

**Second Quarter 2017**

**Earnings Conference Call**

**August 1, 2017**



## Safe Harbor Statement

**Some of our comments constitute forward-looking statements that reflect management's current views and estimates of future economic circumstances, industry conditions, Company performance and financial results.**

**These statements are based on many assumptions and factors that are subject to risk and uncertainties. ADM has provided additional information in its reports on file with the SEC concerning assumptions and factors that could cause actual results to differ materially from those in this presentation, and you should carefully review the assumptions and factors in our SEC reports.**

**To the extent permitted under applicable law, ADM assumes no obligation to update any forward-looking statements as a result of new information or future events.**

# Chairman's Perspective

- **Year-over-year results improved**
  - Q2 adjusted EPS up 39 percent
- **Continue to advance strategic plan**
  - Diversifying our capabilities and geographic reach with acquisition of French sweetener company Chamtor; Industries Centers in Israel; new mill in Illinois
  - Managing costs and capital; implemented over \$130 million in run-rate cost savings in 1H2017
  - Returned \$875 million to shareholders in dividends and share buybacks during the first half of the year

# Q2 2017 Financial Highlights

(Amounts in millions except per share data and percentages)

	Quarter Ended June 30		
	2017	2016	Change
<b>Adjusted earnings per share <sup>(1) (2)</sup></b>	<b>\$0.57</b>	<b>\$0.41</b>	<b>\$0.16</b>
<b>Adjusted segment operating profit <sup>(1) (3)</sup></b>	<b>\$658</b>	<b>\$573</b>	<b>\$85</b>
<b>Effective tax rate</b>	<b>28%</b>	<b>29%</b>	
<b>Trailing 4Q average adjusted ROIC <sup>(1)</sup></b>	<b>6.8%</b>	<b>5.8%</b>	<b>+100bps</b>
<b>Annual adjusted EVA <sup>(1)</sup></b>	<b>\$195</b>	<b>(\$196)</b>	<b>+\$391</b>

(1) Non-GAAP measures - see notes on page 23

(2) See earnings per share, the most comparable GAAP measure, on page 19

(3) See segment operating profit as reported on page 5

## Segment Operating Profit and Corporate Results

(Amounts in millions)	Quarter Ended June 30		
	2017	2016	Change
<b>Total Segment Operating Profit<sup>(1)</sup></b>	<b>\$642</b>	<b>\$680</b>	<b>(\$38)</b>
Specified items:			
Gains (loss) on sales of assets and businesses/revaluation	(8)	(118)	110
Impairment, restructuring, and settlement charges	26	10	16
Hedge timing effects	(2)	1	(3)
<b>Adjusted Segment Operating Profit<sup>(1)(2)</sup></b>	<b>\$658</b>	<b>\$573</b>	<b>\$85</b>
<b>Agricultural Services</b>	<b>\$109</b>	<b>\$57</b>	<b>\$52</b>
Merchandising & Handling	40	(14)	54
Milling and Other	58	56	2
Transportation	11	15	(4)
<b>Corn Processing</b>	<b>\$224</b>	<b>\$163</b>	<b>\$61</b>
Sweeteners & Starches	198	182	16
Bioproducts	26	(19)	45
<b>Oilseeds Processing</b>	<b>\$206</b>	<b>\$235</b>	<b>(\$29)</b>
Crushing & Origination	38	135	(97)
Refining, Packaging, Biodiesel, and Other	83	53	30
Asia	85	47	38
<b>WILD Flavors and Specialty Ingredients</b>	<b>\$92</b>	<b>\$94</b>	<b>(\$2)</b>
Wild Flavors and Specialty Ingredients	92	94	(2)
<b>Other</b>	<b>\$27</b>	<b>\$24</b>	<b>\$3</b>
Financial	27	24	3

<b>Total Segment Operating Profit<sup>(1)</sup></b>	<b>\$642</b>	<b>\$680</b>	<b>(\$38)</b>
<b>Corporate</b>	<b>(\$259)</b>	<b>(\$273)</b>	<b>\$14</b>
LIFO credit (charge)	(9)	(88)	79
Interest expense – net	(81)	(63)	(18)
Unallocated corporate costs	(134)	(116)	(18)
Minority interest and other charges	(35)	(6)	(29)
<b>Earnings Before Income Taxes</b>	<b>\$383</b>	<b>\$407</b>	<b>(\$24)</b>

<sup>(1)</sup> Non-GAAP measure - see notes on page 23; <sup>(2)</sup> Adjusted segment operating profit equals total segment operating profit excluding specified items and timing effects.

# Balanced Use of Cash Between CapEx, M&A and Return of Capital to Shareholders

<i>(Amounts in millions)</i>	Six Months Ended June 30	
	2017	2016
Cash from operations before working capital changes	\$1,000	\$1,038
Changes in working capital	314	(1,407)
Purchases of property, plant and equipment	(452)	(396)
Net assets of businesses acquired	(180)	(120)
Sub-total	682	(885)
Marketable securities investment	106	63
Other investing activities	(40)	(360)
Debt increase/(decrease)	(57)	1,446
Dividends	(364)	(353)
Stock buyback	(511)	(487)
Other	(7)	(3)
Decrease in cash, cash equivalents, restricted cash, and restricted cash equivalents	(\$191)	(\$579)

# Balance Sheet Highlights

(Amounts in millions)

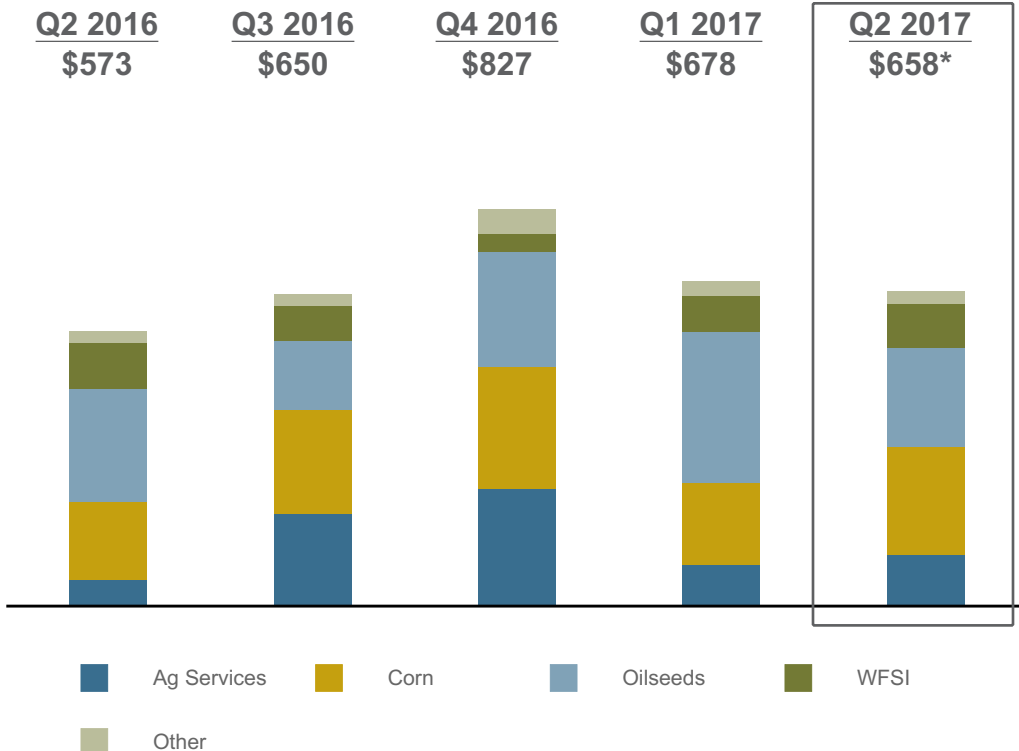
	June 30, 2017	June 30, 2016
Cash <sup>(1)</sup>	\$670	\$730
Net property, plant and equipment	9,945	9,802
Operating working capital <sup>(2)</sup>	7,034	8,184
- Total inventories	7,846	8,000
Total debt	6,980	7,386
- CP outstanding	220	1,415
Shareholders' Equity	17,418	17,669
<b>Memo: Available credit capacity June 30</b>		
- CP	\$3.8 bil	\$2.6 bil
- Other	\$1.3 bil	\$2.3 bil
<b>Memo: Readily marketable inventory</b>	<b>\$4.9 bil</b>	<b>\$5.2 bil</b>

<sup>(1)</sup>Cash = cash and cash equivalents and short-term marketable securities

<sup>(2)</sup>Current assets (excluding cash and cash equivalents and short-term marketable securities less current liabilities (excluding short-term debt and current maturities of long-term debt))

# Adjusted Segment Operating Profit of \$658 million

*Adjusted segment operating profit (in millions)  
Excludes specified items and timing effects*

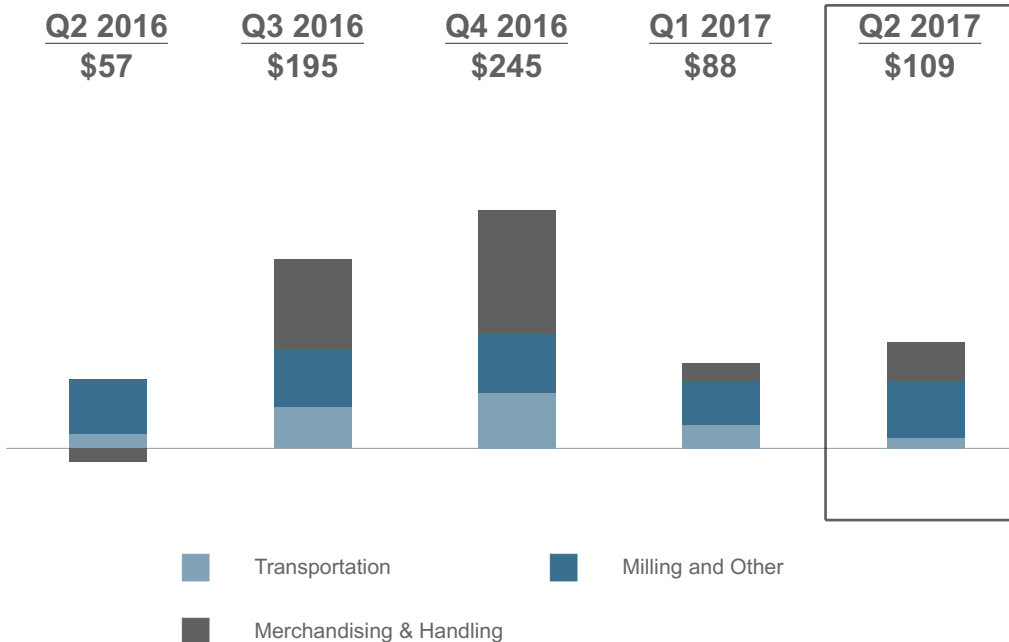


- Q2 adjusted segment operating profit up nearly 15% vs. year-ago quarter
- 1H2017 adjusted segment operating profit up approximately 17% vs. prior year

\*Segment operating profit as reported was \$642M

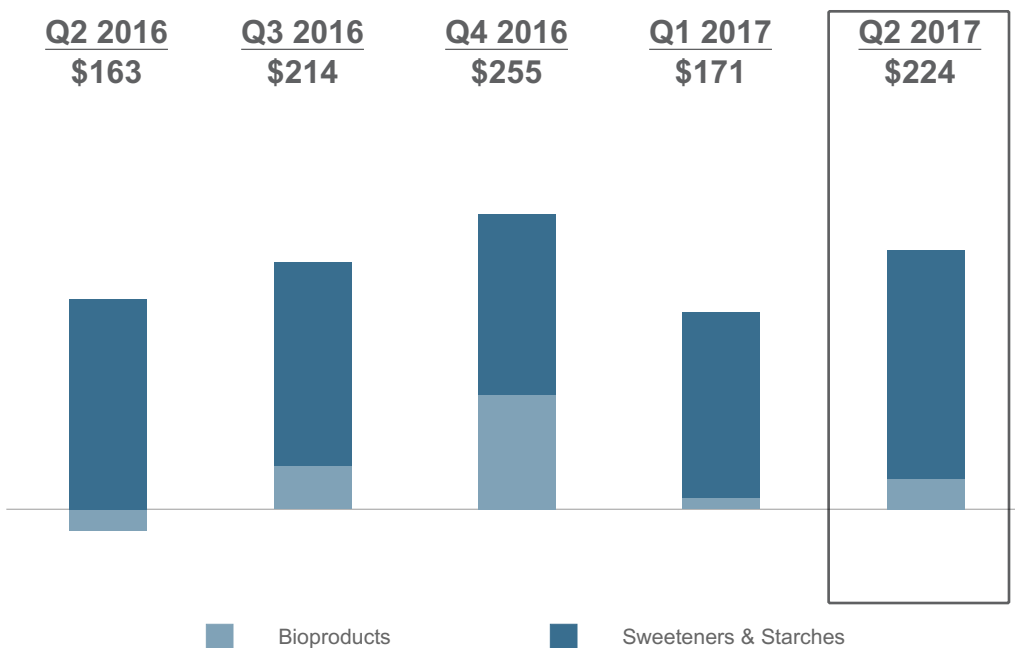


# Ag Services: Earnings Up Year-Over-Year



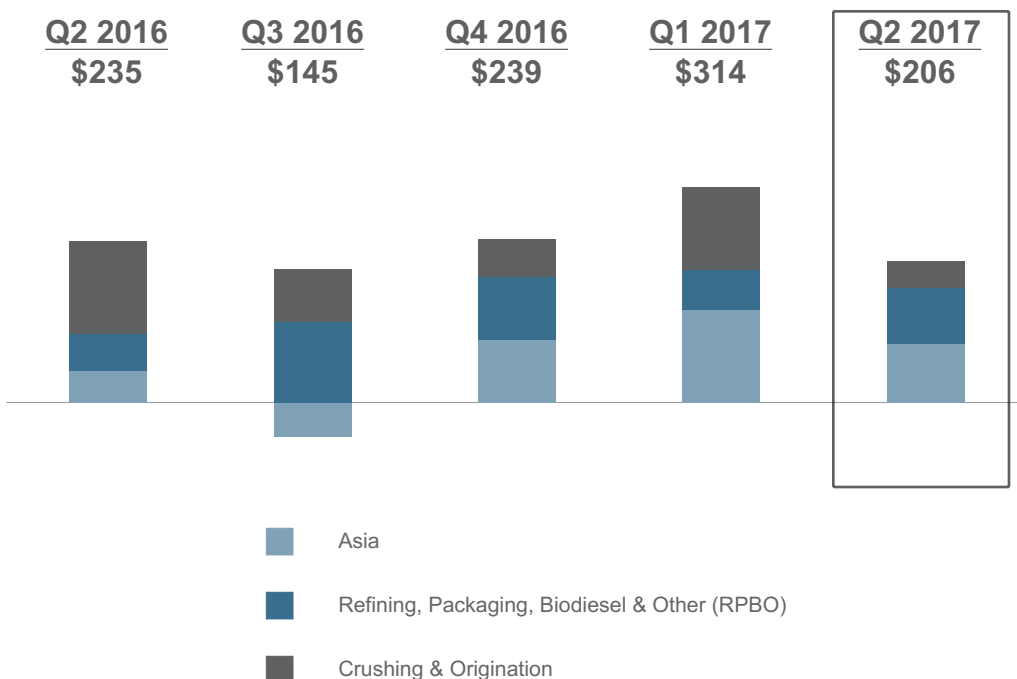
- **Fourth consecutive quarter of year-over-year increases in operating profit**
- **Strong North America carries in wheat, corn and soybeans**
- **Global Trade results improving, up for the quarter**
- **Solid Milling results**

# Corn: Strong Quarter With Earnings Up Year-Over-Year



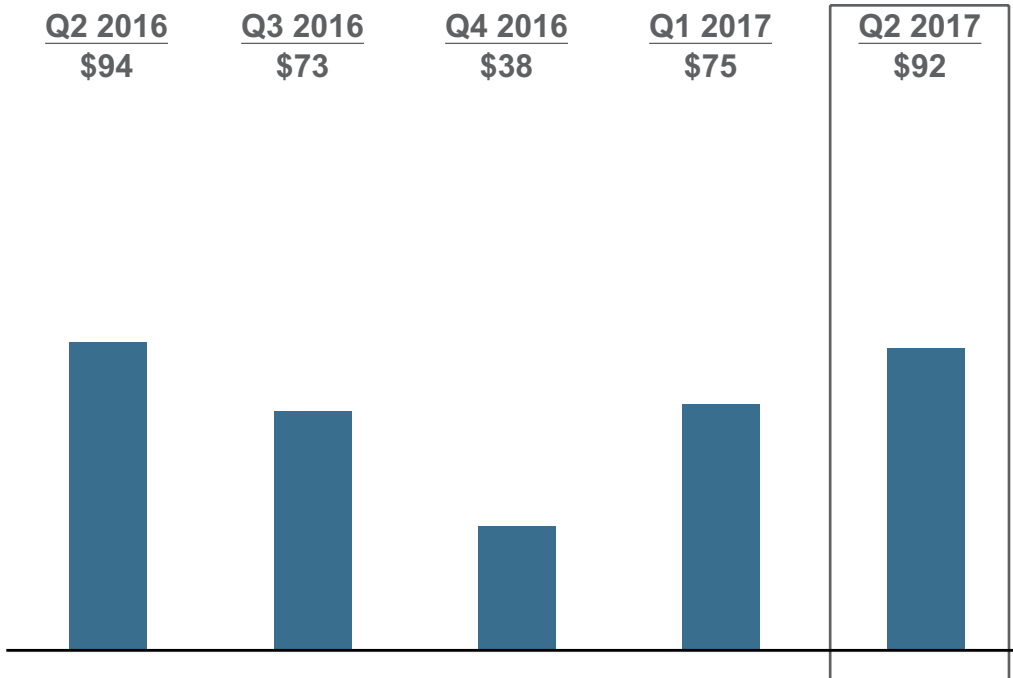
- **Global Sweeteners and Starches performed very well**
- **Higher volumes and improved margins in North America Sweeteners and Starches**
- **Bioproducts up on ethanol margins**
- **Animal Nutrition up, driven by specialty feed ingredients**

# Oilseeds: Results Down; Benefited from Portfolio Diversity



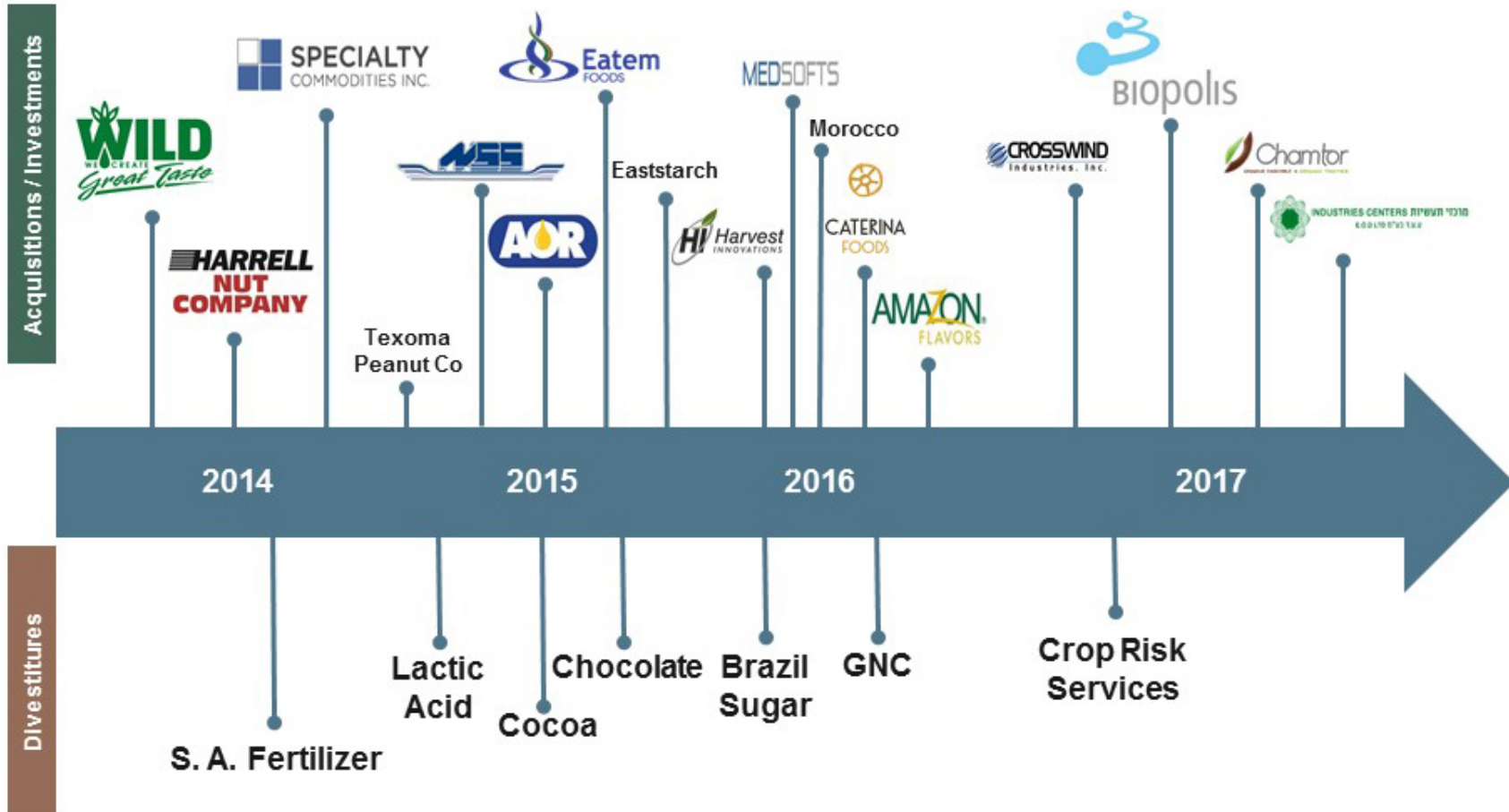
- Compressed origination margins in South America
- Competing proteins led to weak soybean crush margins
- Capitalized on flex crush opportunities
- RPBO up; Asia results higher

## WFSI: Earnings In Line with Prior Year



- Double-digit earnings growth in WILD
- Specialty Ingredients down, impacted by production interruptions and start-up costs in some facilities
- Continued investments to build and expand capabilities

# Portfolio Actions Since 2014



# Driving Value Creation

## OPTIMIZE



### Optimize the Core

- Crop Risk Divestiture
- Enhancements to export terminal in Santos, Brazil
- Peoria ethanol facility reconfiguration
- More than \$200M in monetizations YTD
  - On track for \$1B target over 2 years

## DRIVE



### Drive Project Readiness

- Convergence of operational excellence and business transformation
- Ahead of operational cost savings targets
- 1ADM transformation
  - Expanding to NA corp. finance and some processing businesses
- Standardizing activities; organizational review

## GROW



### Expand Strategically

- Chamtor acquisition in Europe
- Industries Centers acquisition in Israel
- New Illinois flour mill
- Campo Grande, Brazil and Tianjin, China, increasing contributions in second half of year

# Looking Ahead

# Upcoming Investor Events



## **Piper Jaffray Global Agriculture Symposium**

August 15

Minneapolis, MN

## **Farm Progress Show**

August 29-31

Decatur, IL

## **Credit Suisse Chicago Consumer One-on-One Conference**

September 19

Chicago, IL





# Appendix

# GAAP Statement of Earnings Summary

<i>(Amounts in millions except per share data)</i>	Quarter Ended June 30		
	2017	2016	Change
Revenues	\$14,943	\$15,629	(\$686)
Gross profit	887	737	150
Selling, general and administrative expenses	531	500	31
Asset impairment, exit, and restructuring charges	23	12	11
Equity in earnings of unconsolidated affiliates	(109)	(90)	(19)
Interest income	(25)	(23)	(2)
Interest expense	86	65	21
Other income – net	(2)	(134)	132
Earnings before income taxes	383	407	(24)
Income taxes	(108)	(119)	11
Net earnings including noncontrolling interests	275	288	(13)
Less: Net earnings (losses) attributable to noncontrolling interests	(1)	4	(5)
<b>Net earnings attributable to ADM</b>	<b>\$276</b>	<b>\$284</b>	<b>(\$8)</b>
<b>Earnings per share (fully diluted)</b>	<b>\$0.48</b>	<b>\$0.48</b>	<b>\$—</b>

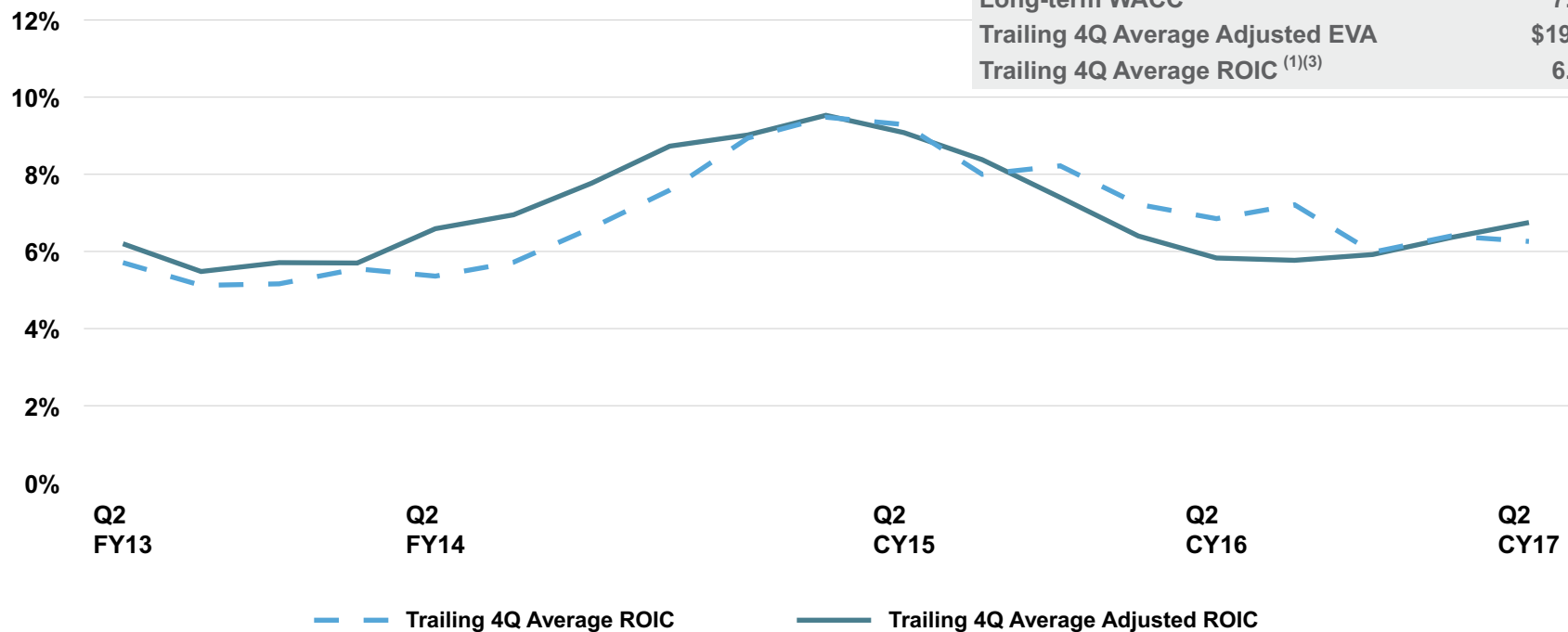
# Adjusted Earnings Per Share

	Quarter Ended June 30	
	2017	2016
<b>Earnings per share (fully diluted) as reported</b>	<b>\$ 0.48</b>	<b>\$ 0.48</b>
<b>Adjustments</b>		
LIFO (credit)/charge	0.01	0.09
Gains (loss) on sales of assets and businesses/revaluation	0.04	(0.17)
Asset impairment, restructuring, and settlement charges	0.04	0.01
<b>Adjusted earnings per share (non-GAAP)<sup>(1)</sup></b>	<b>\$ 0.57</b>	<b>\$ 0.41</b>
<b>Timing effects (gain)/loss:</b>		
Corn	—	—
<b>Adjusted earnings per share excluding timing effects (non-GAAP)<sup>(1)</sup></b>	<b>\$ 0.57</b>	<b>\$ 0.41</b>

<sup>(1)</sup> Non-GAAP measure - see notes on page 23

# ROIC versus WACC

## LT ROIC Objective: 10%



Trailing 4Q Average Adjusted ROIC<sup>(1)(2)</sup>

Q2 CY17

6.8%

Annual WACC

6.0%

Long-term WACC

7.0%

Trailing 4Q Average Adjusted EVA

\$195M

Trailing 4Q Average ROIC<sup>(1)(3)</sup>

6.3%

<sup>(1)</sup> Non-GAAP measure - see notes on page 23

<sup>(2)</sup> Adjusted for LIFO and specified items - see notes on page 23

<sup>(3)</sup> Adjusted for LIFO - see notes on page 23

# Return on Invested Capital

## Adjusted ROIC Earnings<sup>(1)</sup>

(Amounts in millions)

	Quarter Ended				Four Quarters Ended
	Sep. 30, 2016	Dec. 31, 2016	Mar. 31, 2017	June 30, 2017	June 30, 2017
Net earnings attributable to ADM	\$ 341	\$ 424	\$ 339	\$ 276	\$ 1,380
Adjustments					
Interest expense	78	80	81	86	325
LIFO	(85)	2	(13)	9	(87)
Other adjustments	82	(19)	10	20	93
Total adjustments	75	63	78	115	331
Tax on adjustments	(22)	(2)	(24)	(13)	(61)
Net adjustments	53	61	54	102	270
<b>Total Adjusted ROIC Earnings</b>	<b>\$ 394</b>	<b>\$ 485</b>	<b>\$ 393</b>	<b>\$ 378</b>	<b>\$ 1,650</b>

## Adjusted Invested Capital<sup>(1)</sup>

(Amounts in millions)

	Quarter Ended				Trailing Four Quarter Average
	Sep. 30, 2016	Dec. 31, 2016	Mar. 31, 2017	June 30, 2017	
Equity <sup>(2)</sup>	\$ 17,538	\$ 17,173	\$ 17,121	\$ 17,411	\$ 17,311
+ Interest-bearing liabilities <sup>(3)</sup>	7,073	6,931	7,207	6,980	7,048
+ LIFO adjustment (net of tax)	45	47	39	44	44
+ Other adjustments (net of tax)	57	10	12	43	31
<b>Total Adjusted Invested Capital</b>	<b>\$ 24,713</b>	<b>\$ 24,161</b>	<b>\$ 24,379</b>	<b>\$ 24,478</b>	<b>\$ 24,434</b>

<sup>(1)</sup> Non-GAAP measure – see notes on page 23

<sup>(2)</sup> Excludes noncontrolling interests

<sup>(3)</sup> Includes short-term debt, current maturities of long-term debt, capital lease obligations, and long-term debt

# Processed Volumes

*Metric Tons Processed (000s)*

	Calendar Year				
	2012	2013	2014	2015	2016
Oilseeds Processing	31,820	31,768	32,208	33,817	33,788
Corn Processing	24,517	23,688	23,668	23,126	22,273
	<b>56,337</b>	<b>55,456</b>	<b>55,876</b>	<b>56,943</b>	<b>56,061</b>

	CY15				CY16				CY17	
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2
Oilseeds	8,849	8,438	8,148	8,382	8,281	8,468	8,388	8,651	8,819	8,518
Corn	5,302	5,709	6,038	6,077	5,742	5,087	5,794	5,650	5,544	5,840
	<b>14,151</b>	<b>14,147</b>	<b>14,186</b>	<b>14,459</b>	<b>14,023</b>	<b>13,555</b>	<b>14,182</b>	<b>14,301</b>	<b>14,363</b>	<b>14,358</b>

## Notes: Non-GAAP Reconciliation

The Company uses certain “Non-GAAP” financial measures as defined by the Securities and Exchange Commission. These are measures of performance not defined by accounting principles generally accepted in the United States, and should be considered in addition to, not in lieu of, GAAP reported measures.

- (1) **Adjusted earnings per share (EPS) and adjusted EPS excluding timing effects**  
Adjusted EPS and adjusted EPS excluding timing effects reflect ADM's fully diluted EPS after removal of the effect on EPS as reported of certain specified items and timing effects as more fully described above. Management believes that these are useful measures of ADM's performance because they provide investors additional information about ADM's operations allowing better evaluation of underlying business performance and better period-to-period comparability. These non-GAAP financial measures are not intended to replace or be an alternative to EPS as reported, the most directly comparable GAAP financial measure, or any other measures of operating results under GAAP. Earnings amounts in the tables above have been divided by the company's diluted shares outstanding for each respective period in order to arrive at an adjusted EPS amount for each specified item and timing effect.
- (2) **Segment operating profit and adjusted segment operating profit**  
Segment operating profit is ADM's consolidated income from operations before income tax excluding corporate items. Adjusted segment operating profit, a non-GAAP measure, is segment operating profit excluding specified items and timing effects. Timing effects relate to hedge ineffectiveness and significant mark-to-market hedge timing effects. Management believes that segment operating profit and adjusted segment operating profit are useful measures of ADM's performance because they provide investors information about ADM's business unit performance excluding corporate overhead costs as well as specified items and significant timing effects. Segment operating profit and adjusted segment operating profit are not measures of consolidated operating results under U.S. GAAP and should not be considered alternatives to income before income taxes, the most directly comparable GAAP financial measure, or any other measure of consolidated operating results under U.S. GAAP.
- (3) **Adjusted Return on Invested Capital (ROIC)**  
Adjusted ROIC is Adjusted ROIC earnings divided by adjusted invested capital. Adjusted ROIC earnings is ADM's net earnings adjusted for the after tax effects of interest expense, changes in the LIFO reserve and other specified items. Adjusted invested capital is the sum of ADM's equity (excluding noncontrolling interests) and interest-bearing liabilities adjusted for the after tax effect of the LIFO reserve, and other specified items. Management believes Adjusted ROIC is a useful financial measure because it provides investors information about ADM's returns excluding the impacts of LIFO inventory reserves and other specified items and increases period-to-period comparability of underlying business performance. Management uses Adjusted ROIC to measure ADM's performance by comparing Adjusted ROIC to its weighted average cost of capital (WACC). Adjusted ROIC, Adjusted ROIC earnings and Adjusted invested capital are non-GAAP financial measures and are not intended to replace or be alternatives to GAAP financial measures.
- (4) **Average ROIC**  
Average ROIC is ADM's trailing 4-quarter net earnings adjusted for the after-tax effects of interest expense and changes in the LIFO reserve divided by the sum of ADM's equity (excluding non-controlling interests) and interest-bearing liabilities adjusted for the after-tax effect of the LIFO reserve. Management uses average ROIC for investors as additional information about ADM's returns. Average ROIC is a non-GAAP financial measure and is not intended to replace or be an alternative to GAAP financial measures.
- (5) **Adjusted Economic Value Added**  
Adjusted economic value added is ADM's trailing 4-quarter economic value added adjusted for LIFO and other specified items. The Company calculates economic value added by comparing ADM's trailing 4-quarter adjusted returns to its Annual WACC multiplied by adjusted invested capital. Adjusted economic value added is a non-GAAP financial measure and is not intended to replace or be an alternative to GAAP financial measures.