outside of Germany

Risks



External Risks

- Increased Industry-Wide Production (ER1)
- Regulatory Change and Less Incentives (ER2)
- Feedstock Commodity Price Risk (ER3)

Internal Risks

- Decrease in Gross Margins due to Feedstock (IR1)
- Geismar, Louisiana Dependency (IR2)
- Large Exposure to Single Customer (IR3)

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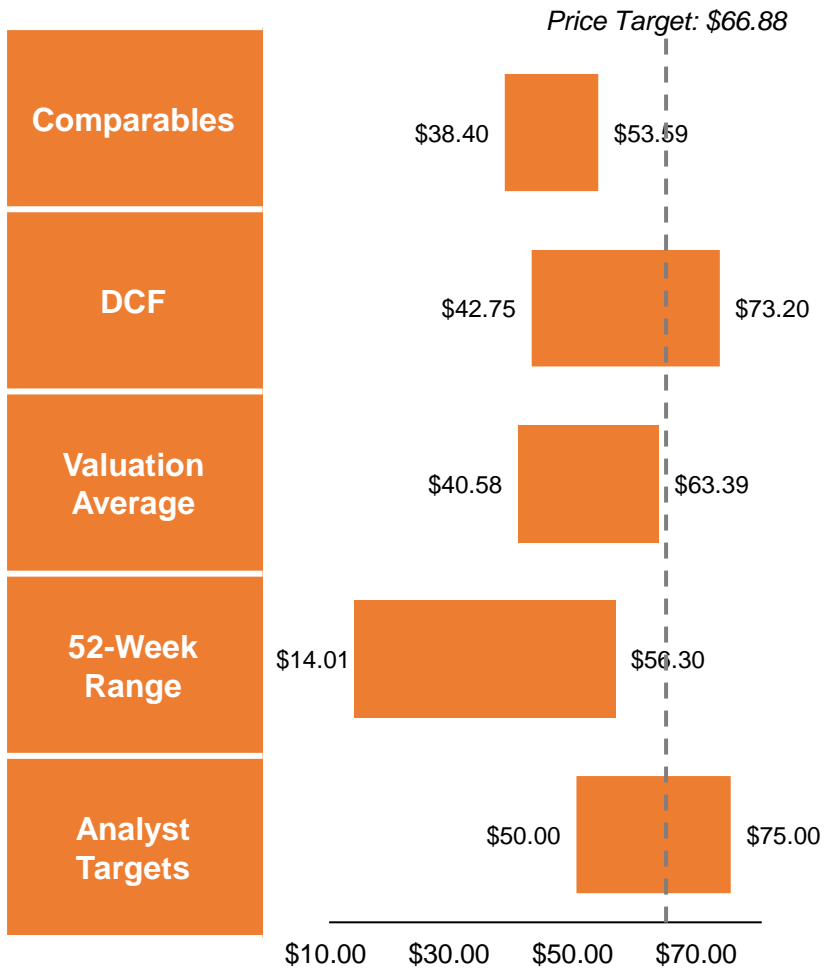
5 Catalysts and Risks

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RECOMMENDATION

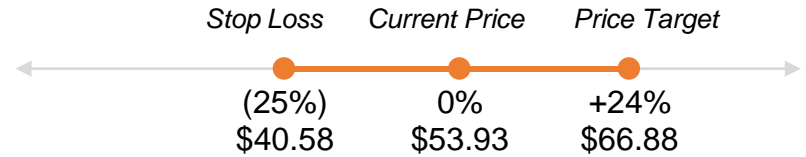
Hold for Attractive Entry Point: Price Target of ~\$66.88 (+24.0%)

Indicative Valuation Range

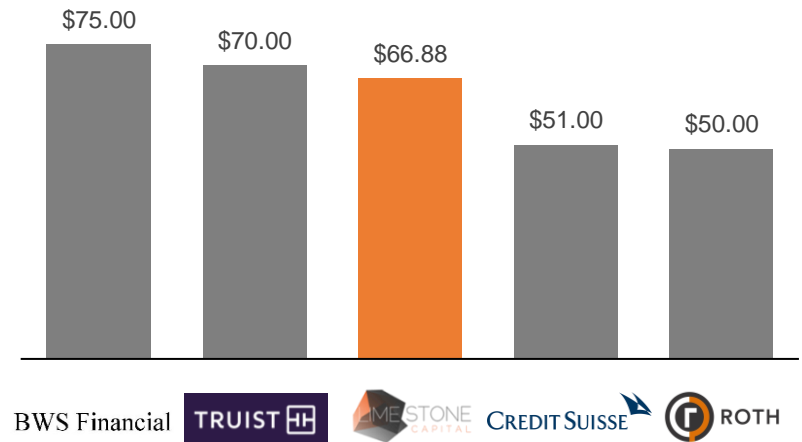


Price Target

Valuation Summary		
Analysis	Price	Weight
Comparables	\$48.14	10%
Discounted CF	\$73.20	60%
Street Consensus	\$60.50	30%
Average	\$66.88	100%



Selected Broker Summary



Appendix



APPENDIX

Key Products

Biodiesel Fuels

Fuel Name	Common Applications	Key Benefits
REG-9000 Biodiesel	Diesel vehicles	Reduced emissions, improved engine performance, added lubricity
REG-9000 Distilled Biodiesel	Diesel vehicles	Cold weather performance, removal of minor components, purity
REG Renewable Diesel	Diesel vehicles	Meets ASTM diesel spec, lower Cloud Point, reduced emissions
REG Ultra Clean	Diesel vehicles	Lowest carbon intensity liquid fuel, reduced emissions, CARB approved
REG Blended Fuel	Diesel vehicles	Drop-in fuel, reduced emissions, readily available
REG Diesel Fuel	Diesel vehicles	Available at REG terminals nationwide, can be blended with biodiesel
Renewable Autogas	Propane vehicles	Renewable fuel, reduced emissions
Gasoline	Gas-powered vehicles	Most common fuel in the U.S., can be blended with ethanol
Ethanol Blends	Gas-powered vehicles	Lower price, reduced emissions

Heating and Power Generation Products

Product Name	Common Applications	Key Benefits
REG Bio-Residual Oil	Heating and power generation	Great BTU performance, cleaner burning
Bioheat Blended Fuel	Space Heating	Reduced emissions, better for equipment
REG Heating Oil	Space heating	Safe, can be blended with biodiesel

Industrial Bio-Based Products

Product Name	Common Applications	Key Benefits
REG Glycerin	Animal feed	Exceptional purity
REG Methyl Esters	Adjuvants and solvents	Biodegradable, low evaporation rate

Comparables Analysis

Comparable Companies: REGI Trading at Premium to Ethanol Refiners with Biodiesel Segments

(In USD millions)	Equity Value	Enterprise Value	EV/Revenue			EV/EBITDA			EV/EBIT			Revenue Growth		EBITDA Margin	
			2019A	2020E	2021E	2019A	2020E	2021E	2019A	2020E	2021E	2020E	2021E	2020E	2021E
U.S. Midstream Refineries															
Marathon Petroleum Corporation	\$18,050	\$59,676	0.5x	0.8x	0.7x	6.1x	13.8x	9.1x	10.0x	nmf.	21.3x	(38.1%)	13.0%	5.6%	7.6%
HollyFrontier Corporation	\$3,062	\$5,629	0.3x	0.5x	0.5x	3.1x	10.6x	6.2x	3.9x	nmf.	13.6x	(40.7%)	14.7%	5.1%	7.7%
Delek US Holdings, Inc.	\$815	\$2,853	0.3x	0.5x	0.4x	4.1x	nmf.	8.7x	5.8x	nmf.	18.9x	(32.9%)	17.2%	0.6%	4.5%
Median			0.3x	0.5x	0.5x	4.1x	12.2x	8.7x	5.8x	0.0x	18.9x	(38.1%)	14.7%	5.1%	7.6%
Renewable Energy Group, Inc.	\$17,489	\$17,260	6.5x	8.1x	7.4x	0.6x	60.5x	55.9x	41.9x	119.6x	69.9x	(20.2%)	9.9%	9.2%	13.3%
PBF Energy Inc.	\$1,341	\$5,242	0.2x	0.3x	0.3x	9.2x	(10.1x)	7.4x	13.9x	(4.7x)	25.1x	(38.6%)	30.5%	(3.4%)	3.6%
CVR Energy, Inc.	\$1,222	\$2,398	0.4x	0.6x	0.4x	2.8x	16.0x	5.8x	4.2x	(13.2x)	30.6x	(34.5%)	30.5%	3.6%	7.6%
REX American Resources Corporation	\$822	\$702	1.7x	2.3x	2.4x	39.6x	118.3x	140.5x	(102.5x)	(40.8x)	(40.8x)	(28.6%)	(3.5%)	2.0%	1.7%
Green Plains Inc.	\$555	\$1,070	0.4x	0.5x	0.4x	(15.2x)	18.8x	7.3x	(7.5x)	(15.9x)	19.2x	(10.3%)	18.7%	2.6%	5.7%
Par Pacific Holdings, Inc.	\$381	\$1,346	0.2x	0.4x	0.3x	5.6x	(30.0x)	9.7x	8.8x	(10.7x)	20.9x	(42.3%)	26.6%	(1.4%)	3.5%
Median			0.4x	0.5x	0.4x	5.6x	16.0x	7.4x	4.2x	(13.2x)	20.9x	(34.5%)	26.6%	2.0%	3.6%

Comparable Companies Commentary

- In a comparable universe containing mostly private companies, only 3 have been selected due to their biodiesel segments
- Companies that solely operate ethanol refineries have been excluded from implied share price calculations due to variance in operations, regardless if companies share similarities in business model, product offerings, and clients served
- REGI traded at a discount in 2019 on an EV/EBITDA basis yet expected to be traded at a premium in 2020E and 2021E
- Revenue growth and EBITDA margin for REGI remains slightly above peer group median

Comparables Analysis

Comparables Output Table: REGI trades at a Premium, Implying a Negative Return

Metric	Multiple			Implied Share Price			Implied Return		
	Lower Limit	Median	Upper Limit	Lower Limit	Median	Upper Limit	Lower Limit	Median	Upper Limit
EV / 2019A Revenue	0.3x	0.3x	0.4x	\$15.20	\$17.67	\$20.14	(72.7%)	(68.3%)	(63.8%)
EV / 2020E Revenue	0.5x	0.5x	0.6x	\$21.25	\$24.64	\$28.02	(61.8%)	(55.8%)	(49.7%)
EV / 2021E Revenue	0.4x	0.5x	0.5x	\$20.06	\$23.51	\$26.95	(64.0%)	(57.8%)	(51.6%)
EV / 2019A EBITDA	3.4x	4.0x	4.7x	\$35.44	\$42.56	\$49.69	(36.4%)	(23.6%)	(10.8%)
EV / 2020E EBITDA	11.4x	12.2x	13.0x	\$50.24	\$53.87	\$57.49	(9.8%)	(3.3%)	3.2%
EV / 2021E EBITDA	8.0x	8.6x	9.3x	\$56.02	\$60.70	\$65.38	0.6%	9.0%	17.4%
EV / 2019A EBIT	4.5x	5.8x	7.0x	\$41.36	\$53.72	\$66.08	(25.7%)	(3.6%)	18.6%
EV / 2021E EBIT	17.3x	18.9x	20.5x	\$98.38	\$107.79	\$117.20	76.6%	93.5%	110.4%

Conclusions

- This peer group is imperfect, given the lack of true comparable companies in biomass-based diesel focus landscape
- REGI is most comparable to larger biomass-based diesel companies that have several biorefinery locations to produce their fuels
 - However, because these companies' business practices are not exclusive to biomass-based diesel refining, they're revenue is more exposed to general petroleum refining
 - In addition, the larger companies by production size have less exposure and dependency to government incentives, as they mainly produce other fuels, which is unlike to REGI's revenue segmentation
- Comparables analysis ultimately receives a 10% weighting in the overall valuation

APPENDIX

Revenue Model

Biomass-based Diesel Segment

(USD thousands, unless otherwise stated)	Forecast Period														
	2016A	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Biomass-based Diesel (BBD) Segment															
Total BBD Segment Revenue					1,475,500	1,756,521	1,828,647	1,908,124	2,001,740	2,093,354	2,182,264	2,267,761	2,349,137	2,425,693	2,488,761
<i>Base Case</i>	1,417,595	1,787,308	1,875,316	1,875,076	1,475,500	1,756,521	1,828,647	1,908,124	2,001,740	2,093,354	2,182,264	2,267,761	2,349,137	2,425,693	2,488,761
<i>Bear Case</i>	1,417,595	1,787,308	1,875,316	1,875,076	1,318,750	1,615,198	1,638,295	1,664,344	1,696,966	1,727,899	1,757,026	1,784,235	1,809,418	1,832,475	1,850,800
<i>Bull Case</i>	1,417,595	1,787,308	1,875,316	1,875,076	1,807,334	2,000,836	2,175,533	2,372,446	2,604,975	2,842,427	3,082,028	3,320,686	3,555,049	3,781,569	3,970,648
Total Gallons Sold (millions)					650	672	700	731	766	801	835	868	899	929	953
<i>Base Case</i>	567	587	649	700	650	672	700	731	766	801	835	868	899	929	953
<i>Bear Case</i>	567	587	649	700	625	631	640	650	663	675	687	697	707	716	723
<i>Bull Case</i>	567	587	649	700	675	728	792	863	948	1,034	1,122	1,208	1,294	1,376	1,445
Gallons Sold YoY Growth (%)					(7.2%)	3.5%	4.1%	4.3%	4.9%	4.6%	4.2%	3.9%	3.6%	3.3%	2.6%
<i>Base Case</i>		3.5%	10.7%	7.9%	(7.2%)	3.5%	4.1%	4.3%	4.9%	4.6%	4.2%	3.9%	3.6%	3.3%	2.6%
<i>Bear Case</i>		3.5%	10.7%	7.9%	(10.8%)	1.0%	1.4%	1.6%	2.0%	1.8%	1.7%	1.5%	1.4%	1.3%	1.0%
<i>Bull Case</i>		3.5%	10.7%	7.9%	(3.6%)	7.9%	8.7%	9.1%	9.8%	9.1%	8.4%	7.7%	7.1%	6.4%	5.0%
Average Price per Gallon					2.27	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61
<i>Base Case</i>	2.50	3.05	2.89	2.68	2.27	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61	2.61
<i>Bear Case</i>	2.50	3.05	2.89	2.68	2.11	2.56	2.56	2.56	2.56	2.56	2.56	2.56	2.56	2.56	2.56
<i>Bull Case</i>	2.50	3.05	2.89	2.68	2.68	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75	2.75
Average BTC per Gallon															
<i>Base Case</i>	0.00	0.00	0.54	0.97	0.59										
<i>Bear Case</i>	0.00	0.00	0.54	0.97	0.59										
<i>Bull Case</i>	0.00	0.00	0.54	0.97	0.59										
BBD Revenue															
<i>Base Case</i>			1,457,793	1,389,664											
<i>Bear Case</i>			1,457,793	1,389,664											
<i>Bull Case</i>			1,457,793	1,389,664											
Petroleum and Blended Petroleum Diesel Revenue															
<i>Base Case</i>			239,470	270,326											
<i>Bear Case</i>			239,470	270,326											
<i>Bull Case</i>			239,470	270,326											
Other BBD Revenue															
<i>Base Case</i>			178,053	215,086											
<i>Bear Case</i>			178,053	215,086											
<i>Bull Case</i>			178,053	215,086											

Revenue Model

RINs & Government Incentives and Services Segments

(USD thousands, unless otherwise stated)	Forecast Period														
	2016A	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
RINs & Government Incentives															
Total Separated RIN Revenue					106,050	109,715	114,220	119,184	125,032	130,754	136,308	141,648	146,731	151,512	155,452
Base Case	274,800	337,501	137,895	98,285	106,050	109,715	114,220	119,184	125,032	130,754	136,308	141,648	146,731	151,512	155,452
Bear Case	274,800	337,501	137,985	98,285	75,250	76,003	77,089	78,315	79,850	81,306	82,676	83,956	85,141	86,226	87,089
Bull Case	274,800	337,501	137,985	98,285	143,469	154,761	168,274	183,505	201,491	219,857	238,390	256,850	274,977	292,498	307,123
RINs Sold					228,064	235,946	245,635	256,310	268,885	281,191	293,134	304,619	315,550	325,833	334,305
Base Case			260,179	245,713	228,064	235,946	245,635	256,310	268,885	281,191	293,134	304,619	315,550	325,833	334,305
Bear Case			260,349	245,713	188,125	190,006	192,723	195,788	199,625	203,264	206,690	209,891	212,854	215,566	217,722
Bull Case			260,349	245,713	270,696	292,003	317,498	346,236	380,171	414,825	449,792	484,622	518,825	551,884	579,478
RINs Sold as a % of Gallons Sold					35.1%	35.1%	35.1%	35.1%	35.1%	35.1%	35.1%	35.1%	35.1%	35.1%	35.1%
Base Case			40.1%	35.1%	35.1%	35.1%	35.1%	35.1%	35.1%	35.1%	35.1%	35.1%	35.1%	35.1%	35.1%
Bear Case			40.1%	35.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%	30.1%
Bull Case			40.1%	35.1%	40.1%	40.1%	40.1%	40.1%	40.1%	40.1%	40.1%	40.1%	40.1%	40.1%	40.1%
OPIS Median Price Closing Price per RIN					0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47
Base Case			0.53	0.40	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47	0.47
Bear Case			0.53	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40
Bull Case			0.53	0.40	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53	0.53
BBD Government Incentives					406,763	472,150	478,957	486,645	496,749	505,082	511,521	515,960	518,312	518,515	497,752
Base Case	346,672	28,728	367,490	666,392	406,763	472,150	478,957	486,645	496,749	505,082	511,521	515,960	518,312	518,515	497,752
Bear Case	346,672	28,728	367,490	666,392	258,424	302,426	292,459	282,590	273,324	263,233	252,342	240,685	228,297	215,220	185,080
Bull Case	346,672	28,728	367,490	666,392	642,317	701,010	751,261	807,313	873,321	938,613	1,002,212	1,063,096	1,120,223	1,172,558	1,191,194
Government Incentives as a % of Total BBD Segment Revenue					27.6%	26.9%	26.2%	25.5%	24.8%	24.1%	23.4%	22.8%	22.1%	21.4%	20.0%
Base Case	24.5%	1.6%	19.6%	35.5%	27.6%	26.9%	26.2%	25.5%	24.8%	24.1%	23.4%	22.8%	22.1%	21.4%	20.0%
Bear Case	24.5%	1.6%	19.6%	35.5%	19.6%	18.7%	17.9%	17.0%	16.1%	15.2%	14.4%	13.5%	12.6%	11.7%	10.0%
Bull Case	24.5%	1.6%	19.6%	35.5%	35.5%	35.0%	34.5%	34.0%	33.5%	33.0%	32.5%	32.0%	31.5%	31.0%	30.0%
Services Segment															
Total Services Revenue					1,615	1,777	1,938	2,097	2,250	2,394	2,526	2,642	2,740	2,817	2,845
Base Case	165	1,118	2,286	1,640	1,615	1,777	1,938	2,097	2,250	2,394	2,526	2,642	2,740	2,817	2,845
Bear Case	165	1,118	2,286	1,640	1,226	917	704	555	448	371	315	274	244	222	210
Bull Case	165	1,118	2,286	1,640	2,004	2,405	2,850	3,334	3,851	4,390	4,939	5,482	6,003	6,483	6,807
Total Services Revenue YoY Growth (%)															
Base Case		577.6%	104.5%	(28.3%)	(1.5%)	10.0%	9.1%	8.2%	7.3%	6.4%	5.5%	4.6%	3.7%	2.8%	1.0%
Bear Case		577.6%	104.5%	(28.3%)	(25.2%)	(25.2%)	(23.2%)	(21.2%)	(19.2%)	(17.1%)	(15.1%)	(13.1%)	(11.1%)	(9.0%)	(5.0%)
Bull Case		577.6%	104.5%	(28.3%)	22.2%	20.0%	18.5%	17.0%	15.5%	14.0%	12.5%	11.0%	9.5%	8.0%	5.0%

Source: Company filings

Revenue Model

Consolidated Revenues and Segment Attribution Analysis

(USD thousands, unless otherwise stated)

	Forecast Period														
	2016A	2017A	2018A	2019A	2020E	2021E	2022E	2023E	2024E	2025E	2026E	2027E	2028E	2029E	2030E
Consolidated															
Total Revenue															
Base Case	2,039,232	2,154,655	2,382,987	2,641,393	1,989,928	2,340,163	2,423,762	2,516,050	2,625,771	2,731,584	2,832,619	2,928,011	3,016,920	3,098,537	3,144,810
Bear Case	2,039,232	2,154,655	2,383,077	2,641,393	1,653,650	1,994,543	2,008,547	2,025,804	2,050,588	2,072,809	2,092,360	2,109,150	2,123,100	2,134,143	2,123,179
Bull Case	2,039,232	2,154,655	2,383,077	2,641,393	2,595,124	2,859,012	3,097,919	3,366,597	3,683,637	4,005,287	4,327,568	4,646,114	4,956,253	5,253,108	5,475,772
Total Revenue Growth					(24.7%)	17.6%	3.6%	3.8%	4.4%	4.0%	3.7%	3.4%	3.0%	2.7%	1.5%
Base Case		5.7%	10.6%	10.8%	(24.7%)	17.6%	3.6%	3.8%	4.4%	4.0%	3.7%	3.4%	3.0%	2.7%	1.5%
Bear Case		5.7%	10.6%	10.8%	(37.4%)	20.6%	0.7%	0.9%	1.2%	1.1%	0.9%	0.8%	0.7%	0.5%	(0.5%)
Bull Case		5.7%	10.6%	10.8%	(1.8%)	10.2%	8.4%	8.7%	9.4%	8.7%	8.0%	7.4%	6.7%	6.0%	4.2%
Segment Attribution Analysis															
% of Total Revenue															
Total BBD Segment Revenue					74.1%	75.1%	75.4%	75.8%	76.2%	76.6%	77.0%	77.5%	77.9%	78.3%	79.1%
Base Case	69.5%	83.0%	78.7%	71.0%	74.1%	75.1%	75.4%	75.8%	76.2%	76.6%	77.0%	77.5%	77.9%	78.3%	79.1%
Bear Case	69.5%	83.0%	78.7%	71.0%	79.7%	81.0%	81.6%	82.2%	82.8%	83.4%	84.0%	84.6%	85.2%	85.9%	87.2%
Bull Case	69.5%	83.0%	78.7%	71.0%	69.6%	70.0%	70.2%	70.5%	70.7%	71.0%	71.2%	71.5%	71.7%	72.0%	72.5%
Total Separated RIN Revenue					5.3%	4.7%	4.7%	4.7%	4.8%	4.8%	4.8%	4.8%	4.9%	4.9%	4.9%
Base Case	13.5%	15.7%	5.8%	3.7%	5.3%	4.7%	4.7%	4.7%	4.8%	4.8%	4.8%	4.8%	4.9%	4.9%	4.9%
Bear Case	13.5%	15.7%	5.8%	3.7%	4.6%	3.8%	3.8%	3.9%	3.9%	3.9%	4.0%	4.0%	4.0%	4.0%	4.1%
Bull Case	13.5%	15.7%	5.8%	3.7%	5.5%	5.4%	5.4%	5.5%	5.5%	5.5%	5.5%	5.5%	5.5%	5.6%	5.6%
BBD Government Incentives					20.4%	20.2%	19.8%	19.3%	18.9%	18.5%	18.1%	17.6%	17.2%	16.7%	15.8%
Base Case	17.0%	1.3%	15.4%	25.2%	20.4%	20.2%	19.8%	19.3%	18.9%	18.5%	18.1%	17.6%	17.2%	16.7%	15.8%
Bear Case	17.0%	1.3%	15.4%	25.2%	15.6%	15.2%	14.6%	13.9%	13.3%	12.7%	12.1%	11.4%	10.8%	10.1%	8.7%
Bull Case	17.0%	1.3%	15.4%	25.2%	24.8%	24.5%	24.3%	24.0%	23.7%	23.4%	23.2%	22.9%	22.6%	22.3%	21.8%
Total Services Revenue					0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%
Base Case	0.0%	3.9%	0.6%	0.2%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.6%
Bear Case	0.0%	3.9%	0.6%	0.2%	0.5%	0.3%	0.2%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
Bull Case	0.0%	3.9%	0.6%	0.2%	0.3%	0.3%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%