



Earnings Report

Q4 FY 2023 | February 27, 2024

Safe Harbor Statement

This presentation includes “forward-looking” statements that are subject to risks and uncertainties that could cause actual results 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,” “guidance,” “outlook,” “project,” “planned,” “contemplate,” “potential,” “possible,” “proposed,” “intend,” “believe,” “anticipate,” “expect,” “may,” “will,” “would,” “should,” “could,” and similar expressions are intended to identify forward-looking statements. All statements other than statements of historical facts included in this presentation are 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.

Important factors that could cause actual results to differ materially from the Company's expectations include: 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; reduced demands or prices for biofuels, biogases or renewable electricity; global demands for 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, reduced volume due to government regulations affecting animal production 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, used cooking oil, protein or collagen (including, without limitation, collagen peptides and gelatin) finished product prices; changes to government policies around the world relating to renewable fuels and greenhouse gas (“GHG”) emissions that adversely affect prices, margins or markets (including for the DGD Joint Venture), including 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; climate related adverse results, including with respect to the Company's climate goals, targets or commitments; possible product recall resulting from developments relating to the discovery of unauthorized adulterations to food or food additives or products which do not meet specifications, contract requirements or regulatory standards; 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 in China and elsewhere; the occurrence of pandemics, epidemics or disease outbreaks, such as the 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 or 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; risks and uncertainties relating to international sales and operations, including imposition of tariffs, quotas, trade barriers and other trade protections imposed by foreign countries; tax changes, such as the introduction of a global minimum tax; difficulties or a significant disruption (including, without limitation, due to cyber-attack) in the Company's information systems, networks or the confidentiality, availability or integrity of our data 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 and the Israeli-Palestinian conflict and other associated or emerging conflicts in the Middle East; 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 report 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. The Company's announced share repurchase program may be suspended or discontinued at any time and purchases of shares under the program are subject to market conditions and other factors, which are likely to change from time to time. For more detailed discussion of these factors and other risks and uncertainties regarding the Company, its business and the industries in which it operates, see the Company's filings with the SEC, including the Risk Factors discussion in Item 1A of Part I of the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2023. The Company cautions readers that all forward-looking statements speak only as of the date made, and the Company undertakes no obligation to update any forward-looking statements, whether as a result of changes in circumstances, new events or otherwise.

2023 Significant Business Highlights

Strengthening our position in global ingredients market

- **6th consecutive year** of record combined adjusted EBITDA
- Continued to deliver on successful integration of newly acquired businesses
- Acquired Gelnex, a leading global producer of collagen products – bringing the company **~30%** market share
- Conducted successful scientific trials for the next phase of collagen peptides
- Brought DGD3 to optimum utilization
- Began construction of sustainable aviation fuel (SAF) unit capable of producing **~250 million gallons** when completed

Progressing environmental initiatives

- ↓ **20%** Decreased global water intensity – achieving 2025 goal 3 years early
- ↓ **8%** Emissions intensity per unit of raw material processed, making strong progress alongside business growth



Q4, FY 2023 Business Highlights

Financial Performance	Q4 2023	FY 2023
Net Sales	\$1,614.1 million	\$6,788.1 million
Net Income	\$84.5 million	\$647.7 million
EPS Diluted	\$0.52	\$3.99
Combined Adjusted EBITDA	\$350.9 million	\$1,611.9 million
Global Ingredients EBITDA	\$312.1 million	\$1,109.9 million
Feed Ingredients EBITDA	\$213.3 million	\$775.6 million
Food Ingredients EBITDA	\$90.7 million	\$321.2 million
Fuel Ingredients EBITDA	\$65.3 million	\$595.3 million

Q4, FY 2023 Earnings

In millions, except per share	Q4-2023	Q4-2022	% variance	FY 2023	FY 2022	% variance
Net Sales	\$1,614.1	\$1,768.1	(8.7%)	\$6,788.1	\$6,532.2	3.9%
Gross Margin	\$436.4	\$388.8	12.2%	\$1,645.0	\$1,529.6	7.5%
Gross Margin %	27.0%	22.0%	22.7%	24.2%	23.4%	3.4%
Net Income	\$84.5	\$156.6	(46.0%)	\$647.7	\$737.7	(12.2%)
EPS Diluted	\$0.52	\$0.96	(45.8%)	\$3.99	\$4.49	(11.1%)

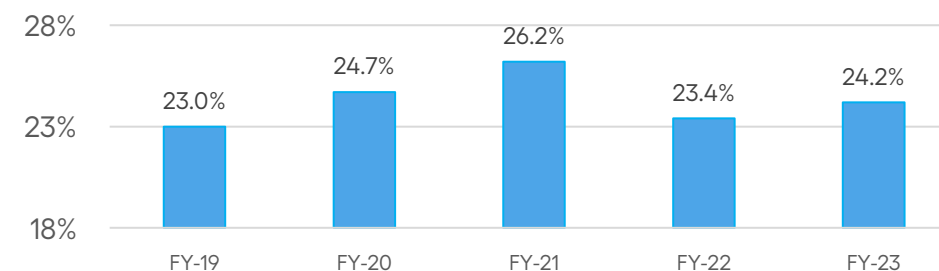
EBITDA In millions	Q4-2023	Q4-2022	% variance	FY 2023	FY 2022	% variance
Feed	\$213.3	\$191.4	11.4%	\$775.6	\$810.1	(4.3%)
Food	\$90.7	\$65.4	38.7%	\$321.2	\$256.7	25.1%
Fuel (1)	\$65.3	\$172.4	(62.1%)	\$595.3	\$536.6	10.9%
Corporate	(\$18.4)	(\$16.1)	(14.3%)	(\$80.2)	(\$62.5)	(28.3%)
Total combined adjusted EBITDA	<u>\$350.9</u>	<u>\$413.0</u>	(15.0%)	<u>\$1,611.9</u>	<u>\$1,541.0</u>	4.6%

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

Balance Sheet		
In millions, except ratio data	As of 12/30/2023	As of 12/31/2022
Cash (including restricted)	\$126.8	\$127.3
Revolver availability	\$832.5	\$1,313.0
Net working capital	\$791.4	\$512.5
Total debt	\$4,427.1	\$3,384.8
Leverage ratio (2)	3.26X	2.54X

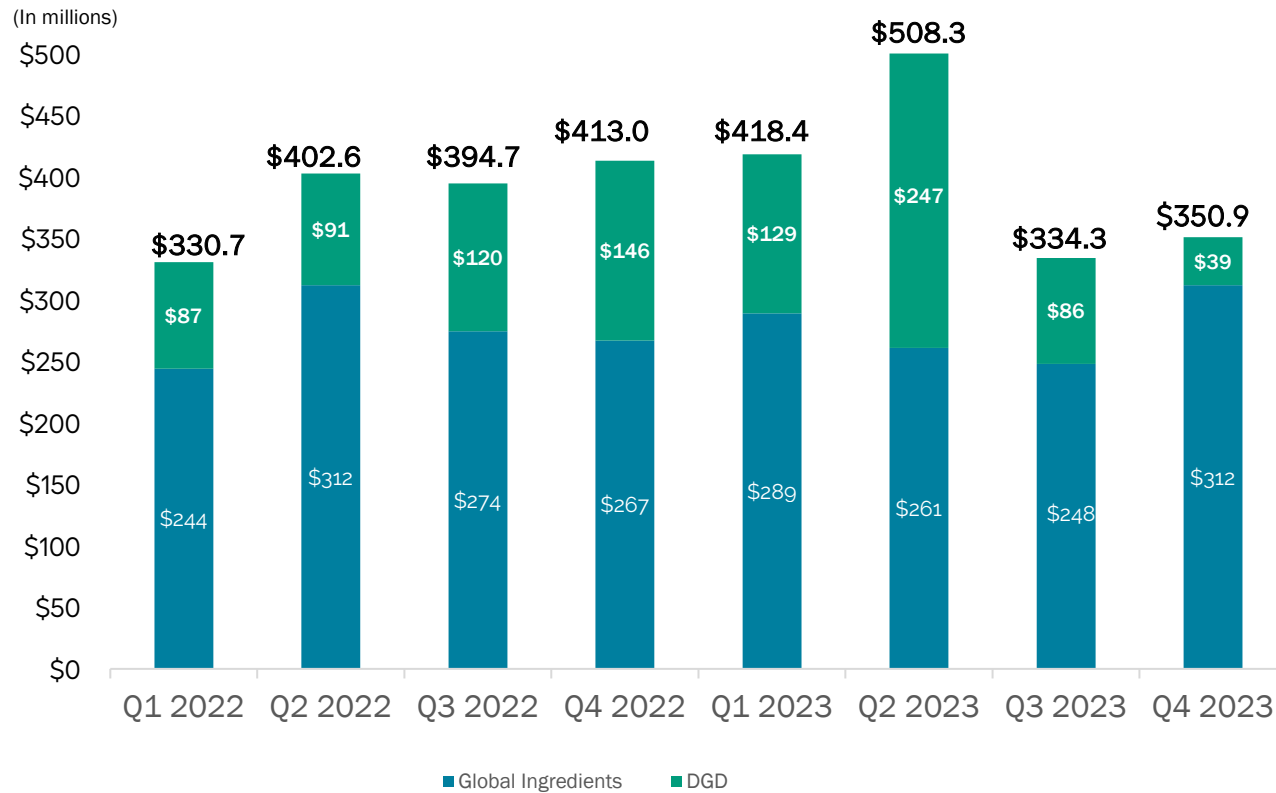
(2) Per Bank Covenant

Darling Ingredients Gross Margin %

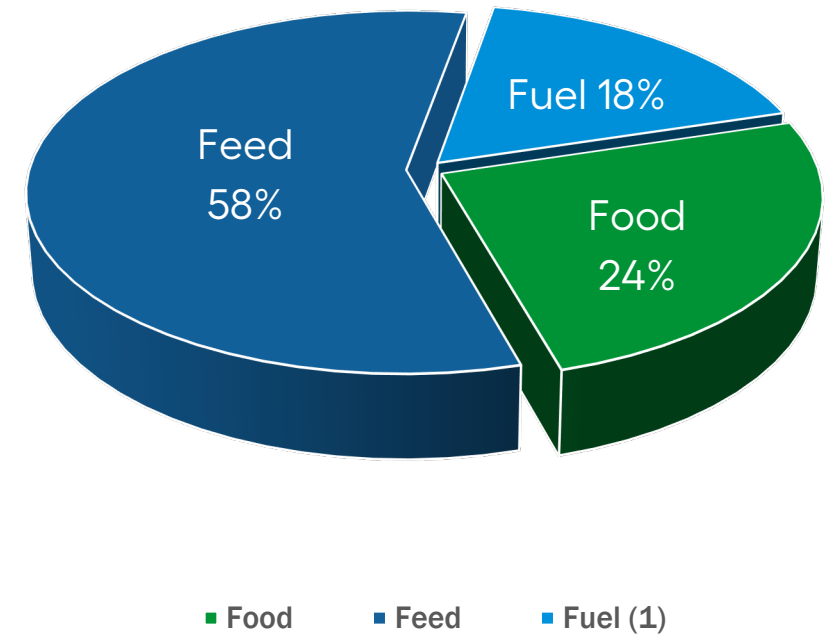


EBITDA

Combined Adjusted EBITDA



Q4 2023 % of Total EBITDA by Segment



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

Feed Segment

Key Drivers

- Effective global margin management and higher volumes offset lower finished goods prices
- Expansion at Turlock, California rendering plant completed
- On Feb. 1, 2024, added 3 poultry plants in Poland through the acquisition of Miropasz
- Ward, SC rendering plant expected to be operational in early Q2

US \$ (in millions)	Q4 2023	Q4 2022	FY 2023	FY 2022
Net Sales	\$ 1,045,642	\$ 1,216,073	\$ 4,472,592	\$ 4,539,000
Cost of sales & operating expenses	755,062	950,778	3,385,859	3,473,506
Gross Margin	\$ 290,580	\$ 265,295	\$ 1,086,733	\$ 1,065,494
Loss (gain) on sale of assets	1	169	814	(3,426)
Selling, general and administrative expenses	77,281	73,736	310,363	258,781
Restructuring and asset impairment charges	3,934	-	4,026	8,557
Change in fair value of contingent consideration	5,167	-	(7,891)	--
Depreciation and amortization	98,400	91,282	360,249	295,249
Segment operating income	105,797	100,108	419,172	506,333
Equity in net income of other unconsolidated subsidiaries	1,508	(831)	5,011	5,102
Segment Income	\$ 107,305	\$ 99,277	\$ 424,183	\$ 511,435
Segment EBITDA	\$ 213,298	\$ 191,390	\$ 775,556	\$ 810,139
Raw material processed (mmts)	3.13	3.25	12.53	11.35

Feed Segment

	US \$ (in millions, unaudited)	Fats	Proteins	Other	Total Rendering	Used Cooking Oil	Bakery	Other	Total
Net Sales Year Ended Dec. 31, 2022	\$ 1,951.2	\$ 1,476.6	\$ 200.9	\$ 3,628.7	\$ 519.1	\$ 333.4	\$ 57.8	\$ 4,539.0	
Increase/(Decrease) in sales volumes	93.3	128.8	-	222.1	56.4	(37.1)	-	241.4	
Increase/(Decrease) in finished goods prices	(312.6)	50.4	-	(262.2)	(76.2)	(41.1)	-	(379.5)	
Increase/(Decrease) due to currency exchange rates	7.4	16.2	1.4	25.0	(1.7)	-	-	23.3	
Other change	-	-	41.3	41.3	-	-	7.1	48.4	
Total change	(211.9)	195.4	42.7	26.2	(21.5)	(78.2)	7.1	(66.4)	
Net Sales Year Ended Dec. 30, 2023	\$ 1,739.3	\$ 1,672.0	\$ 243.6	\$ 3,654.9	\$ 497.6	\$ 255.2	\$ 64.9	\$ 4,472.6	

Food Segment

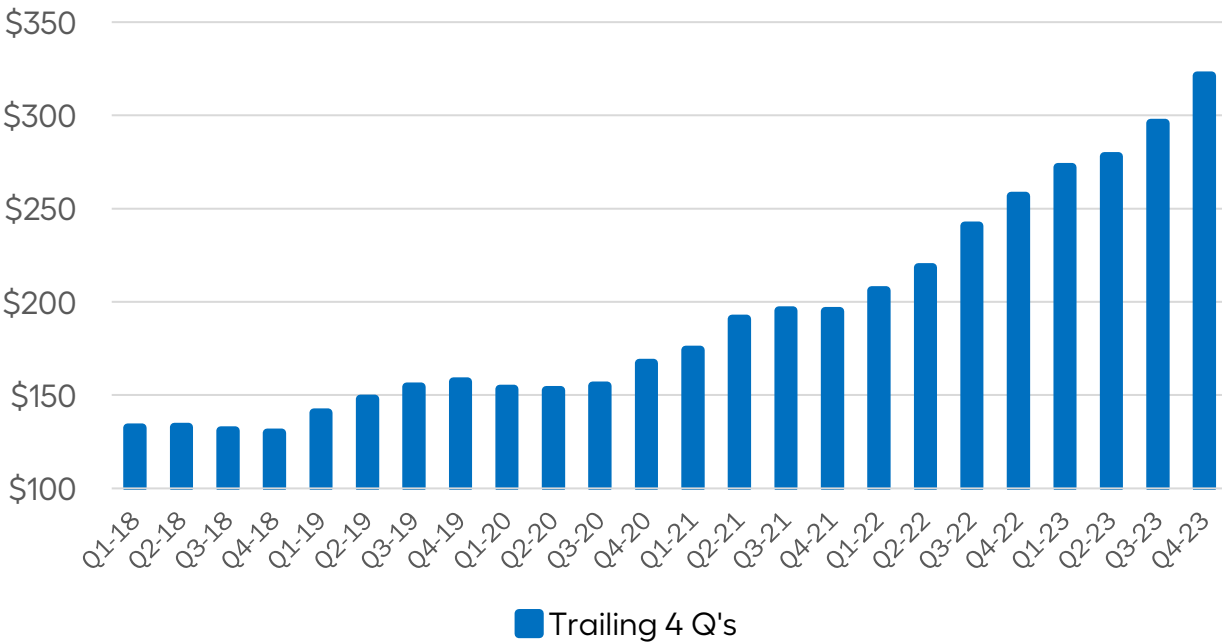
Key Drivers

- Global collagen business remains strong with ongoing integration of the Gelnex acquisition
- Health and nutrition business line continues to see strong demand globally
- Strong performance and continued growth in China and North America

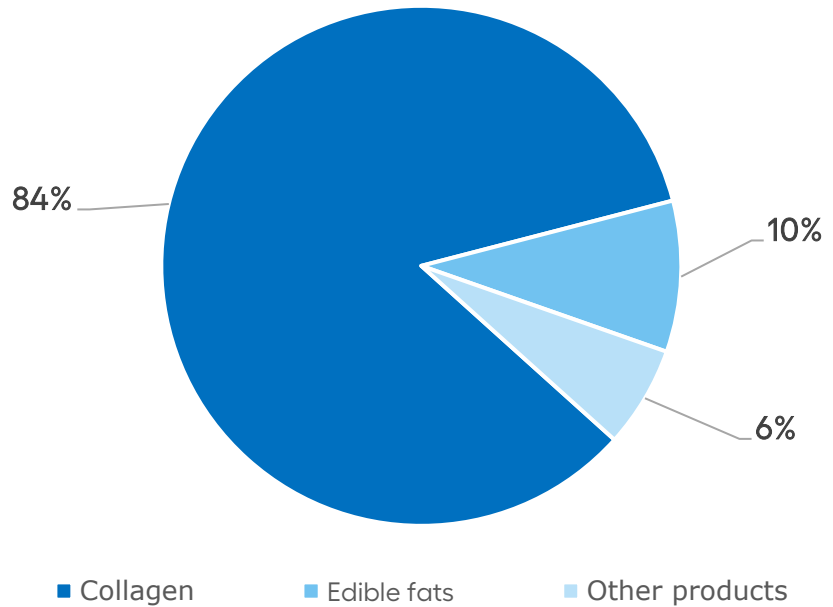
US \$ (in millions)	Q4 2023	Q4 2022	FY 2023	FY 2022
Net Sales	\$ 423,836	\$ 387,733	\$ 1,752,065	\$ 1,459,630
Cost of sales & operating expenses	311,163	294,417	1,310,581	1,102,250
Gross Margin	\$ 112,673	\$ 93,316	\$ 441,484	\$ 357,380
Gain on sale of assets	(8,243)	(117)	(8,144)	(1,008)
Selling, general and administrative expenses	30,195	28,073	128,464	101,681
Restructuring and asset impairment charges	9,199	21,109	14,527	21,109
Depreciation and amortization	26,655	14,722	94,991	59,029
Segment Operating Income	\$ 54,867	\$ 29,529	\$ 211,646	\$ 176,569
Segment EBITDA	\$ 90,721	\$ 65,360	\$ 321,164	\$ 256,707
Raw material processed (mt)*	300,000	277,000	1,220,000	1,100,000

Food Segment

Food Segment Trailing 4Q adjusted EBITDA



FY 2023 % of Sales Breakdown



Fuel Segment

Key Drivers

- European renewable energy segment continues to deliver strong results
- Lower diesel prices, RIN and LCFS values and a lower of cost-or-market value adjustment led to reduced DGD margins for the quarter
- FY 2023: DGD sold ~1.25 billion gallons of renewable diesel at \$0.81 per gallon EBITDA

	US \$ (in millions)	Q4 2023	Q4 2022	FY 2023	FY 2022
Net Sales		\$ 144,605	\$ 164,277	\$ 563,423	\$ 533,574
Cost of sales & operating expenses		111,427	134,093	446,620	426,853
Gross Margin		\$ 33,178	\$ 30,184	\$ 116,803	\$ 106,721
Loss (gain) on sale of assets		(40)	14	(91)	(60)
Selling, general and administrative expenses		6,714	3,769	23,543	13,690
Depreciation and amortization		8,480	8,606	34,466	29,500
Equity in net income of Diamond Green Diesel		4,690	123,448	366,380	372,346
Segment Operating Income		\$ 22,714	\$ 141,243	\$ 425,265	\$ 435,937
Segment EBITDA		\$ 26,504	\$ 26,401	\$ 93,351	\$ 93,091
DGD adjusted EBITDA (Darling's Share)		\$ 38,816	\$ 145,984	\$ 501,987	\$ 443,487
Segment EBITDA		\$ 65,320	\$ 172,385	\$ 595,338	\$ 536,578
Raw material processed (mt)		370,000	368,000	1,410,000	1,422,000

Fuel Segment

Diamond Green Diesel

US \$ and gallons (in millions)	Q4 2023	Q4 2022	FY 2023	FY 2022
Pro forma Adjusted EBITDA (Darling's share)	\$38.8	\$146.0	\$502.0	\$443.5
Total gallons produced	352.0	224.6	1,267.2	780.0
Total gallons sold/shipped	336.6	208.0	1,246.6	753.5
EBITDA per gallon sold/shipped	\$0.23	\$1.40	\$0.81	\$1.18

Excluding \$60.9m lower of cost or market valuation at DGD, EBITDA per gallon sold/shipped would have been:

- \$0.41 for Q4 23
- \$0.85 for FY 2023

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



Appendix

Additional Information

Feed Segment – Historical

US\$ (in millions)	Q1-2022	Q2-2022	Q3-2022	Q4-2022	Total 2022	Q1-2023	Q2-2023	Q3-2023	Q4-2023	Total 2023
Net Sales	\$ 879.4	\$ 1,170.3	\$ 1,273.1	\$ 1,216.1	\$ 4,539.0	\$ 1,237.5	\$ 1,141.7	\$ 1,047.8	\$ 1,045.6	\$ 4,472.6
Gross Margin	233.9	306.0	260.2	265.3	1,065.5	287.4	265.2	243.5	290.6	1,086.7
Gross Margin %	26.6%	26.1%	20.4%	21.8%	23.5%	23.2%	23.2%	23.2%	27.8%	24.3%
Loss (Gain) on sale of assets	(0.3)	(1.0)	(2.3)	0.2	(3.4)	(0.3)	0.3	0.8	0.0	0.8
SG&A	56.2	64.9	64.0	73.7	258.8	74.7	77.4	81.0	77.3	310.4
SG&A Margin %	6.4%	5.5%	5.0%	6.1%	5.7%	6.0%	6.8%	7.7%	7.4%	6.9%
Operating Income	123.7	164.6	117.9	100.1	506.3	122.7	112.4	78.3	105.8	419.2
Adj. EBITDA	\$ 178.0	\$ 242.1	\$ 198.6	\$ 191.4	\$ 810.1	\$ 213.1	\$ 187.5	\$ 161.7	213.3	775.6
Adj. EBITDA Margin %	20.2%	20.7%	15.6%	15.7%	17.8%	17.2%	16.4%	15.4%	20.4%	17.3%
Raw Material Processed (mmts)	2.31	2.70	3.1	3.2	11.3	3.2	3.1	3.1	3.1	12.53

Food Segment – Historical

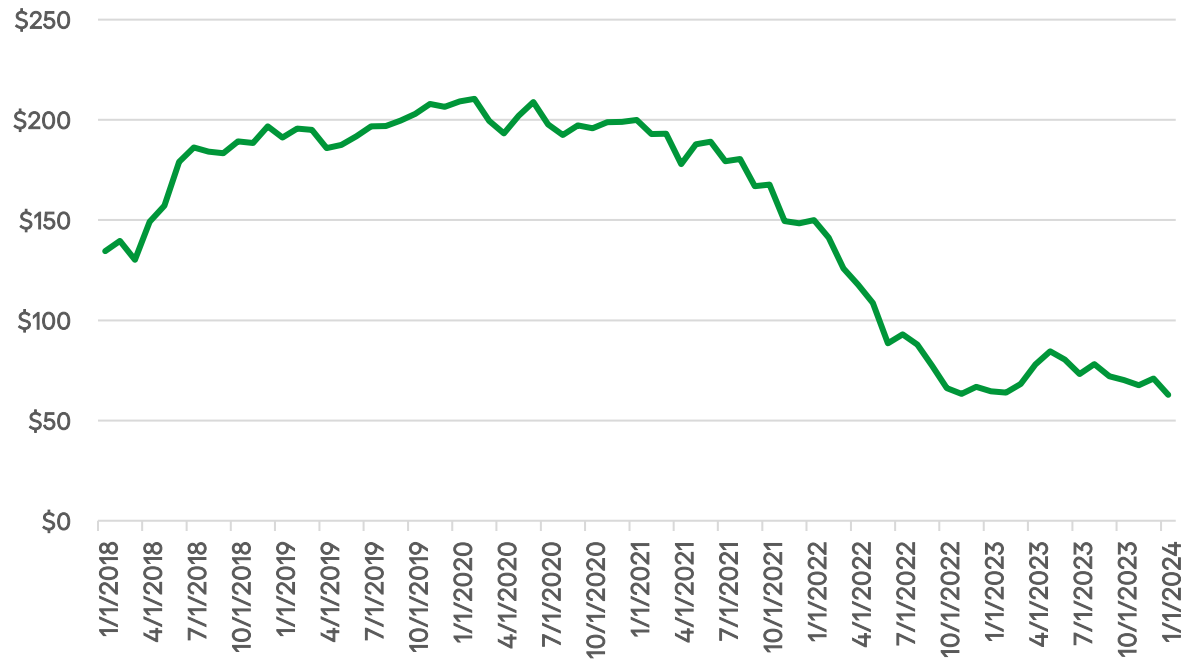
US\$ (in millions)	Q1 -2022	Q2-2022	Q3-2022	Q4-2022	Total 2022	Q1-2023	Q2-2023	Q3-2023	Q4-2023	Total 2023
Net Sales	\$ 354.8	\$ 369.2	\$ 347.9	\$ 387.7	\$ 1,459.6	\$ 396.4	\$ 476.1	\$ 455.7	\$ 423.8	\$ 1,752.1
Gross Margin	84.5	88.2	91.3	93.3	357.4	106.3	105.0	117.5	112.7	441.5
Gross Margin %	23.8%	23.9%	26.3%	24.1%	24.5%	26.8%	22.1%	25.8%	26.6%	25.2%
Loss (gain) on sale of assets	(0.1)	(0.1)	(0.8)	(0.1)	(1.0)	(0.0)	0.0	0.1	(8.2)	(8.2)
SG&A	26.8	22.9	23.9	28.1	101.7	33.1	33.7	31.5	30.2	128.5
SG&A Margin %	7.6%	6.2%	6.9%	7.2%	7.0%	8.4%	7.1%	6.9%	7.1%	7.3%
Operating Income	42.2	51.0	53.8	29.5	176.6	54.3	42.0	60.5	54.9	211.6
Adj. EBITDA	\$ 57.7	\$ 65.4	\$ 68.2	\$ 65.4	\$ 256.7	\$ 73.2	\$ 71.3	\$ 86.0	\$ 90.7	\$ 321.2
Adj. EBITDA Margin %	16.2%	17.7%	19.6%	16.9%	17.6%	18.5%	15.0%	18.9%	21.4%	18.3%
Raw Material Processed (mmts)	0.28	0.27	0.27	0.28	1.10	0.26	0.33	0.32	0.30	1.22

Fuel Segment – Historical

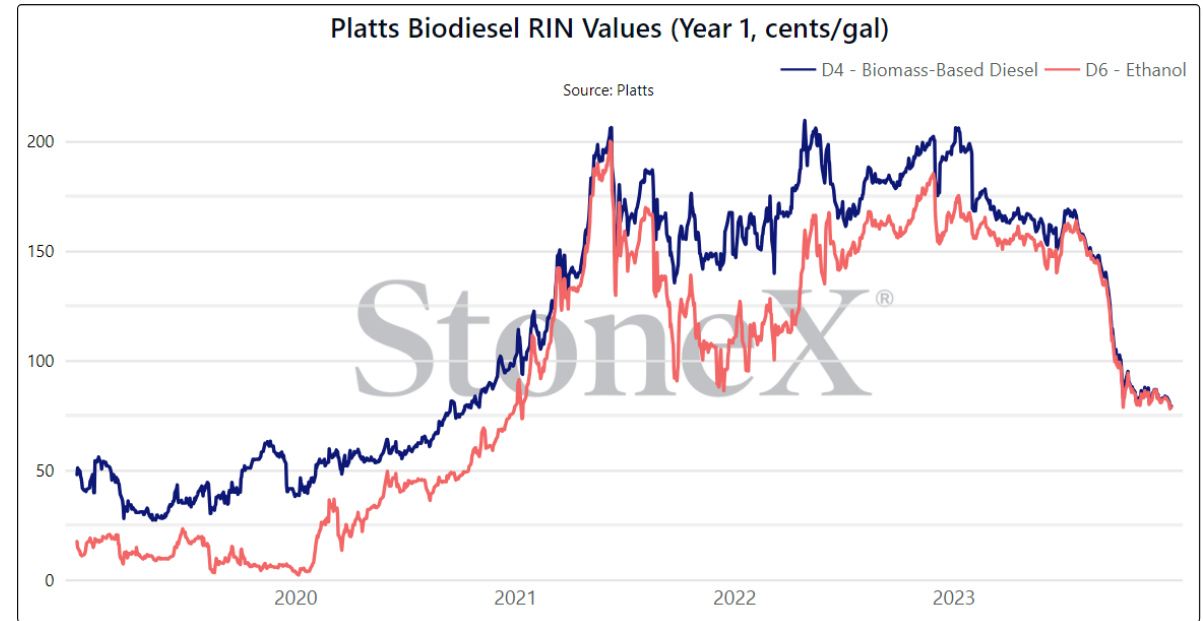
US\$ (in millions)	Q1-2022	Q2-2022	Q3-2022	Q4-2022	Total 2022	Q1-2023	Q2-2023	Q3-2023	Q4-2023	Total 2023
Net Sales	\$ 132.0	\$ 110.7	\$ 126.6	\$ 164.3	\$ 533.6	\$ 157.3	\$ 139.9	\$ 121.7	\$ 144.6	\$ 563.4
Gross Margin	27.3	24.4	24.8	30.2	106.7	30.5	27.7	25.5	33.2	116.8
Gross Margin %	20.7%	22.1%	19.6%	18.4%	20.0%	19.4%	19.8%	20.9%	23.0%	20.7%
Loss (gain) on sale of assets	(0.0)	(0.0)	(0.0)	0.0	(0.1)	(0.0)	(0.1)	(0.0)	(0.0)	(0.1)
SG&A	3.9	4.3	1.7	3.8	13.7	6.2	5.0	5.7	6.7	23.5
Depreciation and amortization	6.6	6.9	7.3	8.6	29.5	8.4	8.6	9.0	8.5	34.5
Equity in net income of DGD	71.8	73.7	103.4	123.4	372.3	94.3	213.0	54.4	4.7	366.4
Operating Income	88.6	86.9	119.2	141.2	435.9	110.2	227.2	65.2	22.7	425.3
Base adjusted EBITDA	23.4	20.2	23.1	26.4	93.1	24.3	22.8	19.8	26.5	93.4
DGD adjusted EBITDA (Darling's Share)	86.6	90.6	120.3	146.0	443.5	129.3	247.4	86.5	38.8	502.0
Combined adjusted EBITDA (1)	\$ 110.0	\$ 110.8	\$ 143.4	\$ 172.4	\$ 536.6	\$ 153.6	\$ 270.2	\$ 106.3	\$ 65.3	\$ 595.3
Raw Material Processed (mmts) (2)	0.34	0.35	0.36	0.37	1.42	0.35	0.35	0.34	0.37	1.41

California LCFS and RIN Value History

Monthly Average LCFS Carbon Credit Price (USD/MT)



Platts Biodiesel RIN Values (Year 1, cents/gal)



Historical Pricing

2023 Finished Product Pricing Feed Segment Ingredients	2023 Average Jacobsen Prices (USD)																
	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	\$68.00	\$60.92	\$55.80	\$61.39	\$53.29	\$57.00	\$59.29	\$56.61	\$66.10	\$69.04	\$70.28	\$68.66	\$62.36	\$52.90	\$46.89	\$54.54	\$60.30
Yellow Grease - Illinois / cwt	\$58.58	\$49.25	\$46.13	\$51.10	\$44.26	\$47.43	\$46.26	\$46.06	\$49.08	\$52.98	\$54.85	\$52.39	\$46.73	\$39.83	\$34.88	\$40.69	\$47.56
Used Cooking Oil (UCO) - Illinois / cwt	\$61.88	\$51.71	\$48.00	\$53.61	\$48.00	\$48.00	\$49.31	\$48.45	\$52.20	\$55.72	\$55.95	\$54.72	\$48.80	\$41.38	\$39.23	\$42.94	\$49.93
Meat and Bone Meal - Ruminant - IL/ ton	\$418.00	\$433.29	\$453.48	\$435.85	\$461.97	\$467.95	\$462.50	\$464.27	\$462.50	\$457.17	\$445.00	\$455.04	\$431.36	\$369.00	\$310.00	\$372.44	\$431.90
Poultry By-Product Meal - Feed Grade - Mid South/ton	\$397.50	\$397.50	\$422.93	\$406.94	\$472.50	\$487.84	\$495.00	\$485.56	\$492.50	\$488.04	\$482.50	\$488.13	\$480.11	\$442.88	\$412.50	\$446.37	\$456.75
Poultry By-Product Meal - Pet Food - Mid South/ton	\$668.13	\$716.45	\$832.07	\$743.75	\$937.50	\$975.00	\$889.98	\$934.67	\$764.13	\$795.65	\$830.00	\$796.10	\$797.73	\$666.75	\$592.50	\$689.80	\$791.08

2023 Vegetable Oils Pricing Competing Ingredient for Feed Segment fats & biofuel feedstock	2023 Average Jacobsen Prices (USD)																
	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	\$65.03	\$63.31	\$58.77	\$62.18	\$56.05	\$52.48	\$59.60	\$55.98	\$70.77	\$70.04	\$65.90	\$69.07	\$58.31	\$55.42	\$52.09	\$55.33	\$60.64
Soybean Oil (RBD) - Central Illinois / cwt	\$74.77	\$71.93	\$68.04	\$71.40	\$66.05	\$63.02	\$71.92	\$66.96	\$83.22	\$79.82	\$74.34	\$79.26	\$65.82	\$63.27	\$60.32	\$63.18	\$70.20
Distiller's Corn Oil - IL/WI cwt	\$66.39	\$56.58	\$51.50	\$57.86	\$53.34	\$55.64	\$58.75	\$55.98	\$67.14	\$68.26	\$66.44	\$67.45	\$58.68	\$53.65	\$48.63	\$53.83	\$58.78

2023 Cash Corn Pricing Competing Ingredient for Bakery Feeds and Fats	2023 Average Wall Street Journal Prices (USD)																
	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	\$6.61	\$6.63	\$6.35	\$6.84	\$6.36	\$6.06	\$6.11	\$6.68	\$5.44	\$5.07	\$4.53	\$5.32	\$4.59	\$4.40	\$4.43	\$4.80	\$5.91

2023 European Benchmark Pricing Palm Oil - Competing ingredient for edible fats in Food Segment Soy meal - Competing ingredient for protein meals in Feed Segment	2023 Average Thomson Reuters Prices (USD)																
	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	\$1,007	\$974	\$998	\$993	\$1,025	\$947	\$902	\$958	\$973	\$949	\$966	\$963	\$899	\$939	\$945	\$928	\$960.00
Soy meal - CIF Rotterdam / metric ton	\$603	\$603	\$579	\$595	\$544	\$512	\$493	\$516	\$515	\$515	\$509	\$513	\$508	\$569	\$547	\$541	\$541.00

Comparison	QTR. over QTR. (Sequential)			Year over Year (Q2)		
	Q3-2023 Avg.	Q4-2023 Avg.	% Change	Q4-2022 Avg.	Q4-2023 Avg.	% Change
Average Jacobsen Prices (USD)						
Bleachable Fancy Tallow - Chicago Renderer / cwt	\$68.66	\$54.54	-20.6%	\$72.34	\$54.54	-24.6%
Yellow Grease - Illinois / cwt	\$52.39	\$40.69	-22.3%	\$62.01	\$40.69	-34.4%
Used Cooking Oil (UCO) - Illinois / cwt	\$54.72	\$42.94	-21.5%	\$64.76	\$42.94	-33.7%
Meat and Bone Meal - Ruminant - Illinois / ton	\$455.04	\$372.44	-18.2%	\$392.39	\$372.44	-5.1%
Poultry By-Product Meal - Feed Grade - Mid South / ton	\$488.13	\$446.37	-8.6%	\$390.37	\$446.37	14.3%
Poultry By-Product Meal - Pet Food - Mid South / ton	\$796.10	\$689.80	-13.4%	\$711.00	\$689.80	-3.0%
Soybean Oil (crude/de-gummed) - Central Illinois / cwt	\$69.07	\$55.33	-19.9%	\$75.72	\$55.33	-26.9%
Soybean Oil (RBD) - Central Illinois / cwt	\$79.26	\$63.18	-20.3%	\$84.82	\$63.18	-25.5%
Distiller's Corn Oil - IL/WI per cwt	\$67.45	\$53.83	-20.2%	\$73.32	\$53.83	-26.6%
Average Wall Street Journal Prices (USD)						
Corn - Track Central IL #2 Yellow / bushel	\$5.32	\$4.80	-9.8%	\$6.85	\$4.80	-29.9%
Average Thomson Reuters Prices (USD)						
Palm oil - CIF Rotterdam / metric ton	\$963	\$928	-3.6%	\$1,043	\$928	-11.0%
Soy meal - CIF Rotterdam / metric ton	\$513	\$541	5.5%	\$547	\$541	-1.1%

**Reconciliation of Net Income to (Non-GAAP) Adjusted EBITDA and (Non-GAAP) Pro-Forma
Adjusted EBITDA to Foreign Currency
For the Three and Twelve Months Ended December 30, 2023 and December 31, 2022**
(in thousands)

Adjusted EBITDA <i>(U.S. dollars in thousands)</i>	Three Months Ended		Twelve Months Ended	
	December 30, 2023 (unaudited)	December 31, 2022	December 30, 2023 (unaudited)	December 31, 2022
Net income attributable to Darling	\$ 84,516	\$ 156,560	\$ 647,726	\$ 737,690
Depreciation and amortization	137,929	117,384	502,015	394,721
Interest expense	68,453	46,139	259,223	125,566
Income tax expense	7,246	37,995	59,568	146,626
Restructuring and asset impairment charges	13,133	21,109	18,553	29,666
Acquisition and integration costs	1,726	2,738	13,884	16,372
Change in fair value of contingent consideration	5,167	-	(7,891)	-
Foreign currency (gain) loss	206	5,272	(8,133)	11,277
Other (income) expense, net	(2,825)	(242)	(16,310)	3,609
Equity in net income of Diamond Green Diesel	(4,690)	(123,448)	(366,380)	(372,346)
Equity in net (income) loss of other unconsolidated subsidiaries	(1,508)	831	(5,011)	(5,102)
Net income attributable to noncontrolling interests	2,740	2,671	12,663	9,402
Adjusted EBITDA (Non-GAAP)	<u>\$ 312,093</u>	<u>\$ 267,009</u>	<u>\$ 1,109,907</u>	<u>\$ 1,097,481</u>
Foreign currency exchange impact	(7,932) ⁽¹⁾	-	(10,830) ⁽²⁾	-
Pro forma Adjusted EBITDA to Foreign Currency (Non-GAAP)	<u>\$ 304,161</u>	<u>\$ 267,009</u>	<u>\$ 1,099,077</u>	<u>\$ 1,097,481</u>
DGD Joint Venture Adjusted EBITDA (Darling's Share)	<u>\$ 38,816</u>	<u>\$ 145,984</u>	<u>\$ 501,987</u>	<u>\$ 443,487</u>
Darling plus Darling's share of DGD Joint Venture Adjusted EBITDA	<u>\$ 350,909</u>	<u>\$ 412,993</u>	<u>\$ 1,611,894</u>	<u>\$ 1,540,968</u>

(1) The average rate assumption used in this calculation were the actual average rate for the three months ended December 30, 2023 of €1.00:USD\$1.07, R\$1.00:USD\$0.20 and CAD\$1.00:USD\$0.73, as compared to the average rate for the three months ended December 31, 2022 of €1.00:USD\$1.02, R\$1.00:USD\$0.19 and CAD\$1.00:USD\$0.74, respectively.

(2) The average rate assumption used in this calculation were the actual average rate for the twelve months ended December 30, 2023 of €1.00:USD\$1.08, R\$1.00:USD\$0.20 and CAD\$1.00:USD\$0.74, as compared to the average rate for the twelve months ended December 31, 2022 of €1.00:USD\$1.05, R\$1.00:USD\$0.19 and CAD\$1.00:USD\$0.77, respectively.

Event Calendar



Scotia Bank Howard Weil Energy Conference

- Miami
- Feb. 29



Raymond James

- Orlando
- March 5



Piper Sandler Energy Conference

- Las Vegas
- March 19

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. It 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, the presentation in this report may not be comparable to EBITDA or Adjusted EBITDA presentations disclosed by other companies. Adjusted EBITDA is calculated above and represents for any relevant period, net income/(loss) plus depreciation and amortization, restructuring, acquisition and integration costs, goodwill and long-lived asset impairment, change in fair value of contingent consideration, interest expense, income tax provision, other income/(expense) and equity in net (income)/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.

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. 30, 2023. However, the amounts shown below 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 nonrecurring costs, non-cash charges and cash dividends from the DGD Joint Venture. Additionally, the Company evaluates the impact of foreign exchange on operating cash flow, which is defined as segment operating income (loss) plus depreciation and amortization.



EARNINGS REPORT

Q4 FY 2023 | February 27, 2024

