

To Our Shareholders

We delivered another successful year focused on streamlining operations across our business segments and executing our **world of growth strategy**. During the year, our global capital growth plan included multiple new construction projects, expansions and bolt-on acquisitions. We strengthened our global scale, engineering our product mix to meet the needs of changing global diets. We executed well, delivering improved returns across all segments while navigating through deflationary finished product markets and macroeconomic headwinds in South American markets.

Notably, our earnings reflect the impact of the U.S. tax reform legislation enacted in late December 2017, with fourth quarter and fiscal year results benefitting significantly from a net tax benefit of \$75 million, or \$0.45 per diluted share. We also benefitted from changes in European tax laws of \$13.9 million, or \$0.08 per diluted share. Overall, fiscal 2017 was marked with several notable financial and operational achievements that are a testament to our proven business model.

- We leveraged higher raw material volumes, with total tonnage up 3.1 percent year-over year.
- We delivered adjusted EBITDA of \$438.9 million without the Blenders Tax Credit (“BTC”), which in February 2018 was reinstated retroactively for 2017.
- Diamond Green Diesel recorded an entity level EBITDA of \$86.4 million, or \$0.54 per gallon without the BTC. We anticipate receiving the entity share of the BTC of approximately \$160.4 million, or \$0.56 per share in late Spring of 2018.
- Our strong balance sheet, coupled with the ability to generate solid cash flows, enabled further deleverage of \$112.5 million, exceeding our 2017 targeted debt payment of \$100 million, which lowered our total debt to EBITDA ratio to 3.47 from 3.69 in 2016.
- We improved our working capital utilization by \$61.8 million year-over-year.
- We refinanced and lowered our cost of borrowing on our Term Loan B with extended maturity, locking in significant interest savings and giving us additional financial flexibility.
- We deployed \$274 million in growth capital across our Feed, Food and Fuel segments, funding new construction and expansions to support our world of growth strategy.

- And, we capitalized on demand in North America and China – both strong markets for our products – by acquiring New Jersey based American By-Products Recyclers and Florida-based Tallow Masters and purchasing the remaining minority interests in our blood business in China.

Uniquely Positioned as the Global Ingredients Leader

We are in the unique position to view the world from a holistic approach, leveraging our global reach and solid business model to execute on organic and acquisitive growth. We continue to innovate and invest in new technologies and processes to deliver sustainable and value-added ingredient offerings to a growing world with growing demands. Our balanced and expanding portfolio of strong global brands delivered net income of \$128.5 million, or \$0.77 per GAAP diluted share for fiscal 2017.

Diamond Green Diesel – A Green Premium

Diamond Green Diesel (“DGD”), our 50/50 joint venture with Valero Energy Corporation, has proven to be the lowest-cost and highest green premium producer of renewable diesel in the world. While the regulatory environment surrounding the Renewable Fuel Standard was in flux during the year and the absence of the BTC impacted our results, DGD excelled operationally. We remain confident in its positioning to service both the U.S. renewable fuel standard demands as well as to satisfy the growing global demand for low carbon markets, which will drive enhanced margin opportunities. Additionally, we are looking forward to bringing the expanded DGD facility online in late second quarter 2018, boosting annual production to a 275-million-gallon run rate from the current 160-million-gallon run rate. Late November 2017, we made a joint announcement with Valero to perform an engineering and construction cost review for a proposed additional expansion of the facility to 550 million gallons per year. Our partnership with Valero through DGD has created a sustainable and efficient process of converting Darling’s feedstocks of waste fats and oils to high quality biofuels to meet the needs of our customers around the world.

CFO Realignment

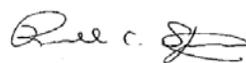
As part of a leadership reorganization, we separated the chief administrative officer responsibilities from the chief financial officer role. And, in early January 2018, we promoted Brad Phillips to serve as our new Chief Financial Officer. Brad has a long tenure serving in expanded roles throughout his 29 years with Darling Ingredients. Brad also managed our investor relations effort for many years alongside his treasury role since 1993. He is a seasoned professional with proven public company expertise, and more importantly, Brad knows our culture, our operations and business intimately. John Muse, our 20-year veteran opted out of retirement and has filled our Chief Administrative Officer role, with responsibility for streamlining and integrating our global IT, human resources, risk management and internal audit functions. We are confident in the leadership of both Brad and John, and their contributions will be vital as we execute our long-term growth strategy, making Darling the global powerhouse in natural and sustainable ingredients.

A Disruptive Platform

We continue to build positive momentum and feel confident in our global model. The combination of our core business aligned with DGD has created a transformational and disruptive platform to deliver improved earnings power. We will continue to expand, build and acquire facilities processing nutrient-rich natural materials, including high growth proteins and further penetrating the specialty ingredient markets. In 2018, and beyond, we remain committed to superior customer service, diligent cost discipline, solid risk management and operational excellence as we elevate our disruptive platform to capitalize on the food, feed and fuel needs of a growing population.

As always, we extend our deepest appreciation for the continued support and contributions of our shareholders, business associates, suppliers, customers and dedicated employees.

Randall C. Stuewe



Chairman and Chief Executive Officer