

REFINITIV

## DELTA REPORT

### 10-Q

DAR - DARLING INGREDIENTS INC.

10-Q - JUNE 29, 2024 COMPARED TO 10-Q - MARCH 30, 2024

The following comparison report has been automatically generated

**TOTAL DELTAS** 1429

■ CHANGES	455
■ DELETIONS	364
■ ADDITIONS	610

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 or 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 30, June 29, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 or 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-13323

**DARLING INGREDIENTS INC.**

(Exact name of registrant as specified in its charter)

**Delaware**

**36-2495346**

(State or other jurisdiction  
of incorporation or organization)

(I.R.S. Employer  
Identification Number)

**5601 N MacArthur Blvd., Irving, Texas 75038**  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(972) 717-0300**

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock \$0.01 par value per share	DAR	New York Stock Exchange ("NYSE")

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit and post such files). Yes  No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer   
Non-accelerated filer

Accelerated filer   
Smaller reporting company   
Emerging growth company

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of Exchange Act.

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

There were **159,779,553** **159,023,946** shares of common stock, \$0.01 par value, outstanding at **May 2, 2024** **August 2, 2024**.

DARLING INGREDIENTS INC. AND SUBSIDIARIES  
FORM 10-Q FOR THE QUARTERLY PERIOD ENDED **MARCH 30**, **JUNE 29**, 2024

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DARLING INGREDIENTS INC. AND SUBSIDIARIES

**CONSOLIDATED BALANCE SHEETS**  
**March 30, June 29, 2024 and December 30, 2023**

(in thousands, except share data)

	March 30, 2024	December 30, 2023
	June 29, 2024	December 30, 2023
<b>ASSETS</b>		
Current assets:		
Current assets:		
Current assets:		
Cash and cash equivalents		
Cash and cash equivalents		
Cash and cash equivalents		
Restricted cash		
Accounts receivable, less allowance for bad debts of \$15,936 at March 30, 2024 and \$15,208 at December 30, 2023		
Accounts receivable, less allowance for bad debts of \$17,297 at June 29, 2024 and \$15,208 at December 30, 2023		
Accounts receivable due from related party - Diamond Green Diesel		
Inventories		
Prepaid expenses		
Income taxes refundable		
Other current assets		
Total current assets		
Property, plant and equipment, less accumulated depreciation of \$2,431,378 at March 30, 2024 and \$2,360,342 at December 30, 2023		
Intangible assets, less accumulated amortization of \$523,801 at March 30, 2024 and \$748,646 at December 30, 2023		
Property, plant and equipment, less accumulated depreciation of \$2,467,853 at June 29, 2024 and \$2,360,342 at December 30, 2023		
Intangible assets, less accumulated amortization of \$538,205 at June 29, 2024 and \$748,646 at December 30, 2023		
Goodwill		
Investment in unconsolidated subsidiaries		
Operating lease right-of-use assets		
Other assets		
Deferred income taxes		
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>
Current liabilities:	Current liabilities:	Current liabilities:
Current portion of long-term debt		
Accounts payable, principally trade		
Income taxes payable		
Current operating lease liabilities		
Accrued expenses		
Total current liabilities		
Long-term debt, net of current portion		
Long-term operating lease liabilities		
Other non-current liabilities		
Deferred income taxes		
Total liabilities		
Commitments and contingencies	Commitments and contingencies	Commitments and contingencies
Stockholders' equity:	Stockholders' equity:	Stockholders' equity:
Common stock, \$0.01 par value; 250,000,000 shares authorized; 174,853,704 and 174,427,981 shares issued at March 30, 2024 and December 30, 2023, respectively		
Common stock, \$0.01 par value; 250,000,000 shares authorized; 174,871,971 and 174,427,981 shares issued at June 29, 2024 and December 30, 2023, respectively		

Additional paid-in capital
Treasury stock, at cost; 15,074,147 and 14,894,192 shares at March 30, 2024 and December 30, 2023, respectively
Treasury stock, at cost; 15,888,545 and 14,894,192 shares at June 29, 2024 and December 30, 2023, respectively
Accumulated other comprehensive loss
Retained earnings
Total Darling's stockholders' equity
Noncontrolling interests
Total stockholders' equity

The accompanying notes are an integral part of these consolidated financial statements.

DARLING INGREDIENTS INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

Three and six months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**  
(in thousands, except per share data)  
(unaudited)

	Three Months Ended	Three Months Ended	Three Months Ended	Six Months Ended
	June 29, 2024	July 1, 2023	June 29, 2024	July 1, 2023
Net sales				
Net sales				
Net sales				
Costs and expenses:				
Costs and expenses:				
Costs and expenses:				
Cost of sales and operating expenses				
Cost of sales and operating expenses				
Cost of sales and operating expenses				
Gain on sale of assets				
Gain on sale of assets				
Gain on sale of assets				
Selling, general and administrative expenses				
Selling, general and administrative expenses				
Loss/(gain) on sale of assets				
Selling, general and administrative expenses				
Restructuring and asset impairment charges				
Restructuring and asset impairment charges				
Restructuring and asset impairment charges				
Acquisition and integration costs				
Acquisition and integration costs				
Acquisition and integration costs				
Change in fair value of contingent consideration				
Change in fair value of contingent consideration				
Change in fair value of contingent consideration				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				
Total costs and expenses				

Total costs and expenses
Total costs and expenses
Equity in net income of Diamond Green Diesel
Equity in net income of Diamond Green Diesel
Equity in net income of Diamond Green Diesel
Operating income
Operating income
Operating income
Other expense:
Other expense:
Other expense:
Interest expense
Interest expense
Interest expense
Foreign currency gain
Other income, net
Total other expense
Total other expense
Other income/(expense), net
Other income/(expense), net
Other income/(expense), net
Total other expense
Equity in net income of other unconsolidated subsidiaries
Equity in net income of other unconsolidated subsidiaries
Equity in net income of other unconsolidated subsidiaries
Income before income taxes
Income before income taxes
Income before income taxes
Income tax expense
Income tax expense
Income tax expense
Net income
Net income
Net income
Net income attributable to noncontrolling interests
Net income attributable to noncontrolling interests
Net income attributable to noncontrolling interests
Net income attributable to Darling
Net income attributable to Darling
Net income attributable to Darling
Basic income per share
Basic income per share
Basic income per share
Diluted income per share
Diluted income per share
Diluted income per share

The accompanying notes are an integral part of these consolidated financial statements.

DARLING INGREDIENTS INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME/(LOSS)**

Three and six months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**  
(in thousands)  
(unaudited)

	Three Months Ended	Three Months Ended	Six Months Ended
	June 29, 2024	July 1, 2023	June 29, 2024
			July 1, 2023
Net income			
Net income			
Net income			
Other comprehensive income/(loss), net of tax:			
Other comprehensive income/(loss), net of tax:			
Other comprehensive income/(loss), net of tax:			
Foreign currency translation adjustments			
Foreign currency translation adjustments			
Foreign currency translation adjustments			
Pension adjustments			
Pension adjustments			
Pension adjustments			
Commodities derivative adjustments			
Commodities derivative adjustments			
Commodities derivative adjustments			
Interest rate swap adjustments			
Interest rate swap adjustments			
Interest rate swap adjustments			
Foreign exchange derivative adjustments			
Foreign exchange derivative adjustments			
Foreign exchange derivative adjustments			
Total other comprehensive income/(loss), net of tax			
Total other comprehensive income/(loss), net of tax			
Total other comprehensive income/(loss), net of tax			
Total comprehensive income/(loss)			
Total comprehensive income/(loss)			
Total comprehensive income/(loss)			
Comprehensive income attributable to noncontrolling interests			
Comprehensive income attributable to noncontrolling interests			
Comprehensive income attributable to noncontrolling interests			
Comprehensive income/(loss) attributable to Darling			
Comprehensive income/(loss) attributable to Darling			
Comprehensive income/(loss) attributable to Darling			

The accompanying notes are an integral part of these consolidated financial statements.

DARLING INGREDIENTS INC. AND SUBSIDIARIES

**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

Three and six months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**

(in thousands, except share data)  
(unaudited)

Common Stock														
Number of Outstanding Shares		Stockholders' Equity												
Number of Outstanding Shares		Accumulated Other						Stockholders' equity						
Number of Outstanding Shares	\$0.01 par Value	Additional Paid-In Capital	Treasury Stock	Loss	Comprehensive Earnings	Retained Earnings	Attributable to Darling	Non-controlling Interests	Total Stockholders' Equity	Additional Paid-In Capital	Treasury Stock	Loss	Comprehensive Earnings	Retained Earnings
Balances at December 30, 2023														
Net income														
Pension adjustments, net of tax														
Pension adjustments, net of tax														
Pension adjustments, net of tax														
Commodities derivative adjustments, net of tax														
Interest rate swap adjustments, net of tax														
Foreign exchange derivative adjustments, net of tax														
Foreign currency translation adjustments														
Issuance of non-vested stock														
Stock-based compensation														
Treasury stock														
Issuance of common stock														
Balances at March 30, 2024														
Net income														
Distribution of noncontrolling interest earnings														
Pension adjustments, net of tax														
Pension adjustments, net of tax														

Pension
adjustments, net
of tax
Commodities
derivative
adjustments, net
of tax
Interest rate swap
adjustments, net
of tax
Foreign exchange
derivative
adjustments, net
of tax
Foreign currency
translation
adjustments
Issuance of non-
vested stock
Stock-based
compensation
Treasury stock
Issuance of
common stock
Balances at June
29, 2024

The accompanying notes are an integral part of these consolidated financial statements.

	Common Stock						Stockholders' equity			
	Number of Outstanding Shares	\$0.01 par Value	Additional Paid- In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	attributable to	Non-controlling Interests	Total Stockholders' Equity	
							Darling			
Balances at December 31, 2022	159,969,596	\$ 1,736	\$ 1,660,084	\$ (554,451)	\$ (383,874)	\$ 3,085,528	\$ 3,809,023	\$ 87,467	\$ 3,896,490	
Net income	—	—	—	—	—	185,801	185,801	4,054	189,855	
Distribution of noncontrolling interest earnings	—	—	—	—	—	—	—	(3,441)	(3,441)	
Addition to noncontrolling interests	—	—	—	—	—	—	—	1,643	1,643	
Pension adjustments, net of tax	—	—	—	—	327	—	327	—	327	
Commodities derivative adjustments, net of tax	—	—	—	—	21,124	—	21,124	—	21,124	
Interest rate swap adjustments, net of tax	—	—	—	—	720	—	720	—	720	
Foreign exchange derivative adjustments, net of tax	—	—	—	—	5,620	—	5,620	—	5,620	
Foreign currency translation adjustments	—	—	—	—	56,875	—	56,875	(658)	56,217	
Issuance of non-vested stock	—	—	47	—	—	—	47	—	47	
Stock-based compensation	—	—	11,806	—	—	—	11,806	—	11,806	
Treasury stock	(1,039,462)	—	—	(60,510)	—	—	(60,510)	—	(60,510)	
Issuance of common stock	633,972	6	1,695	—	—	—	1,701	—	1,701	
Balances at April 1, 2023	159,564,106	\$ 1,742	\$ 1,673,632	\$ (614,961)	\$ (299,208)	\$ 3,271,329	\$ 4,032,534	\$ 89,065	\$ 4,121,599	

**DARLING INGREDIENTS INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**

Six months ended June 29, 2024 and July 1, 2023

(in thousands, except share data)

(unaudited)

	Common Stock						Stockholders' equity			
	Number of Outstanding Shares	\$0.01 par Value	Additional Paid- In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	attributable to	Non-controlling Interests	Total Stockholders' Equity	
							Darling			
Balances at December 31, 2022	159,969,596	\$ 1,736	\$ 1,660,084	\$ (554,451)	\$ (383,874)	\$ 3,085,528	\$ 3,809,023	\$ 87,467	\$ 3,896,490	
Net income	—	—	—	—	—	185,801	185,801	4,054	189,855	

Deductions to noncontrolling interests	—	—	—	—	—	—	—	(3,441)	(3,441)
Addition to noncontrolling interests	—	—	—	—	—	—	—	1,643	1,643
Pension adjustments, net of tax	—	—	—	—	327	—	327	—	327
Commodities derivative adjustments, net of tax	—	—	—	—	21,124	—	21,124	—	21,124
Interest rate swap adjustments, net of tax	—	—	—	—	720	—	720	—	720
Foreign exchange derivative adjustments, net of tax	—	—	—	—	5,620	—	5,620	—	5,620
Foreign currency translation adjustments	—	—	—	—	56,875	—	56,875	(658)	56,217
Issuance of non-vested stock	—	—	47	—	—	—	47	—	47
Stock-based compensation	—	—	11,806	—	—	—	11,806	—	11,806
Treasury stock	(1,039,462)	—	—	(60,510)	—	—	(60,510)	—	(60,510)
Issuance of common stock	633,972	6	1,695	—	—	—	1,701	—	1,701
Balances at April 1, 2023	159,564,106 \$	1,742 \$	1,673,632 \$	(614,961) \$	(299,208) \$	3,271,329 \$	4,032,534 \$	89,065 \$	4,121,599
Net income	—	—	—	—	—	252,383	252,383	2,814	255,197
Distribution of noncontrolling interest earnings	—	—	—	—	—	—	—	(9,036)	(9,036)
Addition to noncontrolling interests	—	—	—	—	—	—	—	2,003	2,003
Pension adjustments, net of tax	—	—	—	—	327	—	327	—	327
Commodities derivative adjustments, net of tax	—	—	—	—	(17,662)	—	(17,662)	—	(17,662)
Interest rate swap adjustments, net of tax	—	—	—	—	9,606	—	9,606	—	9,606
Foreign exchange derivative adjustments, net of tax	—	—	—	—	9,271	—	9,271	—	9,271
Foreign currency translation adjustments	—	—	—	—	85,105	—	85,105	(2,513)	82,592
Issuance of non-vested stock	—	—	46	—	—	—	46	—	46
Stock-based compensation	—	—	6,186	—	—	—	6,186	—	6,186
Treasury stock	(164,362)	—	—	(9,891)	—	—	(9,891)	—	(9,891)
Issuance of common stock	90,162	1	324	—	—	—	325	—	325
Balances at July 1, 2023	159,489,906 \$	1,743 \$	1,680,188 \$	(624,852) \$	(212,561) \$	3,523,712 \$	4,368,230 \$	82,333 \$	4,450,563

The accompanying notes are an integral part of these consolidated financial statements.

#### DARLING INGREDIENTS INC. AND SUBSIDIARIES

#### CONSOLIDATED STATEMENTS OF CASH FLOWS

Three Six months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023

(in thousands)  
(unaudited)

		March 30, 2024	April 1, 2023		June 29, 2024	July 1, 2023
Cash flows from operating activities:	Cash flows from operating activities:			Cash flows from operating activities:		
Net income						
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:			Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization						
Gain on sale of assets						
Change in fair value of contingent consideration						
Change in fair value of contingent consideration						
Change in fair value of contingent consideration						
Gain on insurance proceeds from insurance settlements						
Deferred taxes						
Increase in long-term pension liability						
Stock-based compensation expense						
Deferred loan cost amortization						
Deferred loan cost amortization						
Deferred loan cost amortization						



The accompanying notes are an integral part of these consolidated financial statements.

DARLING INGREDIENTS INC. AND SUBSIDIARIES

**Notes to Consolidated Financial Statements**

March 30, June 29, 2024

(unaudited)

(1) General

The accompanying consolidated financial statements for the ~~three~~ six month periods ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**, have been prepared by Darling Ingredients Inc., a Delaware corporation ("Darling", and together with its subsidiaries, the "Company" or "we", "us" or "our") in accordance with generally accepted accounting principles in the United States ("GAAP") without audit, pursuant to the rules and regulations of the Securities and Exchange Commission ("SEC"). The information furnished herein reflects all adjustments (consisting only of normal recurring accruals) that are, in the opinion of management, necessary to present a fair statement of the financial position and operating results of the Company as of and for the respective periods. However, these operating results are not necessarily indicative of the results expected for a full fiscal year. Certain information and footnote disclosures normally included in annual financial statements prepared in accordance with GAAP have been omitted pursuant to such rules and regulations. However, management of the Company believes, to the best of their knowledge, that the disclosures herein are adequate to make the information presented not misleading. The accompanying consolidated financial statements should be read in conjunction with the audited consolidated financial statements contained in the Company's Form 10-K for the fiscal year ended December 30, 2023.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated financial statements include the accounts of Darling and its consolidated subsidiaries. Noncontrolling interests represent the outstanding ownership interest in the Company's consolidated subsidiaries that are not owned by the Company. In the accompanying Consolidated Statements of Operations, the noncontrolling interest in net income of the consolidated subsidiaries is shown as an allocation of the Company's net income and is presented separately as "Net income attributable to noncontrolling interests." In the Company's Consolidated Balance Sheets, noncontrolling interests represent the ownership interests in the Company's consolidated subsidiaries' net assets held by parties other than the Company. These ownership interests are presented separately as "Noncontrolling interests" within "Stockholders' Equity." All intercompany balances and transactions have been eliminated in consolidation.

(b) Fiscal Periods

The Company has a 52/53 week fiscal year ending on the Saturday nearest December 31. Fiscal periods for the consolidated financial statements included herein are as of **March 30, 2024** **June 29, 2024**, and include the 13 and 26 weeks ended **March 30, 2024** **June 29, 2024**, and the 13 and 26 weeks ended **April 1, 2023** **July 1, 2023**.

(c) Cash and Cash Equivalents

The Company considers all short-term highly liquid instruments, with an original maturity of three months or less, to be cash equivalents. Cash balances are recorded net of book overdrafts when a bank right-of-offset exists. All other book overdrafts are recorded in accounts payable and the change in the related balance is reflected in operating activities on the Consolidated Statement of Cash Flows. In addition, the Company has bank overdrafts, which are considered a form of short-term financing with changes in the related balance reflected in financing activities in the Consolidated Statement of Cash Flows. Restricted cash shown on the Consolidated Balance Sheet as of **March 30, 2024** **June 29, 2024**, primarily ~~represented~~ represents the current portion of acquisition consideration hold-back amounts that are part of the purchase price set aside in escrow in the Company's name for possible indemnification claims by the Company, which amounts will be paid to the sellers in the future if no claims arise. At December 30, 2023, restricted cash primarily ~~represented~~ represents amounts set aside as collateral for foreign construction projects and U.S. environmental claims and was insignificant to the Company. Restricted cash included in other long term assets on the Consolidated Balance Sheet as of **March 30, 2024** **June 29, 2024** and December 30, 2023, primarily ~~represented~~ represents the long term acquisition consideration hold-back amounts that are part of the purchase price set aside in escrow in the Company's name for possible indemnification claims by the Company, which amounts will be paid to the sellers in the future if no claims arise.

A reconciliation of cash, cash equivalents,

and restricted cash reported within the Consolidated Balance Sheets that sum to the total of the same such amounts shown in the Consolidated Statement of Cash flows is as follows (in thousands):

	March 30, 2024	December 30, 2023
	June 29, 2024	December 30, 2023
Cash and cash equivalents		
Restricted cash		
Restricted cash included in other long-term assets		
Total cash, cash equivalents and restricted cash shown in the statement of cash flows		

(d) Accounts Receivable Factoring

The Company has entered into agreements with third party banks to factor certain of the Company's trade receivables in order to enhance working capital by turning trade receivables into cash faster. Under these agreements, the Company sells certain selected customers' trade receivables to third party banks without recourse for cash less a nominal fee. For the three months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**, the Company sold approximately **\$137.4 million** **\$158.2 million** and **\$161.4 million** **\$130.6 million** of its trade receivables and incurred approximately **\$2.2 million** **\$2.3 million** and **\$2.0 million** **\$1.7 million** in fees, respectively, which are recorded as interest expense. For the six months ended **June 29, 2024** and **July 1, 2023**, the Company sold approximately **\$295.6 million** and **\$292.0 million** of its trade receivables and incurred approximately **\$4.5 million** and **\$3.7 million** in fees, respectively, which are recorded as interest expense.

(e) Revenue Recognition

The Company recognizes revenue on sales when control of the promised finished product is transferred to the Company's customers in an amount that reflects the consideration the Company expects to be entitled to in exchange for the finished product. Service revenues are recognized when the service occurs. Certain customers may be required to prepay prior to shipment in order to maintain payment protection related to certain foreign and domestic sales. These amounts are recorded as unearned revenue in accrued expenses and recognized when control of the promised finished product is transferred to the Company's customer. See Note 20 (Revenue) to the Company's Consolidated Financial Statements included herein.

(f) Earnings Per Share

Basic income per common share is computed by dividing net income attributable to Darling by the weighted average number of common shares including non-vested and restricted shares outstanding during the period. Diluted income per common share is computed by dividing net income attributable to Darling by the weighted average number of common shares outstanding during the period increased by dilutive common equivalent shares determined using the treasury stock method.

Net Income per Common Share (in thousands, except per share data)						
Three Months Ended						
	March 30, 2024			April 1, 2023		
	Income	Shares	Per Share	Income	Shares	Per Share
Basic:						
Net Income attributable to Darling	\$ 81,157	159,812	\$ 0.51	\$ 185,801	160,145	\$ 1.16
Diluted:						
Effect of dilutive securities:						
Add: Option shares in the money and dilutive effect of non-vested stock awards		3,053				3,419
Less: Pro forma treasury shares		(960)				(747)
Diluted:						
Net income attributable to Darling	\$ 81,157	161,905	\$ 0.50	\$ 185,801	162,817	\$ 1.14

Net Income per Common Share (in thousands, except per share data)						
Three Months Ended						
	June 29, 2024			July 1, 2023		
	Income	Shares	Per Share	Income	Shares	Per Share
Basic:						
Net Income attributable to Darling	\$ 78,866	159,815	\$ 0.49	\$ 252,383	159,810	\$ 1.58
Diluted:						
Effect of dilutive securities:						
Add: Option shares in the money and dilutive effect of non-vested stock awards		2,881				3,308
Less: Pro forma treasury shares		(991)				(748)
Diluted:						
Net income attributable to Darling	\$ 78,866	161,705	\$ 0.49	\$ 252,383	162,370	\$ 1.55

Net Income per Common Share (in thousands, except per share data)						
Six Months Ended						
	June 29, 2024			July 1, 2023		
	Income	Shares	Per Share	Income	Shares	Per Share
Basic:						

Net Income attributable to Darling	\$ 160,023	159,813	\$ 1.00	\$ 438,184	159,978	\$ 2.74
Diluted:						
Effect of dilutive securities:						
Add: Option shares in the money and dilutive effect of non-vested stock awards		2,968			3,363	
Less: Pro forma treasury shares		(976)			(748)	
Diluted:						
Net income attributable to Darling	\$ 160,023	161,805	\$ 0.99	\$ 438,184	162,593	\$ 2.69

For the three months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**, respectively, no outstanding stock options were excluded from diluted income per common share as the effect would be antidilutive. For the three months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**, respectively, **576,692** **763,104** and **333,085** **478,289** shares of non-vested stock and stock equivalents were excluded from diluted income per common share as the effect was antidilutive.

For the six months ended **June 29, 2024** and **July 1, 2023**, respectively, no outstanding stock options were excluded from diluted income per common share as the effect would be antidilutive. For the six months ended **June 29, 2024** and **July 1, 2023**, respectively, **718,563** and **450,248** shares of non-vested stock and stock equivalents were excluded from diluted income per common share as the effect was antidilutive.

(g) Out-of-Period Adjustment

During the quarter ended March 30, 2024, the Company determined the inventory balance at its recently acquired Gelnex subsidiary was overstated by approximately \$25.1 million at December 30, 2023. The overstatement was the result of an error in calculating the elimination of deferred profit in inventory on intercompany product sales from South America.

During the first quarter of fiscal 2024, the Company recorded an adjustment to earnings of approximately \$17.9 million, net of tax. The Company assessed the impact of this out-of-period adjustment and concluded that it was not material to the financial statements previously issued for any interim or annual period during 2023, and the adjustment during the quarter ended March 30, 2024 is not expected to be material to the annual financial statements for fiscal 2024. The out-of-period adjustment is included in the Food Ingredients segment results.

(h) Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

If it is at least reasonably possible that the estimate of the effect on the financial statements of a condition, situation, or set of circumstances that exist at the date of the financial statements will change in the near term due to one or more future confirming events, and the effect of the change would be material to the financial statements, the Company will disclose the nature of the uncertainty and include an indication that it is at least reasonably possible that a change in the estimate will occur in the near term. If the estimate involves certain loss contingencies, the disclosure will also include an estimate of the probable loss or range of loss or state that an estimate cannot be made.

As a result of the Russia-Ukraine war, the Israeli-Palestinian conflict and the current inflationary environment, we have evaluated the potential impact to the Company's operations and for any indicators of potential triggering events that could indicate certain of the Company's assets may be impaired. Through the **three** **six** months ended **March 30, 2024** **June 29, 2024**, the Company has not observed any impairments of the Company's assets or a significant change in their fair value due to the Russia-Ukraine war, the Israeli-Palestinian conflict or inflation.

(3) Investment in Unconsolidated Subsidiaries

On January 21, 2011, a wholly-owned subsidiary of Darling entered into a limited liability company agreement with a wholly-owned subsidiary of Valero Energy Corporation ("Valero") to form Diamond Green Diesel Holdings LLC ("DGD" or the "DGD Joint Venture"). The DGD Joint Venture is owned 50% / 50% with Valero.

Selected financial information for the Company's DGD Joint Venture is as follows:

(in thousands)	(in thousands)	March 31, 2024	December 31, 2023	(in thousands)	June 30, 2024	December 31, 2023
Assets:						
Total current assets						
Total current assets						
Total current assets						
Property, plant and equipment, net						
Other assets						
Total assets						

Liabilities and members' equity:

Total current portion of long term debt  
 Total current portion of long term debt  
 Total current portion of long term debt  
 Total other current liabilities  
 Total long term debt  
 Total other long term liabilities  
 Total members' equity  
 Total liabilities and members' equity

		Three Months Ended	Three Months Ended	Six Months Ended
		Three Months Ended	Three Months Ended	
(in thousands)	(in thousands)	(in thousands)	June 30, 2024	June 30, 2023
(in thousands)	(in thousands)	(in thousands)	June 30, 2024	June 30, 2024
Revenues:	Revenues:	Revenues:	June 30, 2024	June 30, 2023
Operating revenues	Operating revenues	Operating revenues		
Expenses:	Expenses:	Expenses:		
Total costs and expenses less lower of cost or market inventory valuation adjustment and depreciation, amortization and accretion expense	Total costs and expenses less lower of cost or market inventory valuation adjustment and depreciation, amortization and accretion expense	Total costs and expenses less lower of cost or market inventory valuation adjustment and depreciation, amortization and accretion expense		
Lower of cost or market (LCM) inventory valuation adjustment	Lower of cost or market (LCM) inventory valuation adjustment	Lower of cost or market (LCM) inventory valuation adjustment		
Depreciation, amortization and accretion expense	Depreciation, amortization and accretion expense	Depreciation, amortization and accretion expense		
Depreciation, amortization and accretion expense	Depreciation, amortization and accretion expense	Depreciation, amortization and accretion expense		
Total costs and expenses	Total costs and expenses	Total costs and expenses		
Operating income	Operating income	Operating income		
Other income	Other income	Other income		
Interest and debt expense, net	Interest and debt expense, net	Interest and debt expense, net		

Income before income tax expense	
Income before income tax expense	
Income before income tax expense	
Income tax benefit	
Income tax benefit	
Income tax benefit	Net income
	Net income
	Net income

As of **March 30, 2024** **June 29, 2024**, under the equity method of accounting, the Company has an investment in the DGD Joint Venture of approximately **\$2,307.5 million** **\$2,347.2 million** on the consolidated balance sheet. The Company has recorded equity in net income from the DGD Joint Venture of approximately **\$78.4** **\$44.2 million** and **\$94.3** **\$213.0 million** for the three months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**, respectively. The Company has recorded equity in net income from the DGD Joint Venture of approximately **\$122.6 million** and **\$307.3 million** for the six months ended June 29, 2024 and July 1, 2023, respectively. In December 2019, the **blender** **blenders** tax credits were credit was extended for calendar years 2020, 2021 and 2022. On August 16, 2022, the U.S. government enacted the Inflation Reduction Act (the "IR Act"). As part of the IR Act, the blender tax credits were extended as is until December 31, 2024. After 2024, the Clean Fuels Production Credit (the "CFPC") becomes effective from 2025 through 2027. Under the CFPC, on-road transportation fuel receives a base credit of up to \$1.00 per gallon of renewable diesel multiplied by the fuel's emission reduction percentage as long as it is produced at a qualifying facility and it meets prevailing wage requirements and apprenticeship requirements. In contrast to the blenders tax credits, credit, the CFPC requires that production must take place in the United States. For the three months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**, the DGD Joint Venture recorded approximately **\$331.1 million** **\$308.2 million** and **\$246.0 million** **\$387.5 million** of blenders tax credits, respectively. For the six months ended June 29, 2024 and July 1, 2023, the DGD Joint Venture recorded approximately **\$639.2 million** and **\$633.5 million** of blenders tax credits, respectively. The blenders tax credits are recorded as a reduction of cost of sales by the DGD Joint Venture. In the **three** **six** months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**, respectively, the Company made \$90.0 million and \$75.0 million capital contributions to the DGD Joint Venture. In the **three** **six** months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**, the Company received **no** zero and \$101.4 million in dividend distributions from the DGD Joint Venture, respectively. In July 2024, the Company received approximately **\$77.1 million** as a dividend distribution from the DGD Joint Venture. As of **March 30, 2024** **June 29, 2024**, the DGD Joint Venture **has had no** borrowings outstanding of **\$100.0 million** under their unsecured revolving credit facility.

In addition to the DGD Joint Venture, the Company has investments in other unconsolidated subsidiaries that are insignificant to the Company.

#### (4) Acquisitions

##### Miropasz Group

On January 31, 2024, a wholly-owned international subsidiary of the Company acquired all of the shares of the Miropasz Group (the "Miropasz Acquisition"), a rendering company in Poland that is now in our Feed Ingredients segment, for a cash purchase price of approximately €105.6 million (approximately \$114.3 million USD at the exchange rate of €1.0:USD\$1.082198 on the closing date). In addition, the Company incurred a liability of approximately €7.0 million (approximately \$7.6 million USD at the exchange rate on the closing date) for acquisition consideration hold-back amount that is part of the purchase price set aside in escrow in the **Company's** **Company's** name for possible indemnification claims by the Company, which amounts will be paid to the sellers in the future if no claims arise. The hold-back amount represents a noncash investing activity during the period of acquisition. The Company recorded assets and liabilities on a preliminary basis consisting of property, plant and equipment of approximately \$21.2 million, identifiable intangibles which includes routes and immaterial land use rights of approximately \$34.9 million with a weighted average life of 17 years, other net assets of approximately **\$2.4 million** **\$2.9 million** which includes cash, working capital and net debt, and goodwill of approximately **\$63.4 million** **\$62.9 million**. Due to the complexity of acquiring foreign entities, the Company is still **assessing** in the process of **reviewing** the provisional amounts recorded for assets acquired and liabilities assumed including possible future purchase price adjustments to property, plant and equipment, intangible assets and taxes, and thus the final determination of the value of assets acquired and liabilities assumed may result in retrospective adjustment to the property, plant and equipment, intangible assets acquired and liabilities assumed taxes with a corresponding adjustment to goodwill. Goodwill is expected to strengthen the **Company's** **Company's** base Feed Ingredients business and is nondeductible for tax purposes.

##### Gelnex

On March 31, 2023, the Company acquired all of the shares of Gelnex, a leading global producer of collagen products (the "Gelnex Acquisition"). The Gelnex Acquisition includes a network of five processing facilities in South America and one in the United States. The initial purchase price of approximately \$1.2 billion was comprised of an initial cash payment of approximately \$1.1 billion, which consisted of a payment of approximately R\$4.3 billion Brazilian real (approximately \$853.3 million USD at the exchange rate of R\$5.08:USD\$1.00 on the closing date) and a payment of approximately \$243.5 million in USD, and is subject to various post-closing adjustments in accordance with the stock purchase agreement. In addition, the Company incurred a liability of approximately \$104.1 million for acquisition consideration hold-back amounts that are part of the purchase price set aside in escrow in the **Company's** **Company's** name for possible indemnification claims by the Company, which amounts will be paid to the sellers in the future if no claims arise. The hold-back amount represents a noncash investing activity during the period of acquisition. The Gelnex Acquisition gives us immediate capacity to serve the growing needs of our collagen customers and the growing gelatin market. The initial purchase price was financed by borrowing all of the **Company's** **Company's** term A-3 facility of \$300.0 million and term A-4 facility of \$500.0 million, with the remainder coming through revolver borrowings under the **Company's** **Company's** Amended Credit Agreement. During the third quarter of fiscal 2023, the Company made a cash payment for working capital purchase price adjustment per the stock purchase agreement of approximately \$14.1 million with an offset to goodwill. The Company obtained new information about facts and circumstances that existed at the acquisition date during the first quarter of fiscal 2024 that resulted in measurement period adjustments to increase property, plant and equipment by approximately \$13.7 million, decrease intangible assets by approximately \$9.5 million, decrease goodwill by approximately \$9.1 million, increase deferred tax

liabilities by approximately \$5.1 million, increase deferred tax assets by approximately \$8.1 million and a decrease in other assets and liabilities of approximately \$0.1 million.

The following table summarizes the final fair value of the assets acquired and the liabilities assumed in the Gelnex Acquisition as of March 31, 2023 (in thousands):

Accounts receivable	\$	81,025
Inventories		140,865
Other current assets		3,143
Property, plant and equipment		169,205
Identifiable intangible assets		339,500
Goodwill		542,572
Operating lease right-of-use assets		134
Other assets		2,703
Deferred tax asset		9,067
Accounts payable		(15,059)
Current operating lease liabilities		(26)
Current portion of long-term debt		(44,692)
Accrued expenses		(18,826)
Long-term debt, net of current portion		(1,407)
Long-term operating lease liabilities		(123)
Deferred tax liability		(12,870)
Other noncurrent liabilities		(19)
Purchase price, net of cash acquired \$		1,195,192
Less hold-back		104,145
Cash paid for acquisition, net of cash acquired \$		<u>1,091,047</u>

The \$542.6 million of goodwill from the Gelnex Acquisition, which is expected to strengthen the Company's Company's gelatin business and expand its ability to service increased demand of its collagen customer base, is assigned to the Food

Ingredients segment. Of the goodwill booked in the Gelnex Acquisition approximately \$425.0 million is expected to be deductible for tax purposes. The identifiable intangible assets include \$331.0 million in customer relationships with a weighted average life of 11.4 years and \$8.5 million in trade name with a life of 5 years for a total weighted average life of approximately 11.3 years.

The amount of net sales and net income (loss) from the Gelnex Acquisition included in the Company's Company's consolidated statement of operations for the three and six months ended March 30, 2024 June 29, 2024 was \$65.9 million \$68.9 million and \$(36.1) \$(15.7) million, and \$134.8 million and \$(51.8) million, respectively.

As a result of the Gelnex Acquisition, effective March 31, 2023, the Company began including the operations of the Gelnex Acquisition in the Company's Company's consolidated financial statements. The following table presents selected pro forma information, for comparative purposes, assuming the Gelnex Acquisition had occurred on January 1, 2023, for the periods presented (in thousands):

	Three Six Months
	Ended
	April July 1, 2023
Net sales	\$1,889,439 3,647,060
Net income	192,634 447,831

#### FASA Group

On August 1, 2022, the Company acquired all of the shares of the FASA Group, the largest independent rendering company in Brazil, pursuant to a stock purchase agreement dated May 5, 2022 (the "FASA Acquisition"). The FASA Group, with its 14 rendering plants and an additional two plants under construction at the time of acquisition, will supplement the Company's Company's global supply of waste fats, making it a leader in the supply of low-carbon waste fats and oils.

The Company initially paid approximately R\$2.9 billion Brazilian real in cash (approximately \$562.6 million USD at the exchange rate of R\$5.16:USD\$1.00 on the closing date) for all the shares of the FASA Group, subject to certain post-closing adjustments and a contingent payment based on future earnings growth in accordance with the terms set forth in the stock purchase agreement. Under the stock purchase agreement, such contingent payment could range from R\$0 to a maximum of R\$1.0 billion if future earnings growth reaches certain levels over a three-year three-year period. The Company completed an analysis as of the acquisition date for this contingency and recorded a liability of approximately R\$428.2 million (approximately \$83.0 million USD at the exchange rate in effect on the closing date of the acquisition) representing the

present value of the contingency utilizing assistance from external valuation experts and the use of a Monte Carlo model representing the probability weighted present value of the expected payment to be made under the agreement using the income approach. The Company analyzes the contingent consideration liability using a Monte Carlo model each quarter and any change in fair value is recorded through operating income as changes in fair value of contingent consideration.

The hold-back and contingent consideration amounts represent noncash investing activities during the period of acquisition. The Company initially financed the FASA Acquisition by borrowing approximately \$515.0 million of revolver borrowings under the Company's Amended Credit Agreement, with the remainder coming from cash on hand. During the fourth quarter of fiscal 2022, the Company made a cash payment for working capital purchase price adjustment per the stock purchase agreement of approximately \$7.1 million with an offset to goodwill.

The following table summarizes the final fair value of the assets acquired and the liabilities assumed in the FASA Acquisition as of August 1, 2022 (in thousands):

Accounts receivable	\$ 76,640
Inventories	43,058
Other current assets	33,327
Property, plant and equipment	224,384
Identifiable intangible assets	119,477
Goodwill	301,937
Operating lease right-of-use assets	583
Other assets	62,388
Deferred tax asset	2,315
Accounts payable	(15,920)
Current portion of long-term debt	(18,680)
Accrued expenses	(38,708)
Long-term debt, net of current portion	(41,926)
Long-term operating lease liabilities	(583)
Deferred tax liability	(95,653)
Other noncurrent liabilities	(503)
Non-controlling interests	(21,704)
Purchase price, net of cash acquired \$	630,432
Less hold-back	21,705
Less contingent consideration	82,984
Cash paid for acquisition, net of cash acquired \$	<u>525,743</u>

The \$301.9 million of goodwill from the FASA Acquisition, which is expected to strengthen the Company's base business and expand its ability to provide additional low carbon intensity feedstocks to fuel the growing demand for renewable diesel, was assigned to the Feed Ingredients segment and is nondeductible for tax purposes. The identifiable intangible assets include \$108.6 million in routes with a weighted average life of 12 years and \$10.9 million in trade name with a life of 5 years for a total weighted average life of approximately 11.4 years.

The Company completed other immaterial acquisitions in the first six months of fiscal 2024 and fiscal 2023. The Company notes that pro forma results of operations discussed above does not include the Miropasz Acquisition or other acquisitions individually or in the aggregate as those acquisitions are not deemed material to net sales, total assets and net income of the Company for any period presented.

Additionally, the Company completed other immaterial acquisitions in the first three months of fiscal 2023.

The Company incurred acquisition costs and integration costs of approximately \$4.1 million \$1.1 million and \$7.0 million \$1.7 million for the three months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023, respectively. The Company incurred acquisition and integration costs of approximately \$5.2 million and \$8.7 million for the six months ended June 29, 2024 and July 1, 2023, respectively.

(5) Inventories

A summary of inventories follows (in thousands):

	March 30, 2024	December 30, 2023	June 29, 2024	December 30, 2023
Finished product				
Work in process				
Raw material				

## Supplies and other

### (6) Intangible Assets

The gross carrying amount of intangible assets not subject to amortization and intangible assets subject to amortization is as follows (in thousands):

		March 30, 2024	December 30, 2023		June 29, 2024	December 30, 2023
Indefinite Lived Intangible Assets:	Indefinite Lived Intangible Assets:			Indefinite Lived Intangible Assets:		
Trade names						
Finite Lived Intangible Assets:	Finite Lived Intangible Assets:			Finite Lived Intangible Assets:		
Routes						
Customer relationships						
Permits						
Non-compete agreements						
Trade names						
Royalty, consulting, land use rights and leasehold						
Accumulated Amortization:						
Routes						
Routes						
Routes						
Customer relationships						
Permits						
Non-compete agreements						
Trade names						
Royalty, consulting, land use rights and leasehold						
		(523,801)				
		(523,801)				
		(523,801)				
		(538,205)				
		(538,205)				
		(538,205)				
Total Intangible assets, less accumulated amortization						

Gross intangible assets changed due to net acquisition and retirement activity in the first ~~three~~six months of fiscal 2024 by approximately ~~\$25.4 million~~\$28.2 million and \$246.0 million, respectively, and the remaining change is due to foreign ~~exchange~~currency translation impact. Amortization expense for the three months ended ~~March 30, 2024~~June 29, 2024 and April 1, 2023 ~~July 1, 2023~~, was approximately ~~\$28.0 million~~\$28.4 million and ~~\$26.1 million~~\$33.3 million, respectively, and for the six months ended ~~June 29, 2024 and July 1, 2023~~ was approximately \$56.4 million and \$59.5 million, respectively.

### (7) Goodwill

Changes in the carrying amount of goodwill (in thousands):

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total
Balance at December 30,								
Balance at December 30, 2023	2023				Balance at December 30, 2023			
Goodwill								

Accumulated impairment losses	
Goodwill acquired during year	
Measurement period adjustments	
Measurement period adjustments	
Measurement period adjustments	
Foreign currency translation	
Foreign currency translation	
Foreign currency translation	
Balance at March 30, 2024	
Balance at June 29, 2024	
Goodwill	
Accumulated impairment losses	

(8) Accrued Expenses

Accrued expenses consist of the following (in thousands):

	March 30, 2024	December 30, 2023	June 29, 2024	December 30, 2023
Compensation and benefits				
Accrued operating expenses				
Accrued operating expenses				
Accrued operating expenses				
Other accrued expense				
Other accrued expense				
Other accrued expense				

(9) Debt

Debt consists of the following (in thousands):

	March 30, 2024	December 30, 2023
	June 29, 2024	December 30, 2023
Amended Credit Agreement:		
Revolving Credit Facility (\$175.0 million and \$82.9 million denominated in € at March 30, 2024 and December 30, 2023, respectively)		
Revolving Credit Facility (\$107.1 million and \$82.9 million denominated in € at June 29, 2024 and December 30, 2023, respectively)		
Term A-1 facility		
Term A-1 facility		
Term A-1 facility		
Less unamortized deferred loan costs		
Carrying value Term A-1 facility		
Term A-2 facility		
Term A-2 facility		
Term A-2 facility		
Less unamortized deferred loan costs		
Carrying value Term A-2 facility		
Term A-3 facility		
Term A-3 facility		
Term A-3 facility		

Less unamortized deferred loan costs	
Carrying value Term A-3 facility	
Term A-4 facility	
Term A-4 facility	
Term A-4 facility	
Less unamortized deferred loan costs	
Carrying value Term A-4 facility	
6% Senior Notes due 2030 with effective interest of 6.12%	
6% Senior Notes due 2030 with effective interest of 6.12%	
6% Senior Notes due 2030 with effective interest of 6.12%	
Less unamortized deferred loan costs net of bond premium	
Carrying value 6% Senior Notes due 2030	
5.25% Senior Notes due 2027 with effective interest of 5.47%	
5.25% Senior Notes due 2027 with effective interest of 5.47%	
5.25% Senior Notes due 2027 with effective interest of 5.47%	
Less unamortized deferred loan costs	
Carrying value 5.25% Senior Notes due 2027	
3.625% Senior Notes due 2026 - Denominated in euro with effective interest of 3.83%	
3.625% Senior Notes due 2026 - Denominated in euro with effective interest of 3.83%	
3.625% Senior Notes due 2026 - Denominated in euro with effective interest of 3.83%	
Less unamortized deferred loan costs - Denominated in euro	
Carrying value 3.625% Senior Notes due 2026	
Other Notes and Obligations	
Other Notes and Obligations	
Other Notes and Obligations	
	4,465,931
	4,409,387
Less Current Maturities	
	\$

As of **March 30, 2024** June 29, 2024, the Company had outstanding debt under the revolving credit facility denominated in euros of **€162.0 million** **€100.0 million** and outstanding debt under the **Company's** Company's 3.625% Senior Notes due 2026 denominated in euros of €515.0 million. In addition, at **March 30, 2024** June 29, 2024, the Company had finance lease obligations denominated in euros of approximately **€7.7 million** **€7.2 million**.

As of **March 30, 2024** June 29, 2024, the Company had other notes and obligations of **\$125.5 million** **\$108.4 million** that consist of various overdraft facilities of approximately **\$56.9 million** **\$47.3 million**, Brazilian notes of approximately **\$36.4 million** **\$30.5 million**, a China working capital line of credit of approximately \$2.0 million and other debt of approximately **\$30.2 million** **\$28.6 million**, including U.S. finance lease obligations of approximately **\$4.3 million** **\$3.9 million**.

On January 6, 2014, Darling, Darling International Canada Inc. ("Darling Canada") and Darling International NL Holdings B.V. ("Darling NL") entered into a Second Amended and Restated Credit Agreement (as subsequently amended, the "Amended Credit Agreement"), restating its then existing Amended and Restated Credit Agreement dated September 27, 2013, with the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents from time to time party thereto.

The interest rate applicable to any borrowings under the revolving credit facility equals the adjusted term secured overnight financing rate (SOFR) for U.S. dollar borrowings or the adjusted euro interbank rate (EURIBOR) for euro borrowings or the adjusted daily simple Sterling overnight index average (SONIA) for British pound **borrowings or the Canadian dollar offered rate (CDOR) for Canadian dollar** borrowings plus 1.50% per annum or base rate or the adjusted term SOFR for U.S. dollar borrowings or Canadian prime rate for Canadian dollar borrowings or the adjusted daily simple European short term rate (ESTR) for euro borrowings or the adjusted daily SONIA rate for British pound borrowings plus 0.50% per annum subject to certain step-ups or step-downs based on the **Company's** Company's total leverage ratio. The interest rate applicable to any borrowing under the term A-1

facility and term A-3 facility equals the adjusted term SOFR plus 1.625% per annum subject to certain step-ups and step-downs based on the **Company's** Company's total leverage ratio. The interest rate applicable to any borrowing under the term A-2 facility and term A-4 facility equals the adjusted term SOFR plus 1.50% per annum subject to certain step-ups or step-downs based on the **Company's** Company's total leverage ratio.

As of **March 30, 2024** June 29, 2024, the Company had (i) **\$460.0 million** **\$5.0 million** outstanding under the revolver at base rate plus a margin of 0.50% per annum for a total of 9.0%, (ii) **\$495.0 million** outstanding under the revolver at SOFR plus a margin of 1.50% per annum for a total of **6.93016%** **6.94272%** per annum, (iii) **\$399.0 million** (iii) **\$398.0 million** outstanding under the term A-1 facility at SOFR plus a margin of 1.625% per annum for a total of **7.05516%** **7.06893%** per annum, (iv) **\$478.1 million** (iv) **\$475.0 million** outstanding under the term A-2 facility at SOFR plus a margin of 1.50% per annum for a total of **6.93016%** **6.94393%** per annum, (iv) **\$299.3 million** (v) **\$298.5 million** outstanding under the term A-3 facility at SOFR plus a margin 1.625% per annum for a total of **7.05516%** **7.06893%** per annum, (v) **\$487.5**

million (vi) \$484.4 million outstanding under the term A-4 facility at SOFR plus a margin 1.50% per annum for a total of 6.93016% 6.94393% per annum, (vi) €152.0 million and (vii) €100.0 million outstanding under the revolving credit facility at EURIBOR plus a margin of 1.50% per annum for a total of 5.32957% per annum and (vii) €10.0 million outstanding under the revolving credit facility at ESTR plus a margin of 0.25% per annum for a total of 4.158% 5.14365% per annum. As of March 30, 2024 June 29, 2024, the Company had revolving credit facility availability of \$811.1 million \$814.4 million, under the Amended Credit Agreement taking into account amounts borrowed, ancillary facilities of \$52.6 million \$77.5 million and letters of credit issued of \$1.4 million \$1.0 million. The Company also had foreign bank guarantees of approximately \$11.6 million \$11.3 million and U.S. bank guarantees of approximately \$10.7 million \$8.9 million that are not part of the Company's Company's Amended Credit Agreement at March 30, 2024 June 29, 2024.

As of March 30, 2024 June 29, 2024, the Company believes it is in compliance with all of the financial covenants under the Amended Credit Agreement, as well as all of the other covenants contained in the Amended Credit Agreement, the 6% Senior Notes due 2030, the 5.25% Senior Notes due 2027 and the 3.625% Senior Notes due 2026.

(10) Other Noncurrent Liabilities

Other noncurrent liabilities consist of the following (in thousands):

	March 30, 2024	December 30, 2023	June 29, 2024	December 30, 2023
Accrued pension liability				
Reserve for self-insurance, litigation, environmental and tax matters				
Long-term acquisition hold-backs				
Long-term contingent consideration				
Other				

(11) Income Taxes

The Company has provided income taxes for the three and six month periods ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023, based on its estimate of the effective tax rate for the entire 2024 and 2023 fiscal years. The Company's estimated annual effective tax rate is based on forecasts of income by jurisdiction, permanent differences between book and tax income, the relative proportion of income and losses by jurisdiction, and statutory income tax rates. Discrete events such as the assessment of the ultimate outcome of tax audits, audit settlements, recognizing previously unrecognized tax benefits due to the lapsing of statutes of limitation, recognizing or derecognizing deferred tax assets due to projections of income or loss and changes in tax laws are recognized in the period in which they occur.

Unrecognized tax benefits represent the difference between tax positions taken or expected to be taken in a tax return and the benefits recognized for financial statement purposes. As of March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023, the Company had \$13.6 million and \$18.3 million \$19.1 million, respectively of gross unrecognized tax benefits and \$1.7 million and \$1.3 million, respectively of related accrued interest and penalties. The Company's Company's gross unrecognized tax benefits are not expected to decrease significantly within the next twelve months.

On August 16, 2022, the U.S. government enacted the IR Act that includes tax incentives for energy and climate initiatives, among other provisions. The blender blenders tax credits, credit, which are refundable excise tax credits, have been extended through December 31, 2024. After 2024, the CFPC, a transferable income tax credit, becomes effective from 2025 through 2027. We are assessing these tax incentives, which could materially change our pre-tax or after-tax amounts and impact our tax rate in future years. We will continue to evaluate the applicability and effect of the IR Act as more guidance is issued.

The Company's major taxing jurisdictions include the United States (federal and state), Canada, the Netherlands, Belgium, Brazil, Germany, France and China. The Company is subject to regular examination by various tax authorities and although the final outcome of these examinations is not yet determinable, the Company does not anticipate that any of the examinations will have a significant impact on the Company's Company's results of operations or financial position. The statute of limitations for the Company's major tax jurisdictions is open for varying periods, but is generally closed through the 2013 tax year.

(12) Other Comprehensive Income/(Loss)

The components of other comprehensive income/(loss) and the related tax impacts for the three and six months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023 are as follows (in thousands):

	Three Months Ended						Before-Tax Amount	Tax (Expense) or Benefit	Net-of-Tax Amount	Before-Tax Amount	Tax (Expense) or Benefit	Net-of-Tax Amount						
	Before-Tax		Before-Tax		Tax (Expense) or Benefit													
	Amount	Amount	Amount	Amount	or Benefit	Amount												
	March 30, 2024	April 1, 2023	March 30, 2024	April 1, 2023	March 30, 2024	April 1, 2023												
Defined benefit pension plans																		
Amortization of prior service (cost)/benefit																		
Amortization of prior service (cost)/benefit																		
Amortization of prior service (cost)/benefit																		
Amortization of actuarial loss																		
Total defined benefit pension plans																		

Total defined benefit pension plans
Total defined benefit pension plans
Soybean meal option derivatives
Soybean meal option derivatives
Soybean meal option derivatives
Reclassified to earnings
Reclassified to earnings
Reclassified to earnings
Activity recognized in other comprehensive income/(loss)
Total soybean meal option derivatives
Corn option derivatives
Reclassified to earnings
Reclassified to earnings
Reclassified to earnings
Activity recognized in other comprehensive income/(loss)
Total corn option derivatives
Heating oil derivatives at DGD (Note 15)
Activity recognized in other comprehensive income/(loss)
Activity recognized in other comprehensive income/(loss)
Activity recognized in other comprehensive income/(loss)
Total heating oil derivatives
Interest swap derivatives
Reclassified to earnings
Reclassified to earnings
Reclassified to earnings
Activity recognized in other comprehensive income/(loss)
Total interest swap derivatives
Foreign exchange derivatives
Reclassified to earnings
Reclassified to earnings
Reclassified to earnings
Activity recognized in other comprehensive income/(loss)
Total foreign exchange derivatives
Foreign currency translation
Foreign currency translation
Foreign currency translation
Other comprehensive income/(loss)
Other comprehensive income/(loss)
Other comprehensive income/(loss)

	Six Months Ended					
	Before-Tax		Tax (Expense) or Benefit		Net-of-Tax	
	Amount		June 29, 2024	July 1, 2023	Amount	
Defined benefit pension plans						
Amortization of prior service (cost)/benefit	\$	(12)	\$	—	\$	(7)
Amortization of actuarial loss		698		868		(167)
Total defined benefit pension plans		686		868		(214)
		(162)		(214)		524
Soybean meal option derivatives						
Reclassified to earnings		(33)		(504)		8
Activity recognized in other comprehensive income/(loss)		—		(87)		128
				—		(25)
						(376)
						—
						(65)

Total soybean meal option derivatives	(33)	(591)	8	150	(25)	(441)
Corn option derivatives						
Reclassified to earnings	—	(1,537)	—	390	—	(1,147)
Activity recognized in other comprehensive income/(loss)	1,404	1,627	(341)	(412)	1,063	1,215
Total corn option derivatives	1,404	90	(341)	(22)	1,063	68
Heating oil derivatives at DGD (Note 15)						
Activity recognized in other comprehensive income/(loss)	(46,426)	5,140	11,281	(1,305)	(35,145)	3,835
Total heating oil derivatives	(46,426)	5,140	11,281	(1,305)	(35,145)	3,835
Interest swap derivatives						
Reclassified to earnings	(26,785)	866	6,509	(220)	(20,276)	646
Activity recognized in other comprehensive income/(loss)	27,891	12,976	(6,778)	(3,296)	21,113	9,680
Total interest swap derivatives	1,106	13,842	(269)	(3,516)	837	10,326
Foreign exchange derivatives						
Reclassified to earnings	(7,395)	(12,273)	2,508	4,176	(4,887)	(8,097)
Activity recognized in other comprehensive income/(loss)	(31,419)	34,844	10,658	(11,856)	(20,761)	22,988
Total foreign exchange derivatives	(38,814)	22,571	13,166	(7,680)	(25,648)	14,891
Foreign currency translation	(233,628)	139,555	920	(746)	(232,708)	138,809
Other comprehensive income/(loss) \$	<u>(315,705) \$</u>	<u>181,475 \$</u>	<u>24,603 \$</u>	<u>(13,333) \$</u>	<u>(291,102) \$</u>	<u>168,142</u>

The following table presents the amounts reclassified out of each component of other comprehensive income/(loss), net of tax for the three and six months ended **March 30, 2024** June 29, 2024 and **April 1, 2023** July 1, 2023 as follows (in thousands):

Three Months Ended		Statement of Operations		Statement of Classification	
Three Months Ended	March 30, 2024	March 30, 2024	April 1, 2023	Classification	
Derivative instruments					
Soybean meal option derivatives					
Soybean meal option derivatives	\$ 33	\$ 338	Net sales	Net sales	\$ —
Foreign exchange contracts	5,996	4,814	4,814	Net sales	Net sales
Corn option derivatives					
Corn option derivatives					

				Cost of sales and operating expenses						Cost of sales and operating expenses			
Corn option derivatives	—	884	884	Cost of sales and operating expenses	—	653	653	—	—	1,537	1,537	Cost of sales and operating expenses	—
Interest swaps	Interest swaps	17,480	(1,856)	Foreign currency gain/(loss) and interest expense	Interest swaps	9,305	990	990	26,785	26,785	(866)	(866)	Foreign currency gain/(loss) and interest expense
				Total before tax									Total before tax
		23,509	4,180	Income taxes									Income taxes
		(6,302)	(1,477)	Net of tax									Net of tax
		10,704	9,268	34,213	13,448	Total before tax							Total before tax
		(2,723)	(2,997)	(9,025)	(4,474)	Income taxes							Income taxes
		7,981	6,271	25,188	8,974	Net of tax							Net of tax
Defined benefit pension plans													
Amortization of prior service cost		\$ 6	\$ —	(a)	(a)	\$ 6	\$ —	\$ 12	\$ —	(a)	(a)	\$ 6	\$ —
Amortization of prior service cost													
Amortization of prior service cost		\$ 6	\$ —	(a)	(a)	\$ 6	\$ —	\$ 12	\$ —	(a)	(a)	\$ 6	\$ —
Amortization of actuarial loss	Amortization of actuarial loss	(349)	(434)	(434)	(a)	(a)							
		(343)											
		(343)											
				Total before tax	Total before tax								Total before tax
		(343)	(434)	(434)	tax	(434)	(434)	(686)	(686)	(868)	(868)	81	107
		81	81	107	107	Income taxes	Income taxes					81	107
		(262)	(262)	(327)	(327)	Net of tax	Net of tax					(262)	(327)
Total reclassifications	Total reclassifications	\$ 16,945	\$ 2,376	Net of tax	Net of tax	Total reclassifications	\$ 7,719	\$ 5,944	\$ 24,664	\$ 8,320	Net of tax	Net of tax	

(a) These items are included in the computation of net periodic pension cost. See Note 14 (Employee Benefit Plans) to the Company's Consolidated Financial Statement included herein for additional information.

The following table presents changes in each component of accumulated other comprehensive income/(loss) as of March 30, 2024 June 29, 2024 as follows (in thousands):

Three Months Ended March 30, 2024	Three Months Ended March 30, 2024	Three Months Ended March 30, 2024
Three Months Ended March 30, 2024	Three Months Ended March 30, 2024	Three Months Ended March 30, 2024
Three Months Ended March 30, 2024	Six Months Ended June 29, 2024	Six Months Ended June 29, 2024
Six Months Ended June 29, 2024	Six Months Ended June 29, 2024	Six Months Ended June 29, 2024
Six Months Ended June 29, 2024	Foreign	
	Currency	
	Currency	
	Currency	
	Translation	
	Translation	

	Translation	Instruments	Pension Plans	Total	Instruments	Pension Plans	Total
Accumulated Other Comprehensive income/ (loss) December 30, 2023, attributable to Darling, net of tax							
Other comprehensive income/ (loss) before reclassifications							
Amounts reclassified from accumulated other comprehensive income/ (loss)							
Net current-period other comprehensive income/ (loss)							
Net current-period other comprehensive income/ (loss)							
Net current-period other comprehensive income/ (loss)							
Noncontrolling interest							
Accumulated Other Comprehensive income/ (loss) March 30, 2024, attributable to Darling, net of tax							
Accumulated Other Comprehensive income/ (loss) June 29, 2024, attributable to Darling, net of tax							

(13) Stockholders' Equity

Fiscal 2024 Long-Term Incentive Opportunity Awards (2024 LTIP). On December 15, 2023, the Compensation Committee (the "Committee") of the Company's Board of Directors adopted the 2024 LTIP pursuant to which on January 3, 2024 the Company awarded certain of the Company's key employees, 162,913 restricted stock units and 244,376 performance share units (the "PSUs") under the Company's 2017 Omnibus Incentive Plan. The restricted stock units vest 33.33% on the first, second and third anniversaries of the grant date. The PSUs are tied to a three-year forward-looking performance period and will be earned based on the Company's average return on gross investment ("ROGI"), as calculated in accordance with the terms of the award agreement, relative to the average ROGI of the Company's performance peer group companies, with the earned award to be determined in the first quarter of fiscal 2027, after the final results for the relevant performance period are determined. The PSUs were granted at a target of 100%, but each PSU will reduce or increase (up to 225%) depending on the Company's ROGI relative to that of the

performance peer group companies and is also subject to the application of a total shareholder return ("TSR") cap/

collar modifier depending on the Company's TSR during the performance period relative to that of the performance peer group companies.

As previously announced, the Company's Board of Directors approved a share repurchase program in August 2017, then refreshed and increased the program on December 9, 2021 June 21, 2024 back up to an aggregate of \$500.0 million of the Company's Common Stock depending on market conditions, and extended the program to August 13, 2024 August 13, 2026. During the first three six months of fiscal 2024 (prior to the Company did not repurchase any latest refresh), \$29.2 million of its common stock Common Stock was repurchased under the share repurchase program. As of March 30, 2024 June 29, 2024, the Company had approximately \$321.6 million \$500.0 million remaining under the share repurchase program.

(14) Employee Benefit Plans

Net pension cost for the three and six months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023 includes the following components (in thousands):

	Pension Benefits		Pension Benefits		Pension Benefits		Three Months Ended		Six Months Ended	
							June 29,	July 1,	June 29,	July 1,
							2024	2023	2024	2023
Service cost										
Service cost										
Service cost										
Interest cost										
Interest cost										
Expected return on plan assets										
Expected return on plan assets										
Expected return on plan assets										
Amortization of prior service cost										
Amortization of prior service cost										
Amortization of prior service cost										
Amortization of actuarial loss										
Amortization of actuarial loss										
Amortization of actuarial loss										

Net pension cost

Based on annual actuarial estimates, at March 30, 2024, June 29, 2024 the Company expects to contribute approximately \$4.3 million \$4.2 million to its pension plans to meet funding requirements during the next twelve months. Additionally, the Company has made tax deductible discretionary and required contributions to its pension plans for the three six months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023 of approximately \$0.6 million \$1.2 million and \$0.8 million \$1.6 million, respectively.

The Company participates in various multiemployer pension plans which provide defined benefits to certain employees covered by labor contracts. These plans are not administered by the Company and contributions are determined in accordance with provisions of negotiated labor contracts to meet their pension benefit obligations to their participants. The Company's contributions to each multiemployer plan represent less than 5% of the total contributions to each plan. Based on the most currently available information, the Company has determined that, if a withdrawal were to occur, withdrawal liabilities on two of the plans in which the Company currently participates could be material to the Company. With respect to the other multiemployer pension plans in which the Company participates and which are not individually significant, five plans have certified as critical or red zone as defined by the Pension Protection Act of 2006.

The Company currently has withdrawal liabilities recorded on four U.S. multiemployer plans in which it participated. As of March 30, 2024 June 29, 2024, the Company has an aggregate accrued liability of approximately \$4.6 million \$4.5 million representing the present value of scheduled withdrawal liability payments on the multiemployer plans that have given notice of withdrawal. While the Company has no ability to calculate a possible current liability for under-funded multiemployer plans that could terminate or could require additional funding under the Pension Protection Act of 2006, the amounts could be material.

#### (15) Derivatives

The Company's operations are exposed to market risks relating to commodity prices that affect the Company's cost of raw materials, finished product prices, energy costs and the risk of changes in interest rates and foreign currency exchange rates.

The Company makes limited use of derivative instruments to manage cash flow risks related to interest rates, natural gas usage, diesel fuel usage, inventory, forecasted sales and foreign currency exchange rates. The Company does not use derivative instruments for trading purposes. Interest rate swaps are entered into with the intent of managing overall borrowing costs by reducing the potential impact of increases in interest rates on floating-rate long-term debt. Natural gas swaps and options are entered into with the intent of managing the overall cost of natural gas usage by reducing the potential impact of seasonal weather demands on natural gas that increases natural gas prices. Heating oil swaps and options are entered into with the intent of managing the overall cost of diesel fuel usage by reducing the potential impact of seasonal weather demands on diesel fuel that increases diesel fuel prices. Soybean meal forwards and options are entered into with the intent of managing the impact of changing prices for poultry meal sales. Corn options and future contracts are entered into with the intent of managing U.S. forecasted sales of bakery by-products ("BBP") by reducing the impact of changing prices. Foreign currency forward and option contracts are entered into to mitigate the foreign exchange rate risk for transactions designated in a currency other than the local functional currency.

At March 30, 2024 June 29, 2024, the Company had corn option contracts, foreign exchange forward contracts and interest rate swaps outstanding that qualified and were designated for hedge accounting as well as corn forward contracts and foreign currency forward contracts that did not qualify and were not designated for hedge accounting.

In the first quarter of fiscal 2024 and 2023, the Company's DGD Joint Venture entered into heating oil derivatives that were deemed to be cash flow hedges. As a result, the Company has accrued the other comprehensive income/(loss) portion belonging to Darling with an offset to the investment in DGD as required by FASB ASC Topic 323.

#### Cash Flow Hedges

In the first quarter of fiscal 2023, the Company entered into interest rate swaps that are designated as cash flow hedges. The notional amount of these swaps totaled \$900.0 million. Under the contracts, the Company is obligated to pay a weighted average rate of 4.007% while receiving the 1-month SOFR rate. Under the terms of the interest rate swaps, the Company hedged a portion of its variable rate debt into the first quarter of 2026. At March 30, 2024 June 29, 2024 and December 30, 2023, the aggregate fair value of these interest rate swaps was approximately \$10.3 million \$7.3 million and \$3.7 million, respectively. These amounts are included in other current assets, other assets, accrued expenses and noncurrent liabilities on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

In the first quarter of fiscal 2023, the Company also entered into cross currency swaps that are designated as cash flow hedges. The notional amount of these swaps was €519.2 million. Under the contracts, the Company is obligated to pay a 4.6% euro denominated fixed rate while receiving a weighted average U.S. dollar fixed rate of 5.799%. Under the terms of the cross currency swaps, the Company hedged its intercompany notes receivable into the first quarter of 2025. Accordingly, changes in the fair value of the cash flow hedge are initially recorded as gains and/or losses as a component of accumulated other comprehensive loss. We immediately reclassify from accumulated other comprehensive loss to earnings an amount to offset the remeasurement recognized in earnings associated with the respective intercompany loan. Additionally, we reclassify amounts from accumulated other comprehensive income/(loss) associated with the interest rate differential between the U.S. dollar and the Euro to interest income. At March 30, 2024 June 29, 2024 and December 30, 2023, the aggregate fair value of these cross currency swaps was approximately \$0.8 million \$4.0 million and \$10.8 million, respectively. These amounts are included in other current assets on the balance sheet, with an offset recorded in accumulated other comprehensive loss. At December 30, 2023, these amounts are included in other current assets and noncurrent liabilities on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

In the second quarter of fiscal 2024, the Company entered into corn option contracts on the Chicago Board of Trade that are designated as cash flow hedges. Under the terms of the corn option contracts, the Company hedged a portion of its U.S. forecasted sales of BBP into the first quarter of fiscal 2025. At June 29, 2024 and December

30, 2023, the aggregate fair value of these corn option contracts was approximately \$1.5 million and zero, respectively. The amounts are included in other current assets on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

In fiscal 2023 and fiscal 2024, the Company entered into foreign exchange forward contracts that are designated as cash flow hedges. Under the terms of the foreign exchange contracts, the Company hedged a portion of its forecasted sales in currencies other than the functional currency through the fourth quarter of fiscal 2025. At **March 30, 2024** June 29, 2024 and December 30, 2023, the aggregate fair value of these foreign exchange contracts was approximately **\$8.9 million** **\$17.4 million** and **\$15.9 million**, respectively. These amounts are included in other current assets, accrued expenses **other assets** and other non-current liabilities on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

The Company may enter into corn option contracts, soybean meal forward contracts and heating oil swap and option contracts from time to time. There were not any open designated corn option contracts, soybean meal forward and/or heating oil swap and option contracts entered into by the Company at March 30, 2024 June 29, 2024 and December 30, 2023, respectively.

As of **March 30, 2024** **June 29, 2024**, the Company had the following designated and non-designated outstanding forward and option contract amounts that were entered into to hedge foreign currency transactions in currencies other than the functional currency and forecasted transactions in currencies other than the functional currency (in thousands):

The Company estimates the amount that will be reclassified from accumulated other comprehensive loss at **March 30, 2024** **June 29, 2024** into earnings over the next 12 months for all cash flow hedges will be approximately **\$14.6 million** **\$19.1 million**. As of **March 30, 2024** **June 29, 2024**, no amounts have been reclassified into earnings as a result of the discontinuance of cash flow hedges.

The table below summarizes the effect of derivatives not designated as hedges on the Company's consolidated statements of operations for the three and six months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023 (in thousands):

	Loss or (Gain) Recognized in Income on Derivatives Not Designated as Hedges		
	Loss or (Gain) Recognized in Income on Derivatives Not Designated as Hedges		
	Loss or (Gain) Recognized in Income on Derivatives Not Designated as Hedges		Loss or (Gain) Recognized in Income on Derivatives Not Designated as Hedges
	Three Months Ended	Three Months Ended	Six Months Ended

	Derivatives not designated as hedging instruments	Derivatives not designated as hedging instruments	Location	June	June
				29, 2024	July 1, 2023
Derivatives not designated as hedging instruments					
Derivatives not designated as hedging instruments					
Foreign exchange					
Foreign exchange					
Foreign exchange					
Foreign exchange					
Foreign exchange					
Foreign exchange					
Foreign exchange					
Foreign exchange					
Foreign exchange					
Foreign exchange					
Corn options and futures					
Corn options and futures					
Corn options and futures					
Corn options and futures					
Corn options and futures					
Heating Oil swaps and options					
Heating Oil swaps and options					
Heating Oil swaps and options					
Soybean meal					
Soybean meal					
Soybean meal					
Total					
Total					
Total					

At **March 30, 2024** **June 29, 2024**, the Company had forward purchase agreements in place for purchases of approximately **\$188.1 million** **\$165.6 million** of natural gas and diesel fuel. The Company intends to take physical delivery of the commodities under the forward purchase agreements and accordingly, these contracts are not subject to the requirements of fair value accounting because they qualify as normal purchases.

#### (16) Fair Value Measurements

FASB authoritative guidance defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The following table presents the Company's financial instruments that are measured at fair value on a recurring and nonrecurring basis as of **March 30, 2024** **June 29, 2024** and are categorized using the fair value hierarchy under FASB authoritative guidance. The fair value hierarchy has three levels based on the reliability of the inputs used to determine the fair value.

	Fair Value Measurements at March 30, 2024 Using	Fair Value Measurements at June 29, 2024 Using			
		Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Quoted Prices in Active Markets for Identical Assets
	Quoted Prices in Active Markets for Identical Assets				Quoted Prices in Active Markets for Identical Assets

(In thousands of dollars)	(In thousands of dollars)	Total	(Level 1)	(Level 2)	(Level 3)	(In thousands of dollars)	Total	(Level 1)	(Level 2)	(Level 3)
<b>Assets</b>										
Derivative assets										
Derivative assets										
Derivative assets										
Total Assets										
<b>Liabilities</b>										
<u>Liabilities</u>										
<u>Liabilities</u>										
Derivative liabilities										
Derivative liabilities										
Derivative liabilities										
Contingent consideration										
6% Senior notes										
5.25% Senior notes										
3.625% Senior notes										
Term loan A-1										
Term loan A-2										
Term loan A-3										
Term loan A-4										
Revolver debt										
Revolver debt										
Revolver debt										
Total Liabilities										

#### Fair Value Measurements at December 30, 2023 Using

(In thousands of dollars)	Total	Quoted Prices in	Significant Other	Significant
		Active Markets for	Observable	Unobservable
		Identical Assets	Inputs	Inputs
<b>Assets</b>				
Derivative assets	\$ 29,000	\$ —	\$ 29,000	\$ —
Total Assets	\$ 29,000	\$ —	\$ 29,000	\$ —
<b>Liabilities</b>				
Derivative liabilities	\$ 19,997	\$ —	\$ 19,997	\$ —
Contingent consideration	86,495	—	—	86,495
6% Senior notes	1,000,000	—	1,000,000	—
5.25% Senior notes	493,100	—	493,100	—
3.625% Senior notes	560,994	—	560,994	—
Term loan A-1	398,000	—	398,000	—
Term loan A-2	478,844	—	478,844	—
Term loan A-3	298,500	—	298,500	—
Term loan A-4	488,172	—	488,172	—
Revolver debt	604,766	—	604,766	—
<b>Total Liabilities</b>	<b>\$ 4,428,868</b>	<b>\$ —</b>	<b>\$ 4,342,373</b>	<b>\$ 86,495</b>

Derivative assets and liabilities consist of the Company's corn option and future contracts, foreign currency forward and option contracts, soybean meal forward contracts, interest rate swap contracts and cross currency swap contracts which represent the difference between observable market rates of commonly quoted intervals for similar

assets and liabilities in active markets and the fixed swap rate considering the instruments term, notional amount and credit risk. See Note 15 (Derivatives) to the Company's Consolidated Financial Statements included herein for discussion on the Company's derivatives.

The carrying amount of cash, cash equivalents and restricted cash, accounts receivable, accounts payable and accrued expenses approximates fair value due to the short maturity of these instruments and as such have been excluded from the table above.

The fair value of the senior notes, term loan A-1, term loan A-2, term loan A-3, term loan A-4 and revolver debt is based on market quotation from third-party banks. The carrying amount of the Company's other debt is not deemed to be significantly different from the fair value and all other instruments have been recorded at fair value.

The fair value measurement of contingent consideration liability uses significant unobservable inputs (level 3). We estimated the fair value of the FASA contingent consideration using a Monte Carlo simulation methodology from a third-party that includes simulating the forecasted net income or earnings plus interest expense, taxes, depreciation and amortization ("EBITDA") using a Geometric Brownian Motion in a risk-neutral framework. The assumptions used in the FASA contingent consideration analysis as of **March 30, 2024** **June 29, 2024** included the EBITDA forecast through the remaining term of the contingent consideration, an EBITDA discount rate, an EBITDA volatility, credit spread, risk-free rate and exchange rate. Significant increases and decreases in these inputs could result in a significantly lower or higher fair value measurement of the FASA contingent consideration. The changes in contingent consideration are due to the following:

(in thousands of dollars)	Contingent Consideration
Balance as of December 30, 2023	\$ 86,495
Total included in earnings during period	(25,249) (58,371)
Exchange rate changes	(2,594) (7,200)
Balance as of <b>March 30, 2024</b> <b>June 29, 2024</b>	\$ 58,652 20,924

(17) Restructuring and Asset Impairment Charges

In December 2022, the Company's management reviewed our global network of collagen plants for optimization opportunities and decided to close our Peabody, Massachusetts plant in 2023. In addition to charges incurred in fiscal 2022, the Company incurred additional restructuring charges in the first **three** **six** months of fiscal 2023 in the Food Segment for employee termination costs of approximately **\$4.4 million** **\$5.3 million**. In addition, the Company incurred approximately \$0.1 million of employee termination costs in the first **three** **six** months of fiscal 2023 in the Feed Segment related to closing down of a processing location in Europe and transferring the material to another processing location in Europe.

(18) Contingencies

The Company is a party to various lawsuits, claims and loss contingencies arising in the ordinary course of its business, including insured worker's compensation, auto, and general liability claims, assertions by certain regulatory and governmental agencies related to various matters including labor and employment, employees benefits, occupational safety and health, wage and hour, compliance, sustainability, permitting requirements, environmental matters, including air, wastewater and storm water discharges from the Company's processing facilities and other federal, state and local issues, litigation involving tort, contract, statutory, labor, employment, and other claims, and tax matters.

The Company's workers compensation, auto and general liability policies contain significant deductibles or self-insured retentions. The Company estimates and accrues its expected ultimate claim costs related to accidents occurring during each fiscal year under these insurance policies and carries this accrual as a reserve until these claims are paid by the Company.

As a result of the matters discussed above, the Company has established loss reserves for insurance, regulatory, governmental, environmental, litigation and tax contingencies. At **March 30, 2024** **June 29, 2024** and December 30, 2023, the reserves for insurance, regulatory, governmental, environmental, litigation and tax contingencies reflected on the balance sheet in accrued expenses and other non-current liabilities was approximately **\$97.1 million** **\$96.6 million** and \$95.1 million, respectively. The Company has insurance recovery receivables reflected on the balance sheet in other assets of approximately \$36.0 million as of **March 30, 2024** **June 29, 2024** and December 30, 2023, related to the insurance contingencies. The Company's management believes these reserves for contingencies are reasonable and sufficient based upon present governmental regulations and information currently available to management; however, there can be no assurance that final costs related to these contingencies will not exceed current estimates. The Company believes that the likelihood is remote that any additional liability from the pending lawsuits and claims that may not be covered by insurance would have a material effect on the Company's financial position, results of operations or cash flows.

**Lower Passaic River Area.** In December 2009, the Company, along with numerous other entities, received notice from the United States Environmental Protection Agency ("EPA") that the Company (as alleged successor-in-interest to The Standard Tallow Corporation) is considered a potentially responsible party (a "PRP") with respect to alleged contamination in the lower 17-mile area of the Passaic River (the "Lower Passaic River") which is part of the Diamond Alkali Superfund Site located in Newark, New Jersey. The Company's designation as a PRP is based upon the operation of former plant sites located in Newark and Kearny, New Jersey by The Standard Tallow Corporation, an entity that the Company acquired in 1996. In March 2016, the Company received another letter from the EPA notifying the Company that it had issued a Record of Decision (the "ROD") selecting a remedy for the lower 8.3 miles of the Lower Passaic River area at an estimated cost of \$1.38 billion. The EPA letter made no demand on the Company and laid out a framework for remedial design/remedial action implementation under which the EPA would first seek funding from major PRPs. The letter indicated that the EPA had sent the letter to over 100 parties, which include large chemical and refining companies, manufacturing companies, foundries, plastic companies, pharmaceutical companies and food and consumer product companies. The Company asserts that it is not responsible for any liabilities of its former subsidiary The Standard Tallow Corporation, which was legally dissolved in 2000, and that, in any event, the Standard Tallow Corporation did not discharge any of the eight contaminants of concern identified in the ROD (the "COCs"). Subsequently, the EPA conducted a settlement analysis using a third-party allocator and offered early cash out

settlements to those PRPs for whom the third-party allocator determined did not discharge any of the COCs. The Company participated in this allocation process, and in November 2019, received a cash out settlement offer from the EPA in the amount of \$0.6 million (\$0.3 million for each of the former plant sites in question) for liabilities relating to the lower 8.3 miles of the Lower Passaic River area. The Company accepted this settlement offer, and the settlement became effective on April 16, 2021 following the completion of the EPA's administrative approval process. In September 2021, the EPA released a ROD selecting an interim remedy for the upper nine miles of the Lower Passaic River at an expected additional cost of \$441 million. In October 2022, the Company, along with other settling defendants, entered into a Consent Decree with the EPA pursuant to which the Company paid \$0.3 million to settle liabilities for both of the former plant sites in question related to the upper nine miles of the Lower Passaic River. The Company paid this amount into escrow, as the settlement is subject to the EPA's administrative approval process, which includes publication, a public comment period and court approval. On September 30, 2016, Occidental Chemical Corporation ("OCC") entered into an agreement with the EPA to perform the remedial design for the cleanup plan for the lower 8.3 miles of the Lower Passaic River. On June 30, 2018, OCC filed a complaint in the United States District Court for the District of New Jersey against over 100 companies, including the Company, seeking cost recovery or contribution for costs under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") relating to various investigations and cleanups OCC has conducted or is conducting in connection with the Lower Passaic River. According to the complaint, OCC has incurred or is incurring costs which include the estimated cost to complete the remedial design for the cleanup plan for the lower 8.3 miles of the Lower Passaic River. OCC is also seeking a declaratory judgment to hold the defendants liable for their proper shares of future response costs, including the remedial action for the lower 8.3 miles of the Lower Passaic River. The Company, along with 40 of the other defendants, had previously received a release from OCC of its CERCLA contribution claim of \$165 million associated with the costs to design the remedy for the lower 8.3 miles of the Lower Passaic River. Furthermore, the Company's settlements with the EPA described above could preclude certain of the claims alleged by OCC against the Company. The Company's ultimate liability, if any, for investigatory costs, remedial costs and/or natural resource damages in connection with the Lower Passaic River area cannot be determined at this time; however, as of the date of this report, the Company has found no definitive evidence that the former Standard Tallow Corporation plant sites contributed any of the COCs to the Passaic River and, therefore, there is nothing that leads the Company to believe that this matter will have a material effect on the Company's financial position, results of operations or cash flows.

(19) Business Segments

The Company sells its products domestically and internationally, operating within three industry segments: Feed Ingredients, Food Ingredients and Fuel Ingredients. The measure of segment income/(loss) includes all revenues, operating expenses (excluding certain amortization of intangibles), and selling, general and administrative expenses incurred at all operating locations and excludes corporate activities.

Included in corporate activities are general corporate expenses and the amortization of certain intangibles. Assets of corporate activities include cash, unallocated prepaid expenses, deferred tax assets, prepaid pension, and miscellaneous other assets.

Feed Ingredients

Feed Ingredients consists principally of (i) the Company's U.S. ingredients business, including the Company's fats and proteins, used cooking oil, trap grease, Darling Canada, and the ingredients and specialty products businesses conducted by Darling Ingredients International under the Sonac and FASA names (proteins, fats, and blood products) and (ii) the Company's bakery residuals business. Feed Ingredients operations process animal by-products and used cooking oil into fats, proteins and hides.

Food Ingredients

Food Ingredients consists principally of (i) the collagen business conducted by Darling Ingredients International under the Rousselot and Gelnex names, (ii) the natural casings and meat-by-products business conducted by Darling Ingredients International under the CTH name and (iii) certain specialty products businesses conducted by Darling Ingredients International under the Sonac name.

Fuel Ingredients

The Company's Fuel Ingredients segment consists of (i) the Company's investment in the DGD Joint Venture and (ii) the bioenergy business conducted by Darling Ingredients International under the Ecoson and Rendac names.

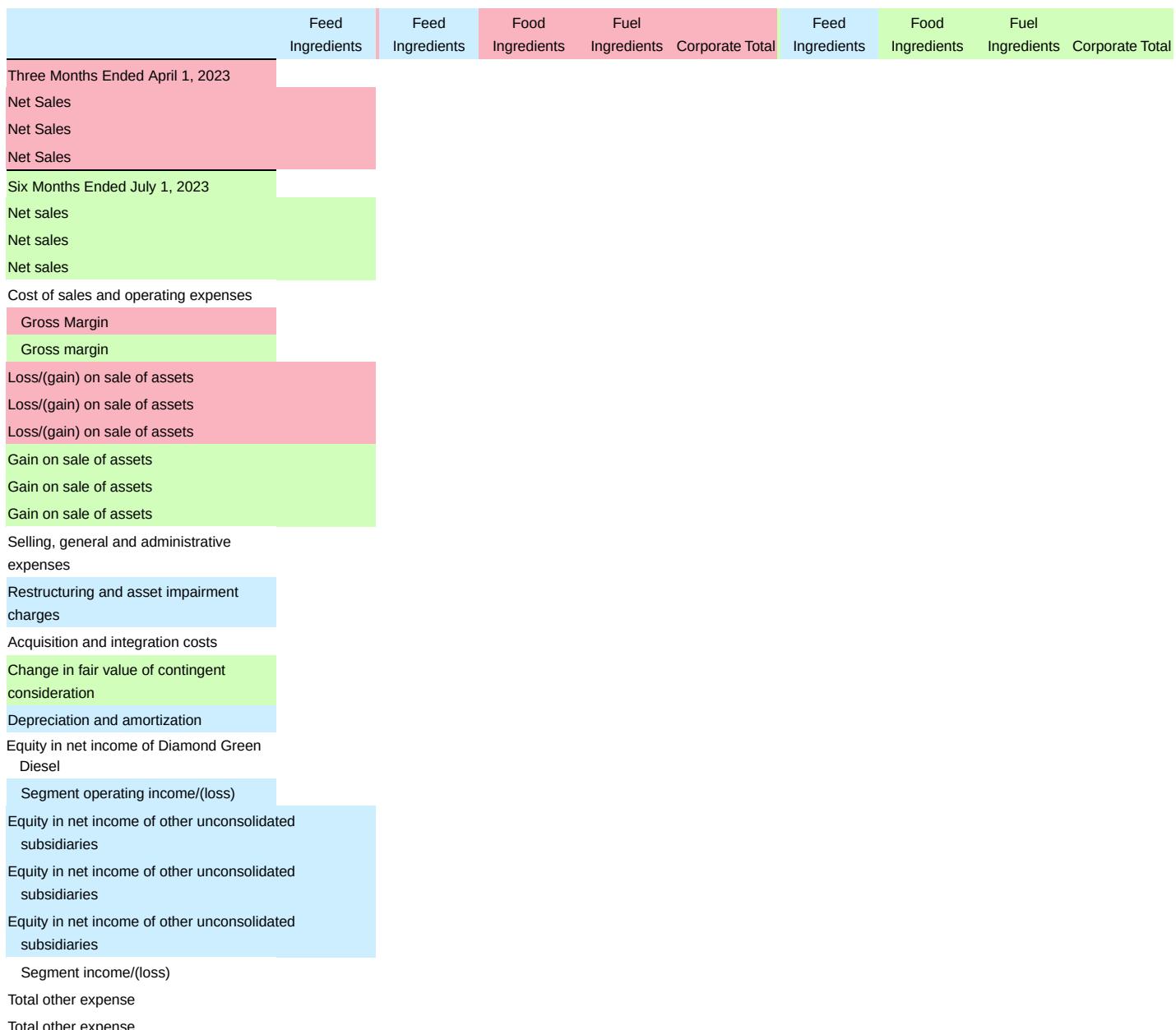
Business Segments (in thousands):

	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
Three Months Ended June 29, 2024					
Net sales	\$ 934,147	\$ 378,841	\$ 142,304	—	\$ 1,455,292
Cost of sales and operating expenses	737,871	276,760	113,790	—	1,128,421
Gross margin	196,276	102,081	28,514	—	326,871
Loss/(gain) on sale of assets	205	37	(20)	—	222
Selling, general and administrative expenses	74,015	28,844	8,409	18,463	129,731
Acquisition and integration costs	—	—	—	1,130	1,130
Change in fair value of contingent consideration	(33,122)	—	—	—	(33,122)
Depreciation and amortization	86,444	27,372	8,723	2,066	124,605
Equity in net income of Diamond Green Diesel	—	—	44,197	—	44,197
Segment operating income/(loss)	68,734	45,828	55,599	(21,659)	148,502
Equity in net income of other unconsolidated subsidiaries	3,017	—	—	—	3,017

Segment income/(loss)	71,751	45,828	55,599	(21,659)	151,519
Total other expense					(69,380)
Income before income taxes				\$	82,139

	Feed Ingredients	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate Total	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate Total
<b>Three Months Ended March 30, 2024</b>									
Net Sales									
Net Sales									
Net Sales									
Three Months Ended July 1, 2023									
Net sales									
Net sales									
Net sales									
Cost of sales and operating expenses									
Gross Margin									
Gross margin									
Loss/(gain) on sale of assets									
Loss/(gain) on sale of assets									
Loss/(gain) on sale of assets									
Selling, general and administrative expenses									
Acquisition and integration costs									
Acquisition and integration costs									
Restructuring and impairment charges									
Acquisition and integration costs									
Change in fair value of contingent consideration									
Depreciation and amortization									
Equity in net income of Diamond Green Diesel									
Segment operating income/(loss)									
Equity in net income of other unconsolidated subsidiaries									
Equity in net income of other unconsolidated subsidiaries									
Equity in net income of other unconsolidated subsidiaries									
Segment income/(loss)									
Total other expense									
Total other expense									
Total other expense									
Income before income taxes									
Segment assets at March 30, 2024									
Segment assets at March 30, 2024									
Segment assets at March 30, 2024									
	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total				
Six Months Ended June 29, 2024									
Net sales	\$ 1,823,995	\$ 770,123	\$ 281,473	—	\$ 2,875,591				
Cost of sales and operating expenses	1,443,640	574,905	226,542	—	2,245,087				
Gross margin	380,355	195,218	54,931	—	630,504				
Loss/(gain) on sale of assets	337	(257)	(432)	—	(352)				

Selling, general and administrative expenses	151,153	60,588	17,154	39,979	268,874
Acquisition and integration costs	—	—	—	5,184	5,184
Change in fair value of contingent consideration	(58,371)	—	—	—	(58,371)
Depreciation and amortization	174,013	56,240	17,390	4,471	252,114
Equity in net income of Diamond Green Diesel	—	—	122,616	—	122,616
Segment operating income/(loss)	113,223	78,647	143,435	(49,634)	285,671
Equity in net income of other unconsolidated subsidiaries	5,327	—	—	—	5,327
Segment income/(loss)	118,550	78,647	143,435	(49,634)	290,998
Total other expense					(123,364)
Income before income taxes					\$ 167,634
Segment assets at June 29, 2024	\$ 4,367,740	\$ 2,277,464	\$ 2,684,602	\$ 1,290,843	\$ 10,620,649



Total other expense
Income before income taxes
Segment assets at December 30, 2023
Segment assets at December 30, 2023
Segment assets at December 30, 2023

(20) Revenue

The Company extends payment terms to its customers based on commercially acceptable practices. The term between invoicing and payment due date is not significant. Revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring finished products or performing services, which is generally based on an executed agreement or purchase order.

Most of the Company's products are shipped based on the customer specifications. Customer returns are infrequent and not material to the Company. Adjustments to net sales for sales deductions are generally recognized in the same period as the sale or when known. Customers in certain industries or countries may be required to prepay prior to shipment in order to maintain payment protection. These represent short-term prepayment from customers and are not material to the Company. The Company elected to treat shipping and handling as fulfillment costs, which will result in billed freight recorded in cost of sales and netted against freight costs. Sales, value-add, and other taxes collected concurrently with revenue-producing activities are excluded from revenue and booked on a net basis.

The following tables present the Company revenues disaggregated by geographic area and major product types by reportable segment for the three and six months ended March 30, 2024 June 29, 2024 and April 1, 2023 July 1, 2023 (in thousands):

Geographic Area	Three Months Ended March 30, 2024					Three Months Ended June 29, 2024				
	Feed Ingredients	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total	
North America										
North America										
North America										
Europe										
China										
South America										
Other										
Net sales										
Major product types										
Major product types										
Major product types										
Fats										
Fats										
Fats										
Used cooking oil										
Proteins										
Bakery										
Other rendering										
Food ingredients										
Bioenergy										
Other										
Other										
Other										
Net sales										

Geographic Area	Three Months Ended April 1, 2023					Six Months Ended June 29, 2024				
	Feed Ingredients	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total	
North America										
North America										

North America
North America
Europe
China
South America
Other
Net sales
Major product types
Major product types
Major product types
Fats
Fats
Fats
Used cooking oil
Proteins
Bakery
Other rendering
Food ingredients
Bioenergy
Other
Other
Other

Net sales

	Three Months Ended July 1, 2023			
	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total
<b>Geographic Area</b>				
North America	\$ 946,100	\$ 101,388	\$ —	\$ 1,047,488
Europe	96,064	227,193	139,867	463,124
China	6,160	71,414	—	77,574
South America	90,293	54,493	—	144,786
Other	3,044	21,605	—	24,649
Net sales	\$ 1,141,661	\$ 476,093	\$ 139,867	\$ 1,757,621
<b>Major product types</b>				
Fats	\$ 405,287	\$ 38,207	\$ —	\$ 443,494
Used cooking oil	146,275	—	—	146,275
Proteins	435,956	—	—	435,956
Bakery	67,263	—	—	67,263
Other rendering	70,265	—	—	70,265
Food ingredients	—	412,307	—	412,307
Bioenergy	—	—	139,867	139,867
Other	16,615	25,579	—	42,194
Net sales	\$ 1,141,661	\$ 476,093	\$ 139,867	\$ 1,757,621

	Six Months Ended July 1, 2023			
	Feed Ingredients	Food Ingredients	Fuel Ingredients	Total
<b>Geographic Area</b>				
North America	\$ 1,971,857	\$ 200,739	\$ —	\$ 2,172,596
Europe	206,316	417,466	297,153	920,935

China	11,503	148,785	—	160,288
South America	183,832	65,277	—	249,109
Other	5,647	40,218	—	45,865
Net sales \$	2,379,155 \$	872,485 \$	297,153 \$	3,548,793
<hr/>				
Major product types				
Fats	\$ 895,605 \$	83,195 \$	— \$	978,800
Used cooking oil	283,968	—	—	283,968
Proteins	883,103	—	—	883,103
Bakery	142,196	—	—	142,196
Other rendering	140,079	—	—	140,079
Food ingredients	— 731,448	—	—	731,448
Bioenergy	—	—	297,153	297,153
Other	34,204	57,842	—	92,046
Net sales \$	2,379,155 \$	872,485 \$	297,153 \$	3,548,793

**Long-Term Performance Obligations.** The Company from time to time enters into long-term contracts to supply certain volumes of finished products to certain customers. Revenue recognized to date in 2024 under these long-term supply contracts was approximately \$39.8 million \$82.7 million, with the remaining performance obligations to be recognized in future periods (generally four years) of approximately \$759.3 million \$684.4 million.

## (21) Related Party Transactions

### Raw Material Agreement

The Company entered into a Raw Material Agreement with the DGD Joint Venture in May 2011 pursuant to which the Company will offer to supply certain animal fats and used cooking oil at market prices, but the DGD Joint Venture is not obligated to purchase the raw material offered by the Company. Additionally, the Company may offer other feedstocks to the DGD Joint Venture, such as inedible corn oil, purchased on a resale basis. For the three months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**, the Company recorded net sales to the DGD Joint Venture of approximately \$234.6 million and \$325.0 million, respectively. For the three months ended **June 29, 2024** and **July 1, 2023**, our total net sales to the DGD Joint Venture were approximately 16% and 18%, respectively of total net sales. For the six

\$246.7 million months ended June 29, 2024 and \$338.6 million July 1, 2023, the Company recorded net sales to the DGD Joint Venture of approximately \$481.3 million and \$663.6 million, respectively. For the six months ended June 29, 2024 and July 1, 2023, our total net sales to the DGD Joint Venture were approximately 17% and 19%, respectively of total net sales. At **March 30, 2024** **June 29, 2024** and December 30, 2023, the Company had zero \$9.3 million and \$172.3 million in outstanding receivables due from the DGD Joint Venture, respectively. At **March 30, 2024** and December 30, 2023, the Company had \$0.7 million and zero in deferred revenue with the DGD Joint Venture, respectively. In addition, the Company has eliminated approximately \$62.1 million \$55.7 million and \$63.4 million \$38.4 million of additional sales for the three six months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**, respectively to defer the Company's Company's portion of profit of approximately \$10.0 million \$9.5 million and \$15.6 \$8.1 million on those sales relating to inventory assets remaining on the DGD Joint Venture's balance sheet at **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**, respectively.

### Revolving Loan Agreement

On May 1, 2019, Darling, through its wholly owned subsidiary Darling Green Energy LLC, ("Darling Green"), and Diamond Alternative Energy, LLC, a wholly owned subsidiary of Valero ("Diamond Alternative" and together with Darling Green, the "DGD Lenders"), entered into a revolving loan agreement (the "2019 DGD Loan Agreement") with the DGD Joint Venture, pursuant to which the DGD Lenders committed to making loans available to the DGD Joint Venture in the total amount of \$50.0 million, with each lender committed to \$25.0 million of the total commitment. Any borrowings by the DGD Joint Venture under the 2019 DGD Loan Agreement were at the applicable annum rate equal to the sum of (a) the LIBO Rate (meaning Reuters BBA Libor Rates Page 3750) on such day plus (b) 2.50%. On June 15, 2023, the DGD Lenders entered into a new revolving loan agreement (the "2023 DGD Loan Agreement") with the DGD Joint Venture that replaced and superseded in its entirety the 2019 DGD Loan Agreement and pursuant to which the DGD Lenders have committed to making loans available to the DGD Joint Venture in the total amount of \$200.0 million with each lender committed to \$100.0 million of the total commitment. Any borrowings by the DGD Joint Venture under the 2023 DGD Loan Agreement are at the applicable annum rate equal to the sum of (a) Term term SOFR on such day plus (b) 2.50%. The 2023 DGD Loan Agreement expires on June 15, 2026. In December 2022, the DGD Joint Venture borrowed all \$50.0 million available under the 2019 DGD Loan Agreement, including the Company's Company's full \$25.0 million commitment, which was repaid in fiscal 2023. In January 2024, the DGD Joint Venture borrowed all \$200.0 million available under the 2023 DGD Loan Agreement, including the Company's Company's full \$100.0 million commitment, which was repaid in March 2024. The DGD Joint Venture paid interest to the Company for the three months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023** of approximately zero and \$0.1 million, respectively and paid interest to the Company for the six months ended **June 29, 2024** and **July 1, 2023** of approximately \$1.6 million and \$0.4 million \$0.6 million, respectively. As of **March 30, 2024** **June 29, 2024** and December 30, 2023, zero was owed to Darling Green under the 2023 DGD Loan Agreement and the 2019 DGD Loan Agreement, respectively. This note receivable amount is included in other current assets on the balance sheet and is included in investing activities on the cash flow statement.

### Guarantee Agreements

In February 2020, in connection with the DGD Joint Venture's expansion project at its Norco, LA facility, it entered into two agreements (the "IMTT Terminaling Agreements") with International-Matex Tank Terminals ("IMTT"), pursuant to which the DGD Joint Venture will move raw material and finished product to and from the IMTT terminal facility by pipeline, thereby providing better logistical capabilities. As a condition to entering into the IMTT Terminaling Agreements, IMTT required that the Company and Valero

guarantee their proportionate share, up to a maximum of approximately \$50 million each, of the DGD Joint Venture's obligations under the IMTT Terminaling Agreements (the "IMTT Guarantee"), subject to the conditions provided for in the IMTT Terminaling Agreements. The Company has not recorded any liability as a result of the IMTT Guarantee, as the Company believes the likelihood of having to make any payments under the IMTT Guarantee is remote.

In April 2021, in connection with the DGD Joint Venture's expansion project at its Port Arthur, TX facility, it entered into two agreements (the "GTL Terminaling Agreements") with GT Logistics, LLC ("GTL"), pursuant to which the DGD Joint Venture will move raw material and finished product to and from the GTL terminal facility by pipeline, thereby providing better logistical capabilities. As a condition to entering into the GTL Terminaling Agreements, GTL required that the Company and Valero guarantee their proportionate share, up to a maximum of approximately \$160 million each, of the DGD Joint Venture's obligations under the GTL Terminaling Agreements (the "GTL Guarantee"), subject to the conditions provided for in the GTL Terminaling Agreements. The maximum amount of the GTL Guarantee is reduced over the 20-year initial term of the GTL Terminaling Agreements as the termination fee under such agreements declines. The Company has not recorded any liability as a result of the GTL Guarantee, as the Company believes the likelihood of having to make any payments under the GTL Guarantee is remote.

(22) Cash Flow Information

The following table sets forth supplemental cash flow information and non-cash transactions (in thousands):

	Three Months Ended	
	March 30, 2024	April 1, 2023
	Six Months Ended	
	June 29, 2024	July 1, 2023
<b>Supplemental disclosure of cash flow information:</b>		
Change in accrued capital expenditures		
Change in accrued capital expenditures		
Change in accrued capital expenditures		
<b>Cash paid during the period for:</b>		
Interest, net of capitalized interest		
Interest, net of capitalized interest		
Interest, net of capitalized interest		
Income taxes, net of refunds		
<b>Non-cash operating activities</b>		
Operating lease right of use asset obtained in exchange for new lease liabilities		
Operating lease right of use asset obtained in exchange for new lease liabilities		
Operating lease right of use asset obtained in exchange for new lease liabilities		
<b>Non-cash financing activities</b>		
Debt issued for assets		
Debt issued for assets		
Debt issued for assets		

(23) New Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update ("ASU") No. 2023-09, Income Taxes (Topic 740) Improvements to Income Tax Disclosures, which expands the disclosures required in an entity's income tax rate reconciliation table and disclosure of income taxes paid both in U.S. and foreign jurisdictions. The amendments are effective for fiscal years beginning after December 15, 2024 and should be applied prospectively. Early adoption is permitted. The Company is currently evaluating this ASU to determine its impact on the Company's disclosure, but does not expect this update to have a material impact on the Company's consolidated financial statements other than additional information to be provided in the footnote disclosure.

In November 2023, the FASB issued ASU No. 2023-07, Segment Reporting (Topic 280) Improvements to Reportable Segment Disclosures. The amendment requires disclosure of significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. The amendments are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024 and should be applied retrospectively. Early adoption is permitted. The Company is currently evaluating this ASU to determine its impact on the Company's disclosure, but does not expect this update to have a material impact on the Company's consolidated financial statements other than additional information to be provided in the footnote disclosure.

**Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Management's Discussion and Analysis of Financial Condition and Results of Operations contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including those set forth below

under the heading "Forward Looking Statements" and elsewhere in this report, and under the heading "Risk Factors" in Part I, Item 1A in the **Company's** Annual Report on Form 10-K for the fiscal year ended December 30, 2023, filed with the SEC on February 28, 2024 and in the **Company's** other public filings with the SEC.

The following discussion should be read in conjunction with the unaudited consolidated financial statements and related notes thereto contained in this report.

## **Overview**

Darling Ingredients Inc. ("Darling", and together with its subsidiaries, the "Company" or "we," "us" or "our") is a global developer and producer of sustainable natural ingredients from edible and inedible bio-nutrients, creating a wide range of ingredients and customized specialty solutions for customers in the pharmaceutical, food, pet food, feed, industrial, fuel, bioenergy and fertilizer industries. With operations on five continents, the Company collects and transforms all aspects of animal by-product streams into useable and specialty ingredients, such as collagen, edible fats, feed-grade fats, animal proteins and meals, plasma, pet food ingredients, organic fertilizers, yellow grease, fuel feedstocks, green energy, natural casings and hides. The Company also recovers and converts recycled oils (used cooking oil and animal fats) into valuable feed and feedstock and collects and processes residual bakery products into feed ingredients. In addition, the Company provides environmental services, such as grease trap collection and disposal services to food service establishments. The Company sells its products domestically and internationally and operates within three industry segments: Feed Ingredients, Food Ingredients and Fuel Ingredients.

The Feed Ingredients operating segment includes the **Company's** global activities related to (i) the collection and processing of beef, poultry and pork animal by-products in North America, Europe and South America into non-food grade oils and protein meals, (ii) the collection and processing of bakery residuals in North America into Cookie Meal®, which is predominantly used in poultry and swine rations, (iii) the collection and processing of used cooking oil in North America and South America into non-food grade fats, (iv) the collection and processing of porcine and bovine blood in China, Europe, North America and Australia into blood plasma powder and hemoglobin, (v) the processing of selected portions of slaughtered animals into a variety of meat products for use in pet food in Europe, North America and South America, (vi) the processing of cattle hides and hog skins in North America, (vii) the production of organic fertilizers using protein produced from the Company's animal by-products processing activities in North America and Europe, (viii) the rearing and processing of black soldier fly larvae into specialty proteins for use in animal feed and pet food in North America, and (ix) the provision of grease trap services to food service establishments in North America. Non-food grade oils and fats produced and marketed by the Company are principally sold to third parties to be used as ingredients in animal feed and pet food, as an ingredient for the production of renewable diesel and biodiesel, or to the oleo-chemical industry to be used as an ingredient in a wide variety of industrial applications. Protein meals, blood plasma powder and hemoglobin produced and marketed by the Company are sold to third parties to be used as ingredients in animal feed, pet food and aquaculture.

The Food Ingredients operating segment includes the **Company's** global activities related to (i) the purchase and processing of beef and pork bone chips, beef hides, pig skins, and fish skins into collagen in Europe, China, South America and North America, (ii) the collection and processing of porcine and bovine intestines into natural casings in Europe, China and North America, (iii) the extraction and processing of porcine mucosa into crude heparin in Europe, (iv) the collection and refining of animal fat into food grade fat in Europe, and (v) the processing of bones to bone chips for the collagen industry and bone ash in Europe. Collagens produced and marketed by the Company are sold to third parties to be used as ingredients in the pharmaceutical, nutraceutical, food, pet food and technical (e.g., photographic) industries. Natural casings produced and marketed by the Company are sold to third parties to be used as an ingredient in the production of sausages and other similar food products.

The Fuel Ingredients operating segment includes the **Company's** global activities related to (i) the Company's share of the results of its equity investment in Diamond Green Diesel Holdings LLC, a joint venture with Valero Energy Corporation ("Valero") to convert animal fats, recycled greases, used cooking oil, inedible corn oil, soybean oil, or other feedstocks that become economically and commercially viable into renewable diesel ("DGD" or the "DGD Joint Venture") as described in Note 3 (Investment in Unconsolidated Subsidiaries) to the **Company's** Consolidated Financial Statements for the period ended **March 30, 2024** **June 29, 2024** included herein, (ii) the conversion of organic sludge and food waste into biogas in

Europe, (iii) the collection and conversion of fallen stock and certain animal by-products pursuant to applicable E.U. regulations into low-grade energy sources to be used in industrial applications, and (iv) the processing of manure into natural bio-phosphate in Europe.

Corporate Activities principally include unallocated corporate overhead expenses, acquisition-related expenses, interest expense net of interest income, and other non-operating income and expenses.

## **Economic Conditions and Uncertainties**

### **Global Economic Conditions**

We operate globally and have operations in numerous countries. As such, we are exposed to, and impacted by global macroeconomic factors, U.S. and foreign government policies and foreign exchange fluctuations. Global economic conditions continue to be highly volatile due to, among other things, the conflicts in Ukraine and the Middle East and their impacts on volatility in energy and other commodity prices, inflation, cost and supply chain pressures and availability, and disruption in banking systems and capital markets. Disturbances in world financial, credit, commodities and stock markets, including inflationary, deflationary and recessionary conditions, could have a negative impact on the Company's results of operations. Any such disturbances or disruptions may also magnify the impact of other risks described in this Quarterly Report on Form 10-Q and our Annual Report on Form 10-K for the fiscal year ended December 30, 2023, as filed with the SEC on February 28, 2024.

### **Energy Policies of U.S. and Foreign Governments**

Prices for our finished products, including those of DGD, may be impacted by worldwide government policies relating to renewable fuels and greenhouse gas emissions ("GHG"). Programs like the National Renewable Fuel Standard Program ("RFS") and low carbon fuel standards ("LCFS") (such as in the state of California) and tax credits for biofuels both in the United States and abroad are subject to revision and change which may impact the demand for and/or price of our finished products. Legal challenges or changes to, a failure to enforce, reductions in the mandated volumes under, or discontinuing or suspension of any of these programs could have a negative impact on our business and results of operations. However, such rules and the regulatory environment are continuing to evolve and change, and we cannot predict the ultimate effect that such changes may have on our business.

## **Climate Change**

There is a growing global concern that carbon dioxide and other GHG in the atmosphere may have an adverse impact on global temperatures, weather patterns and the frequency of extreme weather and natural disasters. We are subject to physical, operational, transitional and financial risks associated with climate change and global, regional and local weather conditions, as well as legal, regulatory and market responses to climate change. Certain jurisdictions in which we operate have either imposed, or are considering imposing, new or increasingly stringent legal and regulatory requirements to reduce or mitigate the potential effects of climate change, including regulation and reduction of GHG and potential carbon pricing programs. These new or increasingly stringent legal or regulatory requirements could result in significantly increased costs of compliance and additional investments in facilities and equipment, and reduced raw material supplies in areas where these requirements limit or eliminate livestock operations. While we assess climate related regulatory risks as part of our risk management process, we are unable to predict the scope, nature and timing of any new or increasingly stringent environmental laws and regulations and therefore cannot predict the ultimate impact of such laws and regulations on our business or financial results. We continue to monitor existing and proposed laws and regulations in the jurisdictions in which we operate and to consider actions we may take to potentially mitigate the unfavorable impact, if any, of such laws or regulations. Furthermore, emerging legislation seeks to regulate corporate environmental, social and governance ("ESG") practices, including practices related to the causes and impacts of climate change as well as supply chain control and compliance with human rights. These new rules, which apply to all large companies and to listed small and medium-sized enterprises, require companies to report on how sustainability issues (environmental, social, and governance) affect their business and about their own impact on people and the environment. There has also been increased focus from our stakeholders, including consumers, employees and investors, on our ESG practices. We expect that stakeholder expectations with respect to ESG expectations will continue to evolve rapidly, which may necessitate additional resources to monitor, report on, and adjust our operations.

For additional information on risk factors that could impact our results, please refer to "Risk Factors" in Part I, Item 1A of the **Company's** Form 10-K for the fiscal year ended December 30, 2023, as filed with the SEC on February 28, 2024.

## **Operating Performance Indicators**

The Company monitors the performance of its business segments using key financial metrics such as results of operations, non-GAAP measurements (Adjusted EBITDA), segment operating income, raw material processed, gross margin percentage, foreign currency translation, and corporate activities. The Company's operating results can vary significantly due to changes in factors such as the fluctuation in commodity prices and energy prices, weather conditions, crop harvests, government policies and programs, changes in global demand, changes in standards of living, protein consumption, and global production of competing ingredients. Due to these unpredictable factors that are beyond the control of the Company, forward-looking financial or operational estimates are not provided. The Company is exposed to certain risks associated with a business that is influenced by agricultural-based commodities. These risks are further described in Item 1A of Part I, "Risk Factors" included in the Company's Form 10-K for the fiscal year ended December 30, 2023.

The Company's Feed Ingredients segment animal by-products, bakery residuals, used cooking oil recovery, and blood operations are each influenced by prices for agricultural-based alternative ingredients such as corn oil, soybean oil, soybean meal, and palm oil. In these operations, the costs of the **Company's** raw materials change with, or in certain cases are indexed to, the selling price or the anticipated selling price of the finished goods produced from the acquired raw materials and/or in some cases, the price spread between various types of finished products. The Company believes that this methodology of procuring raw materials generally establishes a relatively stable gross margin upon the acquisition of the raw material. Although the costs of raw materials for the Feed Ingredients segment are generally based upon actual or anticipated finished goods selling prices, rapid and material changes in finished goods prices, including competing agricultural-based alternative ingredients, generally have an immediate, and often times, material impact on the Company's gross margin and profitability resulting from the brief lapse of time between the procurement of the raw materials and the sale of the finished goods. In addition, the volume of raw material acquired, which has a direct impact on the amount of finished goods produced, can also have a material effect on the gross margin reported, as the Company has a substantial amount of fixed operating costs.

The Company's Food Ingredients segment collagen and natural casings products are influenced by other competing ingredients including plant-based and synthetic hydrocolloids and artificial casings. In the collagen operation, the cost of the **Company's** animal-based raw material moves in relationship to the selling price of the finished goods. The processing time for the Food Ingredients segment collagen and casings is generally 30 to 60 days, which is substantially longer than the **Company's** Feed Ingredients segment animal by-products operations. Consequently, the Company's gross margin and profitability in this segment can be influenced by the movement of finished goods prices from the time the raw materials were procured until the finished goods are sold.

The Company's Fuel Ingredients segment converts fats into renewable diesel, organic sludge and food waste into biogas, and fallen stock into low-grade energy sources. The **Company's** gross margin and profitability in this segment are impacted by world energy prices for oil, electricity and natural gas, global feed stock prices and governmental subsidies.

The reporting currency for the **Company's** financial statements is the U.S. dollar. The Company operates in over 15 countries and therefore, certain of the **Company's** assets, liabilities, revenues and expenses are denominated in functional currencies other than the U.S. dollar, primarily in the Euro, Brazilian real, Chinese renminbi, Canadian dollar and Polish zloty. To prepare the **Company's** consolidated financial statements, assets, liabilities, revenues, and expenses must be translated into U.S. dollars at the applicable exchange rate. As a result, increases or decreases in the value of the U.S. dollar against these other currencies will affect the amount of these items recorded in the **Company's** consolidated financial statements, even if their value has not changed in the functional currency. This could have a significant impact on the **Company's** results, if such increase or decrease in the value of the U.S. dollar relative to these other currencies is substantial.

## **Results of Operations**

**Three Months Ended March 30, 2024** June 29, 2024 Compared to **Three Months Ended April 1, 2023** July 1, 2023

## **Operating Performance Metrics**

Operating performance metrics which management routinely monitors as an indicator of operating performance include:

- Finished product commodity prices
- Segment results
- Foreign currency exchange
- Corporate activities
- Non-U.S. GAAP measures

These indicators and their importance are discussed below.

#### Finished Product Commodity Prices

Prices for finished product commodities that the Company produces in the Feed Ingredients segment are reported each business day on the Jacobsen Index (the "Jacobsen"), an established North American trading exchange price publisher. The Jacobsen reports industry sales from the prior day's activity by product. Included on the Jacobsen are reported prices for finished products such as protein (primarily meat and bone meal ("MBM"), poultry meal ("PM") and feather meal ("FM")), hides, fats (primarily bleachable fancy tallow ("BFT") and yellow grease ("YG")) and corn, which is a substitute commodity for the Company's Company's bakery by-product ("BBP"), as well as a range of other branded and value-added products, which are products of the Company's Company's Feed Ingredients segment. In the United States and South America, the Company regularly monitors the Jacobsen for MBM, PM, FM, BFT, YG and corn because it provides a daily indication of the Company's Company's U.S. and Brazilian revenue performance against business plan benchmarks. In Europe and South America, the Company regularly monitors Thomson Reuters ("Reuters") to track the competing commodities palm oil and soy meal.

Although the Jacobsen and Reuters provide useful metrics of performance, the Company's Company's finished products are commodities that compete with other commodities such as corn, soybean oil, palm oil complex, soybean meal and heating oil on nutritional and functional values. Therefore, actual pricing for the Company's Company's finished products, as well as competing products, can be quite volatile. In addition, neither the Jacobsen nor Reuters provides forward or future period pricing for the Company's Company's commodities. The Jacobsen and Reuters prices quoted below are for delivery of the finished product at a specified location. Although the Company's Company's prices generally move in concert with reported Jacobsen and Reuters prices, the Company's Company's actual sales prices for its finished products may vary significantly from the Jacobsen and Reuters because of production and delivery timing differences and because the Company's Company's finished products are delivered to multiple locations in different geographic regions which utilize alternative price indexes. In addition, certain of the Company's Company's premium branded finished products may sell at prices that may be higher than the closest product on the related Jacobsen or Reuters index. During the first second quarter of fiscal 2024, the Company's Company's actual sales prices by product trended with the disclosed Jacobsen and Reuters prices.

Average Jacobsen and Reuters prices (at the specified delivery point) for the first second quarter of fiscal 2024, compared to average Jacobsen and Reuters prices for the first second quarter of fiscal 2023 are as follows:

	Avg. Price		Avg. Price		%
	1st Quarter	2nd Quarter	1st Quarter	2nd Quarter	
<b>Jacobsen:</b>					
MBM (Illinois)	\$ 292.91/290.51/ton	\$ 435.85/464.27/ton	\$ (142.94)	(173.76)/ton	(32.8)(37.4)%
Feed Grade PM (Mid-South)	\$ 407.17/371.25/ton	\$ 406.94/485.56/ton	\$ 0.23/	(114.31)/ton	0.1(23.5)%
Pet Food PM (Mid-South)	\$ 737.17/785.69/ton	\$ 743.75/934.67/ton	\$ (6.58)	(148.98)/ton	(0.9)(15.9)%
Feather meal (Mid-South)	\$ 514.96/490.32/ton	\$ 596.73/577.87/ton	\$ (81.77)	(87.55)/ton	(13.7)(15.2)%
BFT (Chicago)	\$ 43.25/46.29/cwt	\$ 61.39/56.61/cwt	\$ (18.14)	(10.32)/cwt	(29.5)(18.2)%
YG (Illinois)	\$ 31.71/35.85/cwt	\$ 51.10/46.06/cwt	\$ (19.39)	(10.21)/cwt	(37.9)(22.2)%
Corn (Illinois)	\$ 4.42/4.48/bushel	\$ 6.84/6.68/bushel	\$ (2.42)	(2.20)/bushel	(35.4)(32.9)%
<b>Reuters:</b>					
Palm Oil (CIF Rotterdam)	\$ 999.00/1,040.00/MT	\$ 993.00/958.00/MT	\$ 6.00/	82.00/MT	0.68.6 %
Soy meal (CIF Rotterdam)	\$ 464.00/451.00/MT	\$ 595.00/516.00/MT	\$ (131.00)	(65.00)/MT	(22.0)(12.6)%

The following table shows the average Jacobsen and Reuters prices for the first second quarter of fiscal 2024, compared to average Jacobsen and Reuters prices for the fourth first quarter of fiscal 2023, 2024.

	Avg. Price		Avg. Price		Increase/(Decrease)	% Increase/(Decrease)
	1st Quarter	2nd Quarter	4th Quarter	1st Quarter		
	2024		2023			
Jacobsen:						
MBM (Illinois)	\$ 290.51/ton		\$ 292.91/ton	\$ 372.44/ton	\$ (79.53) (2.40)/ton	(21.4) (0.8)%
Feed Grade PM (Mid-South)	\$ 371.25/ton		\$ 407.17/ton	\$ 446.37/ton	\$ (39.20) (35.92)/ton	(8.8)%
Pet Food PM (Mid-South)	\$ 785.69/ton		\$ 737.17/ton	\$ 689.80/ 48.52/ton	\$ 47.37/ton	6.9 6.6 %
Feather meal (Mid-South)	\$ 490.32/ton		\$ 514.96/ton	\$ 558.10/ton	\$ (43.14) (24.64)/ton	(7.7) (4.8)%
BFT (Chicago)	\$ 46.29/cwt		\$ 43.25/cwt	\$ 54.54/ 3.04/cwt	\$ (11.29)/cwt	(20.7) 7.0 %
YG (Illinois)	\$ 35.85/cwt		\$ 31.71/cwt	\$ 40.69/ 4.14/cwt	\$ (8.98)/cwt	(22.1) 13.1 %
Corn (Illinois)	\$ 4.48/bushel		\$ 4.42/bushel	\$ 4.80/ 0.06/bushel	\$ (0.38)/bushel	(7.9) 1.4 %
Reuters:						
Palm Oil (CIF Rotterdam)	\$ 1,040.00/MT		\$ 999.00/MT	\$ 928.00/ 41.00/MT	\$ 71.00/MT	7.7 4.1 %
Soy meal (CIF Rotterdam)	\$ 451.00/MT		\$ 464.00/MT	\$ 541.00/MT	\$ (77.00) (13.00)/MT	(14.2) (2.8)%

#### Segment Results

Segment operating income for the three months ended **March 30, 2024** **June 29, 2024** was **\$137.2 million** **\$148.5 million**, which reflects a decrease of **\$(118.6)** **\$(208.2)** million or **(46.4)** **(58.4)%** as compared to the three months ended **April 1, 2023** **July 1, 2023**.

(in thousands, except percentages)	(in thousands, except percentages)	Feed Ingredients	Food Ingredients	Fuel Ingredients	(in thousands, except percentages)	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate Total
<b>Three Months Ended March 30, 2024</b>									
Net Sales									
Net Sales									
Net Sales									
<b>Three Months Ended June 29, 2024</b>									
Net sales									
Net sales									
Net sales									
Cost of sales and operating expenses									
Gross Margin									
Gross margin									
Gross Margin %									
Gross Margin %									
Gross Margin %	20.7 %	23.8 %	19.0 %	—	21.4 %				
Gross margin %									
Gross margin %									
Gross margin %	21.0 %	26.9 %	20.0 %	—	22.5 %				
Loss/(gain) on sale of assets									
Loss/(gain) on sale of assets									
Loss/(gain) on sale of assets									
Selling, general and administrative expenses									
Acquisition and integration costs									
Acquisition and integration costs									
Acquisition and integration costs									
Change in fair value of contingent consideration									
Depreciation and amortization									

Equity in net income of Diamond Green Diesel												
Segment operating income/(loss)												
Equity in net income of other unconsolidated subsidiaries												
Equity in net income of other unconsolidated subsidiaries												
Equity in net income of other unconsolidated subsidiaries												
Segment income/(loss)												
(in thousands, except percentages)	(in thousands, except percentages)	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate Total	(in thousands, except percentages)	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate Total		
Three Months Ended April 1, 2023												
Net Sales												
Net Sales												
Net Sales												
Three Months Ended July 1, 2023												
Net sales												
Net sales												
Net sales												
Cost of sales and operating expenses												
Gross Margin												
Gross margin												
Gross Margin %												
Gross Margin %												
Gross Margin %		23.2 %	26.8 %	19.4 %	— %	23.7 %						
Gross margin %												
Gross margin %												
Gross margin %		23.2 %	22.1 %	19.8 %	— %	22.6 %						
Loss/(gain) on sale of assets												
Loss/(gain) on sale of assets												
Loss/(gain) on sale of assets												
Selling, general and administrative expenses												
Restructuring and asset impairment charges												
Acquisition and integration costs												
Change in fair value of contingent consideration												
Depreciation and amortization												
Equity in net income of Diamond Green Diesel												
Segment operating income/(loss)												
Equity in net income of other unconsolidated subsidiaries												
Equity in net income of other unconsolidated subsidiaries												

Equity in net income of other unconsolidated  
subsidiaries

Segment income/(loss)

#### Feed Ingredients Segment

**Raw material volume.** In the three months ended **March 30, 2024** **June 29, 2024**, the raw material processed by the Company's **Company's** Feed Ingredients segment totaled approximately **3.1 million** **3.10 million** metric tons. Compared to the three months ended **April 1, 2023** **July 1, 2023**, overall raw material volume processed in the Feed Ingredients segment decreased **1.9%** **0.3%**.

**Sales.** The decrease Net sales decreased in net sales for the Feed Ingredients segment was primarily due to the following (in millions of dollars):

	Fats	Fats	Other	Total	Used	Cooking	Oil	Used	Other	Total	Rendering	Rendering	Rendering	Oil	Bakery	Other	Total
	Fats	Fats	Proteins	Rendering	Total	Cooking	Oil	Bakery	Other	Total	Rendering	Rendering	Rendering	Oil	Bakery	Other	Total
Net sales three months ended April 1, 2023																	
Decrease in sales volumes																	
Net sales three months ended July 1, 2023																	
Increase (decrease) in sales volumes																	
Decrease in finished product prices																	
Increase due to currency exchange rates																	
Decrease due to currency exchange rates																	
Other change																	
Total change																	
Net sales three months ended March 30, 2024																	
Net sales three months ended June 29, 2024																	

**Margins.** In the Feed Ingredients segment for the three months ended **March 30, 2024** **June 29, 2024**, the gross margin percentage decreased to **20.7%** **21.0%** as compared to 23.2% for the comparable period of fiscal 2023. The decrease in margin was primarily due to lower overall finished product prices as compared to fiscal 2023.

**Segment operating income.** Feed Ingredients operating income for the three months ended **March 30, 2024** **June 29, 2024** was **\$44.5 million** **\$68.7 million**, a decrease of **\$(78.2)** **\$(43.7)** million or **(63.7)%** **(38.9)%** as compared to the three months ended **April 1, 2023** **July 1, 2023**. The decrease was primarily due to lower overall finished product prices and lower sales volumes that were partially offset by a gain from the reduction of the recorded FASA contingent consideration liability as compared to fiscal 2023.

#### Food Ingredients Segment

**Raw material volume.** In the three months ended **March 30, 2024** **June 29, 2024**, the raw material processed by the Company's **Company's** Food Ingredients segment totaled approximately **300,000** **305,000** metric tons. Compared to the three months ended **April 1, 2023** **July 1, 2023**, overall raw material volume processed in the Food Ingredients segment increased decreased approximately **13.6%** **7.9%**. The increase This decrease was primarily due to the Gelnex Acquisition, strategic reductions in raw material purchases.

**Sales.** Net sales decreased in the Food Ingredients segment primarily due to a decrease in collagen and fat prices that more than offset the net increase in collagen sales contribution from the Gelnex Acquisition, volumes and increases in fat prices.

**Margins.** In the Food Ingredients segment for the three months ended **March 30, 2024** **June 29, 2024**, the gross margin percentage decreased increased to **23.8%** **26.9%** as compared to **26.8%** **22.1%** for the comparable period of fiscal 2023. The decrease increase was primarily due to margins being lower prices in collagen and fat markets and the impact prior year because of an out of period inventory adjustment as compared value in purchase accounting related to the Gelnex Acquisition in fiscal 2023.

**Segment operating income.** Food Ingredients operating income was **\$32.8 million** **\$45.8 million** for the three months ended **March 30, 2024** **June 29, 2024**, a decrease an increase of **\$(21.5)** **\$3.8 million** or **(39.6)%** **9.0%** as compared to the three months ended **April 1, 2023** **July 1, 2023**. The decrease increase was primarily due to lower prices in collagen and fat markets, the impact of an out of period inventory adjustment and an increase in depreciation margins and amortization lower selling and general and administrative costs as compared to fiscal 2023.

## Fuel Ingredients Segment

**Raw material volume.** In the three months ended **March 30, 2024** **June 29, 2024**, the raw material processed by the **Company's** Fuel Ingredients segment totaled approximately **357,000** **362,000** metric tons. Compared to the three months ended **April 1, 2023** **July 1, 2023**, overall raw material volume processed in the Fuel Ingredients segment increased approximately **2.0%** **4.3%**.

**Sales.** In Europe, net **Net sales decreased increased** in the Fuel Ingredients segment primarily due to **lower sales prices and higher sales volumes**.

**Margins.** In the Fuel Ingredients segment **(exclusive of the equity contribution from the DGD Joint Venture)** for the three months ended **March 30, 2024** **June 29, 2024**, the gross margin percentage **decreased increased** to **19.0%** **20.0%** as compared to **19.4%** **19.8%** for the comparable period of fiscal 2023. The **decrease increase** was primarily due to the impact of **improved spread management from lower sales prices** **priced raw materials** as compared to fiscal 2023.

**Segment operating income.** The **Company's** Fuel Ingredients segment operating income (inclusive of the equity contribution from the DGD Joint Venture) for the three months ended **March 30, 2024** **June 29, 2024** was **\$87.8 million** **\$55.6 million**, a decrease of **\$(22.4)** **\$(171.6)** million or **(20.3)%** **(75.5)%** as compared to the same period in fiscal 2023. The decrease in earnings is primarily due to **decreases in diesel fuel prices, lower sales volumes at the DGD Joint Venture**, a decrease in renewable identification number (RIN) prices, lower values for LCFS credits, **a planned catalyst turnaround at the Port Arthur plant** and the recording of a lower-of cost-or-market reserve by the DGD Joint Venture related to **lower feedstock prices, which more than offset an increase in volumes sold** **market prices**.

## Foreign Currency Exchange

During the **first** **second** quarter of fiscal 2024, **overall** the euro, **and the Brazilian real strengthened while** and the Canadian dollar **remained unchanged** **weakened** against the U.S. dollar as compared to the same period in fiscal 2023. Using actual results for the three months ended **March 30, 2024** **June 29, 2024** and using the prior year's average currency rate for the three months ended **April 1, 2023** **July 1, 2023**, foreign currency translation would result in a **decrease** **an increase** in operating income of approximately **\$1.2 million** **\$1.8 million**. The average rates for the three months ended **March 30, 2024** **June 29, 2024** were **€1.00:\$1.09**, **1.08**, **R\$1.00:\$0.20**, **0.19** and **C\$1.00:\$0.74**, **0.73** as compared to the average rates for the three months ended **April 1, 2023** **July 1, 2023** of **€1.00:\$1.07**, **1.09**, **R\$1.00:\$0.19**, **0.20** and **C\$1.00:\$0.74**, **0.73**, respectively.

## Corporate Activities

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses were approximately **\$21.5 million** **\$18.5 million** during the three months ended **March 30, 2024** **June 29, 2024**, compared to approximately **\$20.7 million** during the three months ended **July 1, 2023**, a decrease of **\$2.2 million**. The decrease is due primarily to **lower consulting and** **April 1, 2023, respectively**, **professional fees expense**.

**Acquisition and Integration costs.** Acquisition and integration costs were approximately **\$4.1 million** **\$1.1 million** during the three months ended **March 30, 2024** **June 29, 2024** as compared to **\$7.0 million** **\$1.7 million** for the same period in fiscal 2023. These costs primarily relate to the Gelnex Acquisition and the Miropasz Acquisition for the three months ended **March 30, 2024** **June 29, 2024** and primarily related to the Gelnex Acquisition, **and the FASA Acquisition** **and the Valley Proteins acquisition** for the three months ended **April 1, 2023** **July 1, 2023**.

**Depreciation and Amortization.** Depreciation and amortization charges were approximately **\$2.4 million** **\$2.1 million** for the three months ended **March 30, 2024** **June 29, 2024** as compared to **\$2.8 million** **\$2.5 million** for the three months ended **April 1, 2023** **July 1, 2023**. The decrease is due to certain assets becoming fully depreciated.

**Interest Expense.** Interest expense was **\$62.9 million** **\$69.2 million** during the three months ended **March 30, 2024** **June 29, 2024**, compared to **\$50.3 million** **\$70.2 million** during the three months ended **April 1, 2023** **July 1, 2023**, **an increase** **a decrease** of **\$12.6 million** **\$1.0 million**. The **increase** **decrease** in interest expense was primarily due to a reduction in term loan A debt, the fact that the Term A-3 payoff of term loan B and Term A-4 a reduction in other debt borrowed interest due to finance the Gelnex Acquisition were debt

outstanding for the whole quarter in fiscal 2024, an increase in revolver borrowings and repayments that more than offset an increase in interest rates expense from higher revolver borrowings as compared to the same period in fiscal 2023.

**Foreign Currency Gain.** Foreign currency gains were **\$0.2 million** **\$0.4 million** for the three months ended **March 30, 2024** **June 29, 2024** as compared to foreign currency gains of **\$5.0 million** **\$2.5 million** for the three months ended **April 1, 2023** **July 1, 2023**. The decrease in currency gains is due primarily to a decrease in gains on the revaluation of an intercompany note non-functional currency assets and liabilities as compared to the same period of fiscal 2023.

**Other Income, Income/(Expense), net.** Other income expense was **\$8.7 million** **\$0.6 million** in the three months ended **March 30, 2024** **June 29, 2024**, compared to other income of **\$6.2 million** **\$5.1 million** for the three months ended **April 1, 2023** **July 1, 2023**. The **increase** **decrease** in other income was primarily due to **an increase** **a decrease** in interest income and an **increase** in casualty gains **that was partially offset by other non-operating expenses** as compared to the same period in fiscal 2023.

**Equity in Net Income in Investment of Other Unconsolidated Subsidiaries.** The change in this line item is not significant and primarily represents the **Company's** **Company's** pro rata share of the net income from foreign unconsolidated subsidiaries.

**Income Taxes.** The Company recorded income tax expense of **\$3.9 million** **\$0.8 million** for the three months ended **March 30, 2024** **June 29, 2024**, compared to income tax expense of **\$27.0 million** **\$40.7 million** recorded in the three months ended **April 1, 2023** **July 1, 2023**, a decrease of **\$23.1 million** **\$39.9 million**, which was primarily due to decreased pre-tax earnings of the Company and the relative impact of biofuel tax incentives for the three months ended **March 30, 2024**, **incentives**. The effective tax rates for the three months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023** were **4.6%** **0.9%** and **12.4%** **13.8%**, respectively. The effective tax rate for the three months ended **March 30,**

2024 June 29, 2024 differed from the federal statutory rate of 21% due primarily to the relative mix of earnings among jurisdictions with different tax rates (including foreign withholding taxes and state income taxes), nontaxable change in FASA contingent consideration, certain taxable income inclusion items in the U.S. based on foreign earnings and biofuel tax incentives. The effective tax rate for the three months ended April 1, 2023 July 1, 2023 differed from the federal statutory rate of 21% due primarily to the relative mix of earnings among jurisdictions with different tax rates (including foreign withholding taxes and state income taxes) and biofuel tax incentives. The Company's Company's effective tax rate excluding the impact of the biofuel tax incentives and discrete items was 25.4% 29.0% for the three months ended March 30, 2024 June 29, 2024, compared to 25.6% 25.8% for the three months ended April 1, 2023 July 1, 2023.

#### 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 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 below and represents for any relevant period, net income/(loss) plus depreciation and amortization, restructuring and asset impairment charges, acquisition and integration costs, change in fair value of contingent consideration, interest expense, income tax expense, other income/(expense) and equity in net (income)/loss of unconsolidated subsidiaries. Management believes that Adjusted EBITDA is useful in evaluating the Company's 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 Darling's share) is not reflected in the Adjusted EBITDA or the Pro forma Adjusted EBITDA to Foreign Currency (Non-GAAP).

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 March 30, 2024 June 29, 2024. 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 non-recurring 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.

DGD Joint Venture Adjusted EBITDA (Darling's (Darling's share) is not a recognized accounting measurement under GAAP; it should not be considered as an alternative to net income or equity in net income of Diamond Green Diesel, 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. The Company calculates DGD Joint Venture Adjusted EBITDA (Darling's (Darling's share) by taking DGD's DGD's operating income plus DGD's DGD's depreciation, amortization and accretion expense and then multiplying by 50% to get Darling's share of DGD's DGD's EBITDA.

#### Reconciliation of Net Income to (Non-GAAP) Adjusted EBITDA and (Non-GAAP) Pro Forma Adjusted EBITDA

First Second Quarter 2024 as compared to First Second Quarter 2023

(dollars in thousands)	(dollars in thousands)	March 30, 2024		April 1, 2023		June 29, 2024		July 1, 2023		Three Months Ended	
		2024	2023	(dollars in thousands)		2024	2023	(dollars in thousands)		2024	2023
Net income attributable to Darling											
Depreciation and amortization											
Interest expense											
Income tax expense											
Restructuring and asset impairment charges											
Acquisition and integration costs											
Change in fair value of contingent consideration											
Foreign currency gain											
Other income, net											
Other expense/(income), net											
Equity in net income of Diamond Green Diesel											
Equity in net income of Diamond Green Diesel											
Equity in net income of Diamond Green Diesel											
Equity in net income of other unconsolidated subsidiaries											
Net income attributable to non-controlling interests											
Darling's Adjusted EBITDA											
Darling's Adjusted EBITDA											
Foreign currency exchange impact (1)											
Foreign currency exchange impact (1)											

## Foreign currency exchange impact (1)

Pro forma Adjusted EBITDA to Foreign Currency (Non-GAAP)

DGD Joint Venture Adjusted EBITDA (Darling's Share)

Darling plus Darling's share of DGD Joint Venture Adjusted EBITDA

Darling plus Darling's share of DGD Joint Venture Adjusted EBITDA

Darling plus Darling's share of DGD Joint Venture Adjusted EBITDA

Darling plus Darling's share of DGD Joint Venture Adjusted EBITDA

Darling plus Darling's share of DGD Joint Venture Adjusted EBITDA

Darling plus Darling's share of DGD Joint Venture Adjusted EBITDA

(1) The average rates for the three months ended **March 30, 2024** June 29, 2024 were €1.00:\$1.08, R\$1.00:\$0.19 and C\$1.00:\$0.73 as compared to the average rates for the three months ended **July 1, 2023** of €1.00:\$1.09, R\$1.00:\$0.20 and C\$1.00:\$0.74, respectively.

## ***Six Months Ended June 29, 2024 Compared to Six Months Ended July 1, 2023***

### **Operating Performance Metrics**

Operating performance metrics which management routinely monitors as an indicator of operating performance include:

- Finished product commodity prices
- Segment results
- Foreign currency exchange
- Corporate activities
- Non-U.S. GAAP measures

These indicators and their importance are discussed below.

#### **Finished Product Commodity Prices**

During the first six months of fiscal 2024, the Company's actual sales prices by product trended with the disclosed Jacobsen and Reuters prices.

Average Jacobsen and Reuters prices (at the specified delivery point) for the first six months of fiscal 2024, compared to average Jacobsen and Reuters prices for the first six months of fiscal 2023 are as follows:

	Avg. Price	Avg. Price	Increase/(Decrease)	%
	First Six Months	First Six Months		
	2024	2023		
<b>Jacobsen:</b>				
MBM (Illinois)	\$ 291.71/ton	\$ 450.06/ton	\$ (158.35)/ton	(35.2)%
Feed Grade PM (Mid-South)	\$ 389.21/ton	\$ 446.25/ton	\$ (57.04)/ton	(12.8)%
Pet Food PM (Mid-South)	\$ 761.43/ton	\$ 839.21/ton	\$ (77.78)/ton	(9.3)%
Feather meal (Mid-South)	\$ 502.64/ton	\$ 587.30/ton	\$ (84.66)/ton	(14.4)%
BFT (Chicago)	\$ 44.77/cwt	\$ 59.00/cwt	\$ (14.23)/cwt	(24.1)%
YG (Illinois)	\$ 33.78/cwt	\$ 48.58/cwt	\$ (14.80)/cwt	(30.5)%
Corn (Illinois)	\$ 4.45/bushel	\$ 6.76/bushel	\$ (2.31)/bushel	(34.2)%
<b>Reuters:</b>				
Palm Oil (CIF Rotterdam)	\$ 1,020.00/MT	\$ 976.00/MT	\$ 44.00/MT	4.5 %
Soy meal (CIF Rotterdam)	\$ 458.00/MT	\$ 556.00/MT	\$ (98.00)/MT	(17.6)%

#### **Segment Results**

Segment operating income for the six months ended June 29, 2024 was \$285.7 million, which reflects a decrease of \$(326.8) million or (53.4)% as compared to the six months ended July 1, 2023.

(in thousands, except percentages)	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
<b>Six Months Ended June 29, 2024</b>					
Net sales	\$ 1,823,995	\$ 770,123	\$ 281,473	\$ —	\$ 2,875,591
Cost of sales and operating expenses	1,443,640	574,905	226,542	—	2,245,087
Gross margin	380,355	195,218	54,931	—	630,504
Gross margin %	20.9 %	25.3 %	19.5 %	— %	21.9 %
Loss/(gain) on sale of assets	337	(257)	(432)	—	(352)
Selling, general and administrative expenses	151,153	60,588	17,154	39,979	268,874
Acquisition and integration costs	—	—	—	5,184	5,184
Change in fair value of contingent consideration	(58,371)	—	—	—	(58,371)
Depreciation and amortization	174,013	56,240	17,390	4,471	252,114
Equity in net income of Diamond Green Diesel	—	—	122,616	—	122,616
Segment operating income/(loss)	113,223	78,647	143,435	(49,634)	285,671
Equity in net income of other unconsolidated subsidiaries	5,327	—	—	—	5,327
Segment income/(loss)	118,550	78,647	143,435	(49,634)	290,998

(in thousands, except percentages)	Feed Ingredients	Food Ingredients	Fuel Ingredients	Corporate	Total
<b>Six Months Ended July 1, 2023</b>					
Net sales	\$ 2,379,155	\$ 872,485	\$ 297,153	\$ —	\$ 3,548,793
Cost of sales and operating expenses	1,826,485	661,210	238,980	—	2,726,675
Gross margin	552,670	211,275	58,173	—	822,118
Gross margin %	23.2 %	24.2 %	19.6 %	— %	23.2 %
Gain on sale of assets	(20)	(19)	(29)	—	(68)
Selling, general and administrative expenses	152,097	66,806	11,163	42,151	272,217
Restructuring and asset impairment charges	92	5,328	—	—	5,420
Acquisition and integration costs	—	—	—	8,728	8,728
Change in fair value of contingent consideration	(7,499)	—	—	—	(7,499)
Depreciation and amortization	172,895	42,918	16,960	5,319	238,092
Equity in net income of Diamond Green Diesel	—	—	307,301	—	307,301
Segment operating income/(loss)	235,105	96,242	337,380	(56,198)	612,529
Equity in net income of other unconsolidated subsidiaries	1,969	—	—	—	1,969
Segment income/(loss)	237,074	96,242	337,380	(56,198)	614,498

#### Feed Ingredients Segment

**Raw material volume.** In the six months ended June 29, 2024, the raw material processed by the Company's Feed Ingredients segment totaled approximately 6.2 million metric tons. Compared to the six months ended July 1, 2023, overall raw material volume processed in the Feed Ingredients segment decreased 1.1%.

**Sales.** Net sales decreased in the Feed Ingredients segment primarily due to the following (in millions of dollars):

	Fats	Proteins	Other Rendering	Total Rendering	Used Cooking Oil	Bakery	Other	Total
Net sales six months ended July 1, 2023	\$ 895.6	\$ 883.1	\$ 140.1	\$ 1,918.8	\$ 284.0	\$ 142.2	\$ 34.2	\$ 2,379.2
Increase (decrease) in sales volumes	(31.0)	2.5	—	(28.5)	(22.3)	(11.1)	—	(61.9)
Decrease in finished product prices	(238.3)	(135.0)	—	(373.3)	(89.5)	(37.7)	—	(500.5)
Decrease due to currency exchange rates	(0.4)	(0.4)	(0.1)	(0.9)	(0.2)	—	—	(1.1)
Other change	—	—	16.2	16.2	—	—	(7.9)	8.3
Total change	(269.7)	(132.9)	16.1	(386.5)	(112.0)	(48.8)	(7.9)	(555.2)

Net sales six months ended June 29, 2024	\$ 625.9	\$ 750.2	\$ 156.2	\$ 1,532.3	\$ 172.0	\$ 93.4	\$ 26.3	\$ 1,824.0
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**Margins.** In the Feed Ingredients segment for the six months ended June 29, 2024, the gross margin percentage decreased to 20.9% as compared to 23.2% for the comparable period of fiscal 2023. The decrease in margin was primarily due to lower overall finished product prices as compared to fiscal 2023.

**Segment operating income.** Feed Ingredients operating income for the six months ended June 29, 2024 was \$113.2 million, a decrease of \$(121.9) million or (51.9)% as compared to the six months ended July 1, 2023. The decrease was primarily due to lower overall finished product prices that were partially offset by a gain from the reduction of the recorded FASA contingent consideration liability as compared to fiscal 2023.

#### Food Ingredients Segment

**Raw material volume.** In the six months ended June 29, 2024, the raw material processed by the Company's Food Ingredients segment totaled approximately 605,000 metric tons. Compared to the six months ended July 1, 2023, overall raw material volume processed in the Food Ingredients segment increased approximately 1.5%.

**Sales.** Net sales decreased in the Food Ingredients segment primarily due to a decrease in collagen prices that more than offset an increase in sales volumes from the Gelnex Acquisition.

**Margins.** In the Food Ingredients segment for the six months ended June 29, 2024, the gross margin percentage increased to 25.3% as compared to 24.2% for the comparable period of fiscal 2023. The increase was primarily due to margins being lower in fiscal 2023 because of a step-up of inventory value in purchase accounting related to the Gelnex Acquisition.

**Segment operating income.** Food Ingredients operating income was \$78.6 million for the six months ended June 29, 2024, a decrease of \$(17.6) million or (18.3)% as compared to the six months ended July 1, 2023. The decrease was primarily due to lower prices for collagen, the impact of an out of period inventory adjustment and an increase in depreciation and amortization as compared to fiscal 2023.

#### Fuel Ingredients Segment

**Raw material volume.** In the six months ended June 29, 2024, the raw material processed by the Company's Fuel Ingredients segment totaled approximately 719,000 metric tons. Compared to the six months ended July 1, 2023, overall raw material volume processed in the Fuel Ingredients segment increased approximately 3.3%.

**Sales.** Net sales decreased in the Fuel Ingredients segment primarily due to lower sales prices and sales volumes.

**Margins.** In the Fuel Ingredients segment for the six months ended June 29, 2024, the gross margin percentage decreased to 19.5% as compared to 19.6% for the comparable period of fiscal 2023.

**Segment operating income.** The Company's Fuel Ingredients segment operating income (inclusive of the equity contribution from the DGD Joint Venture) for the six months ended June 29, 2024 was \$143.4 million, a decrease of \$(194.0) million or (57.5)% as compared to the same period in fiscal 2023. The decrease in earnings was primarily due to decreases in sales volumes at the DGD Joint Venture, lower diesel fuel prices, a decrease in RIN prices, lower values for LCFS credits, the recording of a lower-of-cost-or-market reserve by the DGD Joint Venture related to lower market prices and a planned catalyst turnaround at the Port Arthur plant.

#### Foreign Currency Exchange

During the first six months of fiscal 2024, overall the euro, Brazilian real and Canadian dollar remained relatively unchanged against the U.S. dollar as compared to the same period in fiscal 2023. Using actual results for the six months ended June 29, 2024 and using the prior year's average currency rate for the six months ended July 1, 2023, foreign currency translation would result in an increase in operating income of approximately \$0.5 million. The average rates for the six months ended June 29, 2024 were €1.00:\$1.08, R\$1.00:\$0.20 and C\$1.00:\$0.74 as compared to the average rates for the ~~three~~ six months ended April 1, 2023, July 1, 2023 of €1.00:\$1.07, 1.08, R\$1.00:\$0.19, 0.20 and C\$1.00:\$0.74, respectively.

#### Corporate Activities

**Selling, General and Administrative Expenses.** Selling, general and administrative expenses were approximately \$40.0 million during the six months ended June 29, 2024 compared to approximately \$42.2 during the six months ended July 1, 2023, a decrease of \$2.2 million. The decrease was due primarily to lower consulting and professional fees expense.

**Acquisition and Integration costs.** Acquisition and integration costs were approximately \$5.2 million during the six months ended June 29, 2024 as compared to \$8.7 million for the same period in fiscal 2023. These costs primarily related to the Gelnex Acquisition, the Miropasz Acquisition and FASA Acquisition for the six months ended June 29, 2024 and the Gelnex Acquisition, the Miropasz Acquisition, the FASA Acquisition and the Valley Proteins acquisition for the six months ended July 1, 2023.

**Depreciation and Amortization.** Depreciation and amortization charges were approximately \$4.5 million for the six months ended June 29, 2024 as compared to \$5.3 million for the six months ended July 1, 2023. The decrease was due to certain assets becoming fully depreciated.

**Interest Expense.** Interest expense was \$132.1 million during the six months ended June 29, 2024, compared to \$120.5 million during the six months ended July 1, 2023, an increase of \$11.6 million. The increase in interest expense was primarily due to the fact that the term A-3 facility and term A-4 facility debt borrowed to finance the Gelnex Acquisition were outstanding for the whole six months in fiscal 2024 versus three months in fiscal 2023, an increase in revolver borrowings and an increase in interest rates as compared to the same period in fiscal 2023.

**Foreign Currency Gain.** Foreign currency gains were \$0.6 million for the six months ended June 29, 2024 as compared to foreign currency gains of \$7.5 million for the six months ended July 1, 2023. The decrease in currency gains

was due primarily to a decrease in gains on the revaluation of an intercompany note and non-functional currency assets and liabilities as compared to the same period of fiscal 2023.

**Other Income, net.** Other income was \$8.1 million for the six months ended June 29, 2024, compared to other income of \$11.2 million for the six months ended July 1, 2023. The decrease in other income was primarily due to a decrease in casualty gains as compared to the same period in fiscal 2023.

**Equity in Net Income in Investment of Other Unconsolidated Subsidiaries.** The change in this line item is not significant and primarily represents the Company's pro rata share of the net income from foreign unconsolidated subsidiaries.

**Income Taxes.** The Company recorded income tax expense of \$4.7 million for the six months ended June 29, 2024, compared to income tax expense of \$67.7 million recorded for the six months ended July 1, 2023, a decrease of \$63.0 million, which was primarily due to decreased pre-tax earnings of the Company and the relative impact of biofuel tax incentives. The effective tax rates for the six months ended June 29, 2024 and July 1, 2023 were 2.8% and 13.2%, respectively. The effective tax rate for the six months ended June 29, 2024 differed from the federal statutory rate of 21% due primarily to the relative mix of earnings among jurisdictions with different tax rates (including foreign withholding taxes and state income taxes), nontaxable change in FASA contingent consideration, certain taxable income inclusion items in the U.S. based on foreign earnings and biofuel tax incentives. The effective tax rate for the six months ended July 1, 2023 differed from the federal statutory rate of 21% due primarily to the relative mix of earnings among jurisdictions with different tax rates (including foreign withholding taxes and state income taxes) and biofuel tax incentives. The Company's effective tax rate excluding the impact of the biofuel tax incentives and discrete items was 27.2% for the six months ended June 30, 2024, compared to 25.7% for the six months ended July 1, 2023.

#### Non-U.S. GAAP Measures

For discussion of the reasons the Company's management believes the following Non-GAAP financial measures provide useful information to investors and the purposes for which the Company's management uses such measures, see "Results of Operations - Three Months Ended June 29, 2024 Compared to the Three Months Ended July 1, 2023 - Non-U.S. GAAP Measures."

#### Reconciliation of Net Income to (Non-GAAP) Adjusted EBITDA and (Non-GAAP) Pro Forma Adjusted EBITDA

First Six Months of Fiscal 2024 as compared to First Six Months of Fiscal 2023

(dollars in thousands)	Six Months Ended	
	June 29, 2024	July 1, 2023
Net income attributable to Darling	\$ 160,023	\$ 438,184
Depreciation and amortization	252,114	238,092
Interest expense	132,101	120,492
Income tax expense	4,681	67,686
Restructuring and asset impairment charges	—	5,420
Acquisition and integration costs	5,184	8,728
Change in fair value of contingent consideration	(58,371)	(7,499)
Foreign currency gain	(649)	(7,494)
Other income, net	(8,088)	(11,238)
Equity in net income of Diamond Green Diesel	(122,616)	(307,301)
Equity in net income of other unconsolidated subsidiaries	(5,327)	(1,969)
Net income attributable to non-controlling interests	2,930	6,868
Darling's Adjusted EBITDA	\$ 361,982	\$ 549,969
Foreign currency exchange impact (1)	525	—
Pro forma Adjusted EBITDA to Foreign Currency (Non-GAAP)	\$ 362,507	\$ 549,969
DGD Joint Venture Adjusted EBITDA (Darling's Share)	\$ 191,702	\$ 376,721
Darling plus Darling's share of DGD Joint Venture Adjusted EBITDA	\$ 553,684	\$ 926,690

(1) The average rates for the six months ended June 29, 2024 were €1.00:\$1.08, R\$1.00:\$0.20 and C\$1.00:\$0.74 as compared to the average rates for the six months ended July 1, 2023 of €1.00:\$1.08, R\$1.00:\$0.20 and C\$1.00:\$0.74, respectively.

## FINANCING, LIQUIDITY AND CAPITAL RESOURCES

### Credit Facilities

#### Indebtedness

Certain Debt Outstanding at **March 30, 2024** **June 29, 2024**. On **March 30, 2024** **June 29, 2024**, debt outstanding under the **Company's** **Company's** Amended Credit Agreement, the **Company's** **Company's** 6% Notes, the **Company's** **Company's** 5.25% Notes and the **Company's** **Company's** 3.625% Notes consists of the following (in thousands):

Senior Notes:		
6 % Notes due 2030	\$	1,000,000
Less unamortized deferred loan costs net of bond premium		(6,237) (6,030)
Carrying value of 6% Notes due 2030	\$	993,763 993,970
5.25 % Notes due 2027	\$	500,000
Less unamortized deferred loan costs		(3,020) (2,792)
Carrying value of 5.25% Notes due 2027	\$	496,980 497,208
3.625 % Notes due 2026 - Denominated in euros	\$	556,200 551,617
Less unamortized deferred loan costs		(2,427) (2,136)
Carrying value of 3.625% Notes due 2026	\$	553,773 549,481
Amended Credit Agreement:		
Term A-1 facility	\$	399,000 398,000
Less unamortized deferred loan costs		(501) (456)
Carrying value of Term A-1 facility	\$	398,499 397,544
Term A-2 facility	\$	478,125 475,000
Less unamortized deferred loan costs		(705) (640)
Carrying value of Term A-2 facility	\$	477,420 474,360
Term A-3 facility	\$	299,250 298,500
Less unamortized deferred loan costs		(765) (697)
Carrying value of Term A-3 facility	\$	298,485 297,803
Term A-4 facility	\$	487,500 484,375
Less unamortized deferred loan costs		(918) (834)
Carrying value of Term A-4 facility	\$	486,582 483,541
Revolving Credit Facility:		
Maximum availability	\$	1,500,000
Ancillary Facilities		52,556 77,474
Borrowings outstanding		634,960 607,110
Letters of credit issued		1,368 990
Availability	\$	811,116 814,426
Other Debt	\$	125,469 108,370

During the first **three** **six** months of fiscal 2024, the U.S. dollar increased as compared to the euro at December 30, 2023. Using the euro based debt outstanding at **March 30, 2024** **June 29, 2024** and comparing the closing balance sheet rate at **March 30, 2024** **June 29, 2024** to the balance sheet rate at December 30, 2023, the U.S. dollar debt balances of euro based debt decreased by approximately **\$17.1 million** **\$21.0 million** at **March 30, 2024** **June 29, 2024**. The closing balance sheet rate assumption used in this calculation was the actual fiscal closing balance sheet rate at **March 30, 2024** **June 29, 2024** of **€1.00:\$1.080** **1.071** as compared to the closing balance sheet rate at December 30, 2023 of **€1.00:\$1.105**.

**Senior Secured Credit Facilities.** On January 6, 2014, Darling, Darling International Canada Inc. ("Darling Canada") and Darling International NL Holdings B.V. ("Darling NL") entered into a Second Amended and Restated Credit Agreement (as subsequently amended, the "Amended Credit Agreement"), restating its then existing Amended and Restated

Credit Agreement dated September 27, 2013, with the lenders from time to time party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the other agents from time to time party thereto. The Amended Credit

Agreement provides for senior secured credit facilities in the aggregate principal amount of \$3.725 billion comprised of (i) the Company's \$525.0 million term B facility, (ii) the Company's \$400.0 million term A-1 facility, (iii) the Company's \$500.0 million term A-2 facility, (iv) the Company's \$300.0 million term A-3 facility, (v) the Company's \$500.0 million term A-4 facility and (vi) the Company's \$1.5 billion five-year revolving credit facility (up to \$150.0 million of which will be available for a letter of credit subfacility and \$50.0 million of which will be available for a swingline sub-facility) (collectively, the "Senior Secured Credit Facilities"). The Amended Credit Agreement also permits Darling and the other borrowers thereunder to incur ancillary facilities provided by any revolving lender party to the Senior Secured Credit Facilities (with certain restrictions). Up to \$1.46 billion of the revolving credit facility is available to be borrowed by Darling, Darling Canada, Darling NL, Darling Ingredients International Holding B.V. ("Darling BV"), Darling GmbH, and Darling Belgium in U.S. dollars, Canadian dollars, euros, Sterling and other currencies to be agreed and available to each

applicable lender. The remaining \$40.0 million must be borrowed in U.S. dollars only by Darling. The revolving credit facility will mature on December 9, 2026. The revolving credit facility will be used for working capital needs, general corporate purposes and other purposes not prohibited by the Amended Credit Agreement.

- As of March 30, 2024 June 29, 2024, the Company had availability of \$811.1 million \$814.4 million under the revolving credit facility, taking into account that the Company had \$635.0 million \$607.1 million in outstanding borrowings, \$52.6 million \$77.5 million in ancillary facilities and letters of credit issued of \$1.4 million \$1.0 million.
- As of March 30, 2024 June 29, 2024, the Company has borrowed all \$400.0 million under the terms of the term A-1 facility and has repaid \$1.0 million \$2.0 million, which when repaid by the Company cannot be reborrowed. The term A-1 facility borrowings are repayable in quarterly installments of 0.25% of the aggregate principle amount of the relevant term A-1 facility on the last day of each March, June, September and December of each year commencing on the last day of such month falling on or after the last day of the first full fiscal quarter following the second anniversary of December 9, 2021 and continuing until the last day of such quarterly period ending immediately prior to the term A-1 facility maturity date of December 9, 2026 and one final installment in the amount of the term A-1 facility then outstanding, due and payable on December 9, 2026.
- As of March 30, 2024 June 29, 2024, the Company has borrowed all \$500.0 million under the terms of the term A-2 facility and has repaid \$21.9 million \$25.0 million, which when repaid by the Company cannot be reborrowed. The term A-2 facility borrowings are repayable in quarterly installments of 0.625% of the aggregate principle amount of the relevant term A-2 facility on the last day of each March, June, September and December of each year commencing on the last day of such month falling on or after the last day of the first full fiscal quarter following the borrowings or September 30, 2022 and continuing until the last day of such quarterly period ending March 31, 2025, and quarterly installments of 1.25% of the aggregate principle amount of the relevant term A-2 facility due and payable on the last day of each March, June, September and December of each year commencing on the last day of such month falling on or after the last day of the first full fiscal quarter ending June 30, 2025 and continuing until the last day of such quarterly period ending immediately prior to the term A-2 facility maturity date of December 9, 2026 and one final installment in the amount of the term A-2 facility then outstanding, due and payable on December 9, 2026.
- As of March 30, 2024 June 29, 2024, the Company has borrowed all \$300.0 million under the terms of the term A-3 facility and has repaid \$0.8 million \$1.5 million, which when repaid by the Company cannot be reborrowed. The term A-3 facility borrowings are repayable in quarterly installments of 0.25% of the aggregate principle amount of the relevant term A-3 facility on the last day of each March, June, September and December of each year commencing on the last day of such month falling on or after the last day of the first full fiscal quarter following the second anniversary of December 9, 2021 and continuing until the last day of such quarterly period ending immediately prior to the term A-3 facility maturity date of December 9, 2026 and one final installment in the amount of the term A-3 facility then outstanding, due and payable on December 9, 2026.
- As of March 30, 2024 June 29, 2024, the Company has borrowed all \$500.0 million under the terms of the term A-4 facility and has repaid \$12.5 million \$15.6 million, which when repaid by the Company cannot be reborrowed. The term A-4 facility borrowings are repayable in quarterly installments of 0.625% of the aggregate principle amount of the relevant term A-4 facility on the last day of each March, June, September and December of each year commencing on the last day of such month falling on or after the last day of the first full fiscal quarter following the borrowings or June 30, 2023 and continuing until the last day of such quarterly period ending March 31, 2025, and quarterly installments of 1.25% of the aggregate principle amount of the relevant term A-4 facility due and payable on the last day of each March, June, September and December of each year commencing on the last day of such month falling on or after the last day of the first full fiscal quarter ending June 30, 2025 and continuing until the last day of such quarterly period ending immediately prior to the term A-4 facility maturity date of December 9, 2026 and

one final installment in the amount of the term A-4 facility then outstanding, due and payable on December 9, 2026.

- As of March 30, 2024 June 29, 2024, the Company has repaid all \$525.0 million it had borrowed under the terms of the term B facility, none of which can be reborrowed.
- The interest rate applicable to any borrowings under the revolving credit facility will equal the adjusted term secured overnight financing rate (SOFR) for U.S. dollar borrowings or the adjusted euro interbank rate (EURIBOR) for euro borrowings or the adjusted daily simple Sterling overnight index average (SONIA) for British pound borrowings or the Canadian dollar offered rate (CDOR) for Canadian dollar borrowings plus 1.50%

per annum or base rate or the adjusted term SOFR for U.S. dollar borrowings or Canadian prime rate for Canadian dollar borrowings or the adjusted daily simple European short term rate (ESTR) for euro borrowings or the adjusted daily SONIA rate for British pound borrowings plus 0.50% per annum subject to certain step-ups or step-downs based on the Company's total leverage ratio. The interest rate applicable to any borrowing under the term A-1 facility and the term A-3 facility will equal the adjusted term SOFR plus 1.625% per annum subject to certain step-ups and step-downs based on the Company's total leverage ratio. The interest rate applicable to any borrowing under the term A-2 facility and term A-4 facility will equal the adjusted term SOFR plus 1.50% per annum subject to certain step-ups and step-downs based on the Company's total leverage ratio.

6% Senior Notes due 2030. On June 9, 2022, Darling issued and sold \$750.0 million aggregate principal amount of 6% Senior Notes due 2030 (the "6% Initial Notes"). The 6% Initial Notes, which were offered in a private offering, were issued pursuant to a Senior Notes Indenture, dated as of June 9, 2022 (the "6% Base Indenture"), among Darling, the subsidiary guarantors party thereto from time to time, and Truist Bank, as trustee. On August 17, 2022, Darling issued an additional \$250.0 million in aggregate principal amount of its 6% Senior Notes due 2030 (the "add-on notes" and, together with the 6% Initial Notes, the "6% Notes"). The add-on notes and related guarantees, which were offered in a private offering, were issued as additional notes under the 6% Base Indenture, as supplemented by a supplemental indenture, dated as of August 17, 2022 (the "supplemental indenture" and, together with the 6% Base Indenture, the "6% Indenture"). The add-on notes have the same terms as the 6% Initial Notes (other than issue date and issue price) and, together with the 6% Initial Notes, constitute a single class of securities under the 6% Indenture. The 6% Notes are guaranteed on a senior unsecured basis by Darling and all of Darling's restricted subsidiaries (other than foreign subsidiaries) that are borrowers under or that guarantee the Senior Secured Credit Facilities.

5.25% Senior Notes due 2027. On April 3, 2019, Darling issued and sold \$500.0 million aggregate principal amount of 5.25% Senior Notes due 2027 (the "5.25% Notes"). The 5.25% Notes, which were offered in a private offering, were issued pursuant to a Senior Notes Indenture, dated as of April 3, 2019 (the "5.25% Indenture"), among Darling, the subsidiary guarantors party thereto from time to time, and Regions Bank, as trustee. The 5.25% Notes are guaranteed on a senior unsecured basis by Darling and all of Darling's restricted subsidiaries (other than foreign subsidiaries) that are borrowers under or that guarantee the Senior Secured Credit Facilities.

3.625% Senior Notes due 2026. On May 2, 2018, Darling Global Finance B.V. issued and sold €515.0 million aggregate principal amount of 3.625% Senior Notes due 2026 (the "3.625% Notes"). The 3.625% Notes, which were offered in a private offering, were issued pursuant to a Senior Notes Indenture, dated as of May 2, 2018 (the "3.625% Indenture"), among Darling Global Finance B.V., Darling, the subsidiary guarantors party thereto from time to time, Citibank, N.A., London Branch, as trustee and principal paying agent, and Citigroup Global Markets Deutschland AG, as principal registrar. The 3.625% Notes are guaranteed on a senior unsecured basis by Darling and all of Darling's restricted subsidiaries (other than any foreign subsidiary or any receivable entity) that guarantee the Senior Secured Credit Facilities.

Other debt consists of U.S., Canadian, European and Chinese overdraft ancillary facilities, U.S., European and Brazilian finance lease obligations and U.S., Brazilian, Chinese and European notes arrangements that are not part of the Company's Amended Credit Agreement, 6% Notes, 5.25% Notes or 3.625% Notes.

The classification of long-term debt in the Company's March 30, 2024 June 29, 2024 consolidated balance sheet is based on the contractual repayment terms of the 6% Notes, the 5.25% Notes, the 3.625% Notes and debt issued under the Amended Credit Agreement.

As a result of the Company's borrowings under its Amended Credit Agreement, the 6% Indenture, the 5.25% Indenture and the 3.625% Indenture, the Company is highly leveraged. Investors should note that, in order to make scheduled payments on the indebtedness outstanding under the Amended Credit Agreement, the 6% Notes, the 5.25% Notes and the 3.625% Notes, and otherwise, the Company will rely in part on a combination of dividends, distributions and

intercompany loan repayments from the Company's direct and indirect U.S. and foreign subsidiaries. The Company is prohibited under the Amended Credit Agreement, the 6% Indenture, the 5.25% Indenture and the 3.625% Indenture from entering (or allowing such subsidiaries to enter) into contractual limitations on the Company's subsidiaries' ability to declare dividends or make other payments or distributions to the Company. The Company has also attempted to structure the Company's consolidated indebtedness in such a way as to maximize the Company's ability to move cash from the Company's subsidiaries to Darling or another subsidiary that will have fewer limitations on the ability to make upstream payments, whether to Darling or directly to the Company's lenders as a Guarantor. Nevertheless, applicable laws under which the Company's direct and indirect subsidiaries are formed may provide limitations on such dividends, distributions and other payments. In addition, regulatory authorities in various countries where the Company operates or where the Company imports or exports products may from time to time impose import/export limitations, foreign exchange controls

or currency devaluations that may limit the Company's access to profits from the Company's subsidiaries or otherwise negatively impact the Company's financial condition and therefore reduce the Company's ability to make required payments under the Amended Credit Agreement, the 6% Notes, the 5.25% Notes and the 3.625% Notes, or otherwise. In addition, fluctuations in foreign exchange values may have a negative impact on the Company's ability to repay indebtedness denominated in U.S. or Canadian dollars or euros. See "Risk Factors - Our business may be adversely impacted by fluctuations in exchange rates, which could affect our ability to comply with our financial covenants" and "- Our ability to repay our indebtedness depends in part on the performance of our subsidiaries, including our non-guarantor subsidiaries, and their ability to make payments" in the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2023 as filed with the SEC on February 28, 2024.

As of March 30, 2024 June 29, 2024, the Company believes it is in compliance with all of the financial covenants under the Amended Credit Agreement, as well as all of the other covenants contained in the Amended Credit Agreement, the 6% Indenture, the 5.25% Indenture and the 3.625% Indenture.

#### Working Capital and Capital Expenditures

On March 30, 2024 June 29, 2024, the Company had working capital of \$652.0 million \$544.5 million and its working capital ratio was 1.67 1.57 to 1 compared to working capital of \$857.5 million and a working capital ratio of 1.86 to 1 on December 30, 2023. As of March 30, 2024 June 29, 2024, the Company had unrestricted cash of \$145.5 million \$121.6 million and funds available under the revolving credit facility of \$811.1 million \$814.4 million, compared to unrestricted cash of \$126.5 million and funds available under the revolving credit facility of \$832.5 million at December 30, 2023. The Company diversifies its cash investments by limiting the amounts deposited with any one financial institution.

Net cash provided by operating activities was \$263.9 million \$410.4 million for the first three six months ended March 30, 2024 June 29, 2024, as compared to net cash provided by operating activities of \$188.4 million \$405.7 million for the first three six months ended April 1, 2023 July 1, 2023, an increase of \$75.5 million \$4.7 million due primarily to an increase in cash from changes in operating assets and liabilities that more than offset a decrease in distributions received from unconsolidated subsidiaries and net income. Cash used in investing activities was \$291.0 million \$387.6 million for the first three six months ended March 30, 2024 June 29, 2024, compared to \$1,256.8 million \$1,348.4 million for the first three six months ended April 1, 2023 July 1, 2023, a decrease in cash used in investing activities of \$965.8 million \$960.8 million, primarily due to a decrease in payments

for acquisitions. Net cash **provided by** provided/(used) in financing activities was **\$48.8 million** **(\$32.2 million)** for the first **three six** months ended **March 30, 2024** **June 29, 2024**, compared to **\$1,172.8 million** **\$1,020.1 million** for the first **three six** months ended **April 1, 2023** **July 1, 2023**, a decrease in net cash provided by financing activities of **\$1,124.0 million** **\$1,052.3 million**, primarily due to a decrease in debt borrowings utilized to finance acquisitions in the first **three six** months ended **March 30, 2024** **June 29, 2024** compared to the first **three six** months ended **April 1, 2023** **July 1, 2023**.

Capital expenditures of **\$93.8 million** **\$191.7 million** were made during the first **three six** months of fiscal 2024, compared to **\$111.3 million** **\$234.3 million** in the first **three six** months of fiscal 2023. The Company expects to incur additional capital expenditures of approximately **\$306 million** **\$208 million** for the remainder of fiscal 2024 including compliance and expansion projects and spending related to acquired companies. The Company intends to finance these costs using cash flows from operations. Capital expenditures related to compliance with environmental regulations were **\$9.7 million** **\$31.6 million** and **\$9.4 million** **\$26.7 million** during the first **three six** months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**, respectively.

#### **Accrued Insurance and Pension Plan Obligations**

Based upon the annual actuarial estimate, current year accruals and claims paid during the first **three six** months of fiscal 2024, the Company has an accrued balance of approximately **\$17.1 million** **\$20.2 million** it expects will become due during the next twelve months in order to meet obligations related to the Company's self-insurance reserves and accrued insurance obligations, which are included in current accrued expenses at **March 30, 2024** **June 29, 2024**. The self insurance reserve is composed of estimated liability for claims arising for workers' compensation, auto liability and general liability claims. The self-insurance reserve liability is determined annually, based upon a third party actuarial estimate. The actuarial estimate may vary from year to year due to changes in cost of health care, the pending number of claims or other factors beyond the control of management of the Company.

Based upon current actuarial estimates, the Company expects to contribute approximately \$0.8 million to its domestic pension plans in order to meet minimum pension funding requirements during the next twelve months. In addition, the Company expects to make payments of approximately **\$3.5 million** **\$3.4 million** under its foreign pension plans in the next twelve months. The minimum pension funding requirements are determined annually, based upon a third party actuarial estimate. The actuarial estimate may vary from year to year due to fluctuations in return on investments or other factors beyond the control of management of the Company or the administrator of the Company's pension funds. No assurance can be given that the minimum pension funding requirements will not increase in the future. The Company has made tax deductible discretionary and required contributions to its domestic pension plans for the first **three six** months ended **March 30, 2024** **June 29, 2024** of approximately **\$0.1 million** **\$0.2 million**. Additionally, the Company has made required and tax deductible discretionary contributions to its foreign pension plans for the first **three six** months ended **March 30, 2024** **June 29, 2024** of approximately **\$0.5 million** **\$1.0 million**.

The U.S. Pension Protection Act of 2006 ("PPA") went into effect in January 2008. The stated goal of the PPA is to improve the funding of U.S. pension plans. U.S. plans in an under-funded status are required to increase employer contributions to improve the funding level within PPA timelines. Volatility in the world equity and other financial markets, including that associated with the Russia-Ukraine war and the Israeli-Palestinian conflict, could have a material negative impact on U.S. pension plan assets and the status of required funding under the PPA. The Company participates in various U.S. multiemployer pension plans which provide defined benefits to certain employees covered by labor contracts. These plans are not administered by the Company and contributions are determined in accordance with provisions of negotiated labor contracts to meet their pension benefit obligations to their participants. The **Company's** **Company's** contributions to each individual U.S. multiemployer plan represent less than 5% of the total contributions among the contributors to each plan. Based on the most currently available information, the Company has determined that, if a withdrawal were to occur, withdrawal liabilities for two of the U.S. plans in which the Company currently participates could be material to the Company. With respect to the other U.S. multiemployer pension plans in which the Company participates and which are not individually significant, five plans have certified as critical or red zone, as defined by the PPA. The Company currently has withdrawal liabilities recorded on four U.S. multiemployer plans in which it participated. As of **March 30, 2024** **June 29, 2024**, the Company has an aggregate accrued liability of approximately **\$4.6 million** **\$4.5 million** representing the present value of scheduled withdrawal liability payments on the multiemployer plans that have given notice of withdrawal. While the Company has no ability to calculate a possible current liability for under-funded multiemployer plans that could terminate or could require additional funding under the PPA, the amounts could be material.

#### **DGD Joint Venture**

The DGD Joint Venture currently operates two renewable diesel plants, one located adjacent to Valero's St. Charles Refinery in Norco, Louisiana (the "DGD St. Charles Plant") and one located adjacent to Valero's Port Arthur Refinery in Port Arthur, Texas (the "DGD Port Arthur Plant" and, together with the DGD St. Charles Plant, the "DGD Facilities"). The DGD Joint Venture currently operates the DGD Facilities, with a combined renewable diesel production capacity of approximately 1.2 billion gallons per year. Renewable diesel is a low-carbon transportation fuel that is interchangeable with diesel produced from petroleum and is produced at the DGD Facilities using an advanced hydroprocessing-isomerization process licensed from UOP 62P LLC, known as the Ecofining™ Process, and a pretreatment process developed by the Desmet Ballestra Group, to convert fats (animal fats, used cooking oils, distillers corn oil and vegetable oils) into renewable diesel, renewable naphtha and other light end renewable hydrocarbons. The DGD Joint Venture was formed in January 2011 to design, engineer, construct and operate the DGD St. Charles Plant, which reached mechanical completion and began production of renewable diesel and certain other co-products in late June 2013. In October 2021, the DGD Joint Venture completed an expansion of the DGD St. Charles Plant that increased its renewable diesel production capability to up to 750 million gallons per year of renewable diesel, as well as separating renewable naphtha (approximately 30 million gallons) and other light end renewable hydrocarbons for sale into low carbon fuel markets. Additionally, in November 2022, the DGD Joint Venture completed the construction of the DGD Port Arthur Plant, with a capacity to produce 470 million gallons per year of renewable diesel and 20 million gallons per year of renewable naphtha and having similar logistics flexibilities as those of the DGD St. Charles Plant. Furthermore, in January 2023, the DGD Joint Venture partners approved a capital project at the DGD Port Arthur Plant to provide the plant with the capability to upgrade approximately fifty percent (50%) of its current 470 million gallon annual production capacity to sustainable aviation fuel (SAF). Work on the project is underway, with completion expected in the fourth quarter of 2024 at a total estimated cost of approximately \$315 million, which is expected to be primarily funded by DGD Joint Venture cash flow; however, if the DGD Joint Venture cash flow is not sufficient to fund the remaining project costs, the DGD Joint Venture may need to borrow funds or the joint venture partners may be required to contribute additional funds to complete the project.

On May 1, 2019, Darling, through its wholly owned subsidiary Darling Green Energy LLC, ("Darling Green"), and Diamond Alternative Energy, LLC, a wholly owned subsidiary of Valero ("Diamond Alternative" and together with Darling Green, the "DGD Lenders"), entered into a revolving loan agreement (the "2019 DGD Loan Agreement") with the DGD Joint Venture, pursuant to which the DGD Lenders committed to making loans available to the DGD Joint Venture in the total amount of \$50.0 million, with each lender

committed to \$25.0 million of the total commitment. Any borrowings by the DGD Joint Venture under the 2019 DGD Loan Agreement were at the applicable annum rate equal to the sum of (a) the LIBO Rate (meaning Reuters BBA Libor Rates Page 3750) on such day plus (b) 2.50%. On June 15, 2023, the DGD Lenders entered into a new revolving loan agreement (the "2023 DGD Loan Agreement") with the DGD Joint Venture that replaced and superseded in its entirety the 2019 DGD Loan Agreement and pursuant to which the DGD Lenders have committed to making loans available to the DGD Joint Venture in the total amount of \$200.0 million with each lender committed to \$100.0 million of the total commitment. Any borrowings by the DGD Joint Venture under the 2023 DGD Loan Agreement are at the applicable annum rate equal to the sum of (a) ~~Term~~ SOFR on such day plus (b) 2.50%. The 2023 DGD Loan Agreement expires on June 15, 2026. In December 2022, the DGD Joint Venture borrowed all \$50.0 million available under the 2019 DGD Loan Agreement, including the ~~Company's~~ full \$25.0 million commitment, which was repaid in fiscal 2023. In January 2024, the DGD Joint Venture borrowed all \$200.0 million available under the 2023 DGD Loan Agreement, including the ~~Company's~~ full \$100.0 million commitment, which was repaid in March 2024. The DGD Joint Venture paid interest to the Company for the three months ended ~~March 30, 2024~~ ~~June 29, 2024~~ and ~~April 1, 2023~~ ~~July 1, 2023~~ of approximately zero and \$0.1 million, respectively, and paid interest to the Company for the six months ended June 29, 2024 and July 1, 2023 of approximately \$1.6 million and ~~\$0.4 million~~ \$0.6 million, respectively. As of ~~March 30, 2024~~ ~~June 29, 2024~~ and December 30, 2023, zero was owed to Darling Green under the 2023 DGD Loan Agreement and the 2019 DGD Loan Agreement, respectively. This note receivable amount is included in other current assets on the balance sheet and is included in investing activities on the cash flow statement.

On June 23, 2023, the DGD Joint Venture entered into an amended and restated credit agreement for \$400.0 million senior, unsecured revolving credit facility, with CoBank ACB acting as lead arranger and the administrative agent for the lending group, which is comprised of Farm Credit System institutions. The revolving credit facility matures June 23, 2026 and is non-recourse to the joint venture partners. As of ~~March 30, 2024~~ ~~June 29, 2024~~, the DGD Joint Venture has had no borrowings outstanding of \$100.0 million under this unsecured revolving credit facility.

Based on the sponsor support agreements executed in connection with the initial construction of the DGD St. Charles Plant, the Company contributed a total of approximately \$111.7 million for initial completion of the DGD St Charles Plant, and each partner has subsequently made \$618.8 million in additional capital contributions to the DGD Joint Venture. As of ~~March 30, 2024~~ ~~June 29, 2024~~, under the equity method of accounting, the Company has an investment in the DGD Joint Venture of approximately \$2,307.5 million \$2,347.2 million included on the consolidated balance sheet.

The Company's original investment in DGD has expanded since 2011 to the point that it is now integral to how Darling operates its business. Darling traditionally collected and converted used cooking oil and animal fats into feed ingredients which were sold on a caloric value to feed animals as well as for industrial technical uses. Over the past decade, the world's increasing focus on climate change and greenhouse gas has provided a new finished market for the Company's finished fats ingredients. With Darling's significant fats ownership, this has and continues to transform how Darling operates. In 2023, a large portion of Darling's total U.S. finished fats products were sold to the DGD Joint Venture as feedstock for renewable diesel. In 2023, DGD was Darling's largest finished product customer in terms of net sales, with Darling recording sales of approximately \$1.3 billion to DGD or 20% of total net sales.

From a procurement, production and distribution standpoint, DGD has become integral to Darling's base business. DGD is integrated to the Company's operations via the combined vertical operating structure from collecting raw fats, to processing collected fats at Darling facilities worldwide to transporting the refined fats to the DGD St. Charles and Port Arthur Plants as feedstock. The Darling supply chain has become more efficient and sustainable with transparency for verification to obtain full value to low carbon intensity markets. The development of the low carbon markets in North America and Europe has influenced how Darling operates its core business and has also been a driver for the recent DGD expansions, which are making DGD much more relevant to Darling's earnings. Since 2011 when construction began on DGD, Darling has invested substantially to increase its U.S. railcar fleet to efficiently manage nationwide transportation of Darling fats to DGD. Additionally, Darling acquired an Iowa location on the Mississippi River that further enhances the ability of the ~~Company's~~ Midwest network of facilities to collect and deliver feedstocks to DGD via water, rail or truck from a centralized location. In fiscal 2022, Darling acquired both Valley Proteins and FASA, each of which supply additional feedstocks to DGD. Darling has also stepped up collection efforts by providing indoor used cooking oil collection units in exchange for extended collection contracts at eating establishments and has moved to more of a centralized digital marketing effort with restaurant chains and franchise groups and invested in internet search engine key words to improve visibility with restaurants. The Company also includes DGD in marketing efforts to emphasize environmental sustainability that restaurants participate in when their used cooking oil is collected by Darling. From a production standpoint, Darling now isolates used cooking oil from other fats to preserve identification to qualify for a higher carbon intensity value. As a result, the Company includes its equity in net income of the DGD Joint Venture as operating income.

#### **Financial Impact of Significant Debt Outstanding**

The Company has a substantial amount of indebtedness, which could make it more difficult for the Company to satisfy its obligations to its financial lenders and its contractual and commercial commitments, limit the ~~Company's~~ ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements on commercially reasonable terms or at all, require the Company to use a substantial portion of its cash flows from operations to pay principal and interest on its indebtedness instead of other purposes, thereby reducing the amount of the ~~Company's~~ cash flows from operations available for working capital, capital expenditures, acquisitions and other general corporate purposes, increase the ~~Company's~~ vulnerability to adverse economic, industry and business conditions, expose the Company to the risk of increased interest rates as certain of the ~~Company's~~ borrowings are at variable rates of interest, limit the ~~Company's~~ flexibility in planning for, or reacting to, changes in the ~~Company's~~ business and the industry in which the Company operates, place the Company at a competitive disadvantage compared to other, less leveraged competitors, and/or increase the ~~Company's~~ cost of borrowing.

#### **Cash Flows and Liquidity Risks**

Management believes that the Company's cash flows from operating activities, unrestricted cash and funds available under the Amended Credit Agreement, will be sufficient to meet the Company's working capital needs and maintenance and compliance-related capital expenditures, scheduled debt and interest payments, income tax obligations, and other contemplated needs through the next twelve months. Numerous factors could have adverse consequences to the Company that cannot be estimated at this time, such as negative impacts from the Russia-Ukraine war and the Israeli-Palestinian conflict and those other factors discussed below under the heading "Forward Looking Statements". These factors, coupled with volatile prices for natural gas and diesel fuel, 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, including the inability of consumers and companies to obtain credit due to lack of liquidity in the financial markets, among others, could negatively impact the Company's results of operations in fiscal year 2024 and thereafter. The Company reviews the appropriate use of unrestricted cash periodically. As of the date of this report, no decision has been made as to non-ordinary course material cash usages; however, potential usages could include: opportunistic capital expenditures and/or acquisitions and joint ventures; investments relating to the Company's renewable energy strategy, including, without limitation, potential required funding obligations with respect to the DGD Joint Venture SAF project or potential investments in additional renewable diesel or SAF projects; investments in

response to governmental regulations relating to human and animal food safety or other regulations; unexpected funding required by the legislation, regulation or mass termination of multiemployer plans; and paying dividends or repurchasing stock, subject to limitations under the Amended Credit Agreement, the 6% Indenture, the 5.25% Indenture and the 3.625% Indenture, as well as suitable cash conservation to withstand adverse commodity cycles. The Company's Board of Directors has approved a share repurchase program of up to an aggregate of \$500.0 million of the Company's Common Stock depending on market conditions. The repurchases may be made from time to time on the open market at prevailing market prices or in negotiated transactions off the market. The program runs through August 13, 2024 August 13, 2026, unless further extended or shortened by the Board of Directors. During the first three months of fiscal 2024, the Company did not repurchase any \$29.2 million of its common stock Common Stock was repurchased under the share repurchase program. As of March 30, 2024 June 29, 2024, the Company had approximately \$321.6 million \$500.0 million remaining in its share repurchase program.

Each of the factors described above has the potential to adversely impact the Company's liquidity in a variety of ways, including through reduced raw materials availability, reduced finished product prices, reduced sales, potential inventory buildup, increased bad debt reserves, potential impairment charges and/or higher operating costs.

Sales prices for the principal products that the Company sells are typically influenced by sales prices for agricultural-based alternative ingredients, the prices of which are based on established commodity markets and are subject to volatile changes, and sales prices for the principal products that DGD sells are typically influenced by the demand and pricing of renewable diesel, which is dependent on governmental energy policies and programs and impacted by the value of RIN's and LCFS credits stemming from such governmental energy policies and programs. Any decline in these prices has the potential to adversely impact the Company's liquidity. Any of a decline in raw material availability, a decline in agricultural-based alternative ingredients prices, increases in energy prices or the impact of U.S. and foreign regulation (including, without limitation, China), changes in foreign exchange rates, imposition of currency controls and currency devaluations has the potential to adversely impact the Company's liquidity. A decline in commodities prices, adverse changes to governmental energy policies and programs, a rise in energy prices, a slowdown in the U.S. or international economy, high inflation rates or other factors could cause the Company to fail to meet management's expectations or could cause liquidity concerns.

#### OFF BALANCE SHEET ARRANGEMENTS AND CONTRACTUAL OBLIGATIONS

Based upon the underlying purchase agreements, the Company has commitments to purchase \$340.0 million \$306.7 million of commodity products consisting of approximately \$117.7 million \$115.0 million of finished products, approximately \$188.1 million \$165.6 million of natural gas and diesel fuel and approximately \$34.2 million \$26.1 million of other commitments during the next five years, which are not included in liabilities on the Company's balance sheet at March 30, 2024 June 29, 2024. The Company intends to take physical delivery of the commodities under the forward purchase agreements and accordingly, these contracts are not subject to the requirements of fair value accounting because they qualify as normal purchases. The commitments will be recorded on the balance sheet of the Company when delivery of these commodities or products occurs and ownership passes to the Company during the remainder of fiscal 2024 and through fiscal 2028, in accordance with accounting principles generally accepted in the United States.

The following table summarizes the Company's other commercial commitments, including both on- and off-balance sheet arrangements that are part of the Company's Amended Credit Agreement and other foreign and domestic bank guarantees that are not a part of the Company's Amended Credit Agreement at March 30, 2024 June 29, 2024 (in thousands):

Other commercial commitments:	
Standby letters of credit	\$ 1,368 990
Standby letters of credit (ancillary facility)	30,177
Foreign and domestic bank guarantees	22,318 20,189
Total other commercial commitments:	\$ 53,863 51,356

#### CRITICAL ACCOUNTING POLICIES

The Company follows certain significant accounting policies when preparing its consolidated financial statements. A complete summary of these policies is included in the Company's Annual Report on Form 10-K for the fiscal year ended December 30, 2023, filed with the SEC on February 28, 2024.

#### NEW ACCOUNTING PRONOUNCEMENTS

See Note 23, "New Accounting Pronouncements," to the consolidated financial statements for a description of new accounting pronouncements.

#### FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q 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 report are forward looking statements, including, without limitation, the statements under the section entitled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and located elsewhere herein regarding industry prospects, the Company's financial position or the Company's use of cash. 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.

In addition to those factors discussed elsewhere in this report and in the Company's other public filings with the SEC, 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 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 renewable fuel mandates and tax credits for biofuels both in the United States and abroad or loss or diminishment of tax credits due to failure to satisfy any eligibility requirements, including, without limitation, in relation to the blender tax credit or CFPC; 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), SARS, BSE, PED or other diseases associated with animal origin in the United States or elsewhere, such as the outbreak of ASF 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; project (including, without limitation, operational, mechanical, product quality, market based or other such issues); 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; tax measures, or issues related to guidance and/or regulations associated with biofuel policies, including CFPC; 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; uncertainty regarding any administration changes in the U.S. or elsewhere around the world, including, without limitation, impacts to trade, tariffs and/or policies impacting the Company (such as biofuel policies and mandates); 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. 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.

### Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

Market risks affecting the Company include exposures to changes in prices of the finished products the Company sells, interest rates on debt, availability of raw material supplies and the price of natural gas and diesel fuel used in the Company's plants. Raw materials available to the Company are impacted by seasonal factors, including holidays, when raw material volume declines; warm weather, which can adversely affect the quality of raw material processed and finished products produced; and cold weather, which can impact the collection of raw material. Predominantly all of the Company's finished products are commodities that are generally sold at prices prevailing at the time of sale. Additionally, with the acquisition of foreign entities we are exposed to foreign currency exchange risks, imposition of currency controls and the possibility of currency devaluation.

The Company makes limited use of derivative instruments to manage cash flow risks related to interest rates, natural gas usage, diesel fuel usage, inventory, forecasted sales and foreign currency exchange rates. The Company does not use derivative instruments for trading purposes. Interest rate swaps are entered into with the intent of managing overall borrowing costs by reducing the potential impact of increases in interest rates on floating-rate long-term debt. Natural gas swaps and options are entered into with the intent of managing the overall cost of natural gas usage by reducing the potential impact of seasonal weather demands on natural gas that increases natural gas prices. Heating oil swaps and options are entered into with the intent of managing the overall cost of diesel fuel usage by reducing the potential impact of seasonal weather demands on diesel fuel that increases diesel fuel prices. Soybean meal forwards and options are entered into with the intent of managing the impact of changing prices for poultry meal sales. Corn options and future contracts are entered into with the intent of managing U.S. forecasted sales of BBP by reducing the impact of changing prices. Foreign currency forward contracts are entered into to mitigate the foreign exchange rate risk for transactions designated in a currency other than the local functional currency. The Company intends to take physical delivery of the commodities under certain of the Company's natural gas and diesel fuel instruments and accordingly, these contracts are not subject to the requirements of fair value accounting because they qualify as normal purchases. At March 30, 2024 June 29, 2024, the Company had corn option contracts, foreign exchange forward and option contracts and interest rate swaps outstanding that qualified and were designated for hedge accounting as well as corn forward contracts and foreign currency forward contracts that did not qualify and were not designated for hedge accounting.

In the first and second quarter of fiscal 2023, the Company entered into interest rate swaps that are designated as cash flow hedges. The notional amount of these swaps totaled \$900.0 million. Under the contracts, the Company is obligated to pay a weighted average rate of 4.007% while receiving the 1-Month SOFR rate, which excludes margin. Under the terms of the interest rate swaps, the Company hedged a portion of its variable rate debt into the first quarter of 2026. At March 30, 2024 June 29, 2024 and December 30, 2023, the aggregate fair value of these interest rate swaps was approximately \$10.3 million \$7.3 million and \$3.7 million, respectively. These amounts are included in other current assets, other assets, accrued expenses and noncurrent liabilities on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

In the first quarter of fiscal 2023, the Company also entered into cross currency swaps that are designated as cash flow hedges. The notional amount of these swaps was €519.2 million. Under the contracts, the Company is obligated to pay a 4.6% fixed rate while receiving a weighted average fixed rate of 5.799%. Under the terms of the cross currency swaps, the Company hedged its intercompany notes receivable into the first quarter of 2025. Accordingly, changes in the fair value of the cash flow hedge are initially

recorded as gains and/or losses as a component of accumulated other comprehensive loss. We immediately reclassify from accumulated other comprehensive loss to earnings an amount to offset the remeasurement recognized in earnings associated with the respective intercompany loan. Additionally, we reclassify amounts from accumulated other comprehensive income (loss) associated with the interest rate differential between the U.S. dollar and a Euro denominated intercompany loan to interest income. At **March 30, 2024** **June 29, 2024** and December 30, 2023, the aggregate fair value of these cross currency swaps was approximately **\$0.8 million** **\$4.0 million** and **\$10.8 million**, respectively. These amounts are included in other current assets and noncurrent liabilities on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

In the second quarter of fiscal 2023 and 2024, the Company entered into corn option contracts on the Chicago Board of Trade that are designated as cash flow hedges. Under the terms of the corn option contracts, the Company hedged a portion of its U.S. forecasted sales of BBP into the first quarter of fiscal 2025. At June 29, 2024 and December 30, 2023, the aggregate fair value of these corn option contracts was approximately **\$1.5 million** and zero, respectively. The amounts are included in other current assets on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

In fiscal 2023 and fiscal 2024, the Company entered into foreign exchange forward contracts that are considered cash flow hedges. Under the terms of the foreign exchange contracts, the Company hedged a portion of its forecasted sales in currencies other than the functional currency through the fourth quarter of fiscal 2025. As of **March 30, 2024** **June 29, 2024** and December 30, 2023, the aggregate fair value of these foreign exchange contracts was approximately **\$8.9 million** **\$17.4 million** and **\$15.9 million**, respectively. As of **March 30, 2024** **June 29, 2024**, approximately **\$10.1 million** **\$1.9 million** is included in other current assets, approximately **\$0.8 million** **\$15.7 million** is included in accrued expenses and approximately **\$0.4 million** **\$3.6 million** is included in other non-current liabilities on the balance sheet, with an offset recorded in accumulated other comprehensive loss. As of December 30, 2023, approximately **\$15.9 million** is included in other current assets on the balance sheet, with an offset recorded in accumulated other comprehensive loss.

The Company may enter into corn option contracts, soybean meal forward contracts and heating oil swap and option contracts from time to time. There are not any open designated corn option contracts, soybean meal forward and or heating oil swap and option contracts by the Company at **March 30, 2024** **June 29, 2024** and December 30, 2023, respectively.

As of **March 30, 2024** **June 29, 2024**, the Company had the following outstanding forward contract amounts that were entered into to hedge foreign currency transactions in currencies other than the functional currency and forecasted transactions in currencies other than the functional currency (in thousands):

Functional Currency	Functional Currency	Contract Currency	Range of	U.S.	Functional Currency	Contract Currency	Range of	U.S.				
Type	Type	Amount	Type	Amount	Hedge rates	Equivalent	Type	Amount	Type	Amount	Hedge rates	Equivalent
Brazilian real												
Brazilian real												
Euro												
Euro												
Euro												
Euro												
Euro												
Euro												
Euro												
Euro												
Polish zloty												
Polish zloty												
Polish zloty												
Polish zloty												
British pound												
British pound												
Japanese yen												
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The above foreign currency contracts that are not designated as hedges had an aggregate fair value of approximately **\$2.6 million** **\$6.0 million** and are included in other current assets and accrued expenses at **March 30, 2024** **June 29, 2024**.

Additionally, the Company had corn forward contracts that are marked to market because they did not qualify for hedge accounting at **March 30, 2024** **June 29, 2024**. These contracts have an aggregate fair value of approximately **\$0.4 million** **\$1.3 million** and are included in other current assets and accrued expenses at **March 30, 2024** **June 29, 2024**.

As of **March 30, 2024** **June 29, 2024**, the Company had forward purchase agreements in place for purchases of approximately **\$188.1 million** **\$165.6 million** of natural gas and diesel fuel and approximately **\$34.2 million** **\$26.1 million** of other commitments during the next five years. As of **March 30, 2024** **June 29, 2024**, the Company had forward purchase agreements in place for purchases of approximately **\$117.7 million** **\$115.0 million** of finished product during the next five years.

#### Foreign Exchange

The Company has significant international operations and is subject to certain opportunities and risks, including currency fluctuations. As a result, the Company is affected by changes in foreign currency exchange rates, particularly with respect to the euro, Brazilian real, Canadian dollar, Australian dollar, Chinese renminbi, British pound, Polish zloty, and Japanese yen.

#### Item 4. CONTROLS AND PROCEDURES

*Evaluation of Disclosure Controls and Procedures.* As required by Rule 13a-15(b) of the Securities and Exchange Act of 1934, as amended (the "Exchange Act"), the Company's management, including the Chief Executive Officer and Chief Financial Officer, conducted an evaluation, as of the end of the period covered by this report, of the effectiveness of the design and operation of the Company's disclosure controls and procedures. As defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, disclosure controls and procedures are controls and other procedures of the Company that are designed to ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to

ensure that information required to be disclosed by the Company in the reports it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure. There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives.

Based on management's evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

*Changes in Internal Control over Financial Reporting.* As required by Exchange Act Rule 13a-15(d), the Company's management, including the Chief Executive Officer and Chief Financial Officer, also conducted an evaluation of the Company's internal control over financial reporting to determine whether any change occurred during the quarter covered by this report that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting. Based on that evaluation, there has been no change in the Company's internal control over financial reporting during the last fiscal quarter of the period covered by this report that has materially affected, or is reasonably likely to materially affect the Company's internal control over financial reporting other than internal controls being implemented at Gelnex and Miropasz.

During the first quarter of 2024, the Company acquired Miropasz. The Company is currently in the process of integrating this acquisition pursuant to the Sarbanes-Oxley Act of 2002. The Company is evaluating changes to processes, information technology systems and other components of internal controls over financial reporting as part of the ongoing integration activities, and as a result, certain controls will be periodically changed. The Company believes, however, it will be able to maintain sufficient controls over the substantive results of its financial reporting throughout the integration process. The Miropasz Acquisition will be excluded from management's assessment of the Company's internal control over financial reporting for fiscal 2024, as permitted under SEC regulations.

DARLING INGREDIENTS INC. AND SUBSIDIARIES  
FORM 10-Q FOR THE QUARTERLY PERIOD ENDED **MARCH 30, JUNE 29, 2024**

#### PART II: Other Information

##### Item 1. LEGAL PROCEEDINGS

The information required by this Item 1 is contained within Note 18 (Contingencies) on pages **24** **27** through **25** **28** of this Form 10-Q and is incorporated herein by reference.

##### Item 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the factors described in Part I, "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the fiscal year ended December 30, 2023, which could materially affect our business, financial condition or future results. The risks described in this report and in our Annual Report on Form 10-K are not the only risks we face. Additional risks and uncertainties that are not currently known or that are currently deemed to be immaterial may also materially and adversely affect our business operations and financial condition or the market price of our common stock.

##### Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

On June 21, 2024, the Company's Board of Directors approved the extension for an additional two years ending August 13, 2026 of its previously announced share repurchase program and refreshed the amount of the program back up to an aggregate of \$500.0 million of the Company's common stock depending on market conditions. During the first six months of fiscal 2024, the Company repurchased approximately \$29.2 million, including commissions, worth of its common stock in the open market. As of June 29, 2024, the Company had approximately \$500.0 million remaining under the share repurchase program initially approved in August 2017 and subsequently extended to August 13, 2026.

The following table is a summary of equity securities purchased by the Company during the second quarter of fiscal 2024.

ISSUER PURCHASES OF EQUITY SECURITIES					
Period	Total Number of Shares Purchased (1)	Average Price Paid per Share (2)	Total Number of Shares Purchased as part of Publicly Announced Plans or Programs (4)	Maximum Number (or Approximate Dollar Value) of Shares that may yet be Purchased Under the Plan or Programs at End of Period.	
<b>April 2024:</b>					
March 31, 2024 through April 27, 2024	—	—	—	\$ 321,584,728	
<b>May 2024:</b>					
April 28, 2024 through May 25, 2024	7,408	45.55	—	321,584,728	
<b>June 2024:</b>					
May 26, 2024 through June 29, 2024	806,983	36.15	806,983	500,000,000	
<b>Total</b>	<b>814,391 (3)</b>	<b>43.20</b>	<b>806,983</b>	<b>\$ 500,000,000</b>	

(1) All shares purchased during the second quarter were acquired by the Company pursuant to the announced share repurchase program (other than shares withheld for taxes on restricted stock, restricted stock units, performance units and exercised options and the strike price on exercised options).  
 (2) The average price paid per share is calculated on a trade date basis and excludes commissions.  
 (3) Includes 7,408 shares withheld for the exercise of options and taxes on restricted stock, restricted stock units, performance units and options. The 806,983 shares were repurchased at an average of \$36.15 per share.  
 (4) Represents purchases made during the quarter under the authorization from the Company's Board of Directors, as announced, to repurchase up to an aggregate of \$500.0 million of the Company's common stock over the period ending August 13, 2026, unless extended or shortened by the Board of Directors.

## Item 5. OTHER INFORMATION

### Rule 10b5-1 Plan Adoptions and Modifications

None.

## Item 6. EXHIBITS

The following exhibits are filed herewith:

- 3.1 [Amended and Restated Certificate of Incorporation, effective May 7, 2024.](#)
- 31.1 [Certification pursuant to Rule 13a-14\(a\) or Rule 15d-14\(a\) of the Securities Exchange Act of 1934, of Randall C. Stuewe, the Chief Executive Officer of the Company.](#)
- 31.2 [Certification pursuant to Rule 13a-14\(a\) or Rule 15d-14\(a\) of the Securities Exchange Act of 1934, of Brad Phillips, the Chief Financial Officer of the Company.](#)
- 32 [Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Randall C. Stuewe, the Chief Executive Officer of the Company, and of Brad Phillips, the Chief Financial Officer of the Company.](#)
- 101 Interactive Data Files Pursuant to Rule 405 of Regulation S-T: (i) Consolidated Balance Sheets as of **March 30, 2024** **June 29, 2024** and December 30, 2023; (ii) Consolidated Statements of Operations for the three and **six** months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**; (iii) Consolidated Statements of Comprehensive Income/(Loss) for the three and **six** months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**; (iv) Consolidated Statements of Stockholders' Equity for the **three** **six** months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023**; (v) Consolidated Statements of Cash Flows for the **three** **six** months ended **March 30, 2024** **June 29, 2024** and **April 1, 2023** **July 1, 2023** and (vi) Notes to the Consolidated Financial Statements.
- 104 Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

DARLING INGREDIENTS INC.

Date: **May August 7, 2024**

By: **/s/ Brad Phillips**  
Brad Phillips  
Chief Financial Officer  
(Principal Financial Officer and Duly Authorized Officer)

**5363**

**EXHIBIT 3.1**

**AMENDED AND RESTATED CERTIFICATE OF INCORPORATION  
OF  
DARLING INGREDIENTS INC.**

**Darling Ingredients Inc.**, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

1. The name of the Corporation is Darling Ingredients Inc. Darling Ingredients Inc. was originally incorporated as Darling & Company of Delaware, Inc. and the original Certificate of Incorporation of the Corporation was filed with the Secretary of State of the State of Delaware on December 13, 1962.

2. This Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of the Certificate of Incorporation of this Corporation, was duly adopted in accordance with the provisions of Sections 242 and 245 of the General Corporation Law of the State of Delaware (the "Delaware General Corporation Law").

3. The text of the Amended and Restated Certificate of Incorporation as heretofore amended or supplemented is hereby restated and further amended to read in its entirety as follows:

**ARTICLE ONE**

The name of the Corporation is Darling Ingredients Inc.

**ARTICLE TWO**

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of the registered agent at such address is The Corporation Trust Company.

**ARTICLE THREE**

The nature of the business or purpose to be conducted or promoted by the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law.

**ARTICLE FOUR**

The aggregate number of shares of stock that the Corporation shall have authority to issue is two hundred fifty-one million (251,000,000) shares, consisting of two hundred fifty million (250,000,000) shares of common stock, having a par value of \$0.01 per share (the "Common Stock"), and one million (1,000,000) shares of preferred stock, having a par value of \$0.01 per share (the "Preferred Stock").

Each share of Common Stock shall be entitled to one vote upon all matters presented to stockholders and shall have identical rights and privileges in every other respect. Election of directors may occur by written consent of the stockholders without a meeting in accordance with the Corporation's Bylaws.

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Authority is hereby expressly granted to the Board of Directors of the Corporation from time to time to issue the preferred stock as preferred stock of any series and, in connection with the creation of each such series, to fix by resolution or resolutions providing for the issue of shares thereof, the number of shares of such series, and the designations, relative rights, preferences, and limitations of such series, to the full extent now or hereafter permitted by the laws of the State of Delaware.

## ARTICLE FIVE

The Corporation is to have perpetual existence.

## ARTICLE SIX

The Board of Directors may exercise all such powers and do all such lawful acts and things on behalf of the Corporation as are not by statute, the Corporation's Bylaws or this Amended and Restated Certificate of Incorporation directed or required to be exercised and done by the stockholders.

## ARTICLE SEVEN

The business and affairs of the Corporation shall be managed by or be under the direction of the Board of Directors which shall consist of not less than five nor more than eleven directors, the exact number of which shall be determined in accordance with the Bylaws of the Corporation.

## ARTICLE EIGHT

The power to alter, amend or repeal the Corporation's Bylaws, and to adopt new Bylaws, is hereby vested in (i) the Board of Directors and (ii) in addition to any other vote required by law, the affirmative vote of the holders of a majority of the shares of capital stock of the Corporation entitled to vote thereon.

## ARTICLE NINE

Special meetings of the stockholders of the Corporation may be called at any time by the chairman of the Board of Directors, the chief executive officer, the president, or a majority of the board of directors, and shall be called by the secretary following his or her receipt of one or more written demands to call a special meeting of the stockholders from stockholders of record who hold, in the aggregate, at least ten percent (10%) of the voting power of the outstanding shares of capital stock of the Corporation, in accordance with and subject to the Bylaws of the Corporation.

## ARTICLE TEN

No director (including any advisory director) or officer of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, except for liability (i) for any breach of the duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) for directors, under Section 174 of the Delaware General Corporation Law, (iv) for any transaction from which the director or officer derived an

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improper personal benefit, or (v) for officers, in any action by or right of the corporation. For purposes of this Article Ten, "officer" shall have the meaning provided in Section 102(b)(7) of the General Corporation Law of the State of Delaware as the same exists or may hereafter be amended.

## ARTICLE ELEVEN

1. The Corporation shall indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending, or completed action, suit or proceeding, whether civil, criminal, administrative, or investigative by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines, awards and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suit or proceeding to the fullest extent permitted by the Delaware General Corporation Law as amended from time to time.

2. Expenses incurred by an officer or director in defending or in preparing for a civil, criminal, administrative or investigative action, suit, proceeding, arbitration, mediation or claim in respect thereof (collectively, "Actions") shall be paid by the Corporation in advance of the final disposition of such Action upon receipt of an undertaking by or on behalf of the director or officer to repay such amount if it shall ultimately be determined that he or she is not entitled to be indemnified by the Corporation as authorized in this Article Eleven. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the Board of Directors deems appropriate. As used in this Article Eleven, "expenses" shall mean any direct out-of-pocket costs reasonably related to such Action, including, without limitation, attorneys' fees, fees of consultants, advisors and expert witnesses, and related charges.

3. The indemnification and advancement of expenses provided by, or granted pursuant to, the other sections of this Article Eleven shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled under any Bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office.

4. The Corporation shall have the power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the Corporation, or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against him or her and incurred by him or her in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify him or her against such liability under the provisions of this Article Eleven.

5. For purposes of this Article Eleven, references to "the Corporation" shall include, in addition to the Corporation or any resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger which, if its separate existence had continued, would have had power and authority to indemnify its directors, officers, and employees or agents, so that any person who is or was a director, officer, employee or agent of such constituent corporation, or is or was serving at the request of such constituent corporation

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as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, shall stand in the same position under the provisions of this Article Eleven with respect to the Corporation or surviving or resulting corporation as he or she would have with respect to such constituent corporation if its separate existence had continued.

6. For purposes of this Article Eleven, references to "other enterprises" shall include employee benefit plans; references to "fines" shall include any excise taxes assessed on a person with respect to an employee benefit plan; and references to "serving at the request of the Corporation" shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the interest of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "not opposed to the best interests of the Corporation" as referred to in this Article Eleven.

7. The indemnification and advancement of expenses provided by, or granted pursuant to, this Article Eleven shall, unless otherwise provided when authorized or ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of the heirs, executors and administrators of such a person.

8. If this Article Eleven or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director, officer, employee or agent of the Corporation as to any expenses, judgments, fines, awards and amounts paid in settlement with respect to any Action, including an Action by or in the right of the Corporation, to the full extent permitted by an applicable portion of this Article Eleven that shall not have been invalidated and to the full extent permitted by applicable law.

9. No amendment, termination or repeal of this Article Eleven or of relevant provisions of the Delaware General Corporation Law or any other applicable law shall affect or diminish in any way the rights of any director, officer, employee or agent of the Corporation to indemnification under the provisions hereof with respect to any Actions arising out of, or relating to, any actions, transactions or facts occurring prior to the final adoption of such amendment, termination or repeal.

IN WITNESS WHEREOF, said Darling Ingredients Inc. has caused this Amended and Restated Certificate of Incorporation to be signed by its duly authorized officer this 7th day of May, 2024.

DARLING INGREDIENTS INC.

By: /s/ John F. Sterling

**CERTIFICATION**

I, Randall C. Stuewe, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Darling Ingredients Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstance under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May** **August** 7, 2024

/s/ Randall C. Stuewe

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Randall C. Stuewe  
Chief Executive Officer

**CERTIFICATION**

I, Brad Phillips, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Darling Ingredients Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstance under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May** **August** 7, 2024

/s/ Brad Phillips

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Brad Phillips  
Chief Financial Officer

## CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Darling Ingredients Inc. (the "Company") on Form 10-Q for the period ending **March 30, 2024** **June 29, 2024** as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Randall C. Stuewe, Chief Executive Officer of the Company and Brad Phillips, Chief Financial Officer of the Company, each hereby certifies, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002 (the "Act"), that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This certification is being furnished solely for purposes of compliance with the Act.

/s/ Randall C. Stuewe

Randall C. Stuewe

Chief Executive Officer

Date: **May 7, 2024** **August 7, 2024**

/s/ Brad Phillips

Brad Phillips

Chief Financial Officer

Date: **May 7, 2024** **August 7, 2024**

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