

**Fourth Quarter 2017**

**Earnings Conference Call**

**February 6, 2018**



## 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

- **A Solid Quarter; Momentum Going into 2018**
  - **Safest quarterly employee safety record**
  - **Pulled levers under our control to deliver value for shareholders**
  - **For the year, grew EPS, improved ROIC and generated positive EVA**
  - **Optimistic about 2018: poised to capitalize on trends, harvest recent investments, and reap even more benefits from actions taken**

# Q4 2017 Financial Highlights

(Amounts in millions except per share data and percentages)

	Quarter Ended Dec. 31		
	2017	2016	Change
<b>Adjusted earnings per share <sup>(1) (2)</sup></b>	<b>\$0.82</b>	<b>\$0.75</b>	<b>\$0.07</b>
Adjusted segment operating profit <sup>(1) (3)</sup>	\$793	\$827	-\$34
Effective tax rate	(46)%	32%	
Effective tax rate excluding U.S. tax reform impacts	24%	n/a	
<b>Trailing 4Q average adjusted ROIC <sup>(1)</sup></b>	<b>6.4%</b>	<b>5.9%</b>	<b>+50bps</b>
Annual adjusted EVA <sup>(1)</sup>	\$99	(\$172)	+\$271

(1) Non-GAAP measures - see notes on page 22

(2) See earnings per share, the most comparable GAAP measure, on page 18

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

## Segment Operating Profit and Corporate Results

	Quarter Ended Dec. 31		
	2017	2016	Change
<i>(Amounts in millions)</i>			
<b>Total Segment Operating Profit<sup>(1)</sup></b>	<b>\$733</b>	<b>\$806</b>	<b>(\$73)</b>
Specified items:			
(Gains) loss on sales of assets and businesses	(2)	—	(2)
Impairment, restructuring, and settlement charges	62	16	46
Hedge timing effects	—	5	(5)
<b>Adjusted Segment Operating Profit<sup>(1)(2)</sup></b>	<b>\$793</b>	<b>\$827</b>	<b>(\$34)</b>
<b>Agricultural Services</b>	<b>\$301</b>	<b>\$245</b>	<b>\$56</b>
Merchandising & Handling	221	126	95
Milling and Other	43	62	(19)
Transportation	37	57	(20)
<b>Corn Processing</b>	<b>\$261</b>	<b>\$255</b>	<b>\$6</b>
Sweeteners & Starches	185	156	29
Bioproducts	76	99	(23)
<b>Oilseeds Processing</b>	<b>\$202</b>	<b>\$239</b>	<b>(\$37)</b>
Crushing & Origination	44	55	(11)
Refining, Packaging, Biodiesel, and Other	64	93	(29)
Asia	94	91	3
<b>WILD Flavors and Specialty Ingredients</b>	<b>\$56</b>	<b>\$38</b>	<b>\$18</b>
<b>Other</b>	<b>(\$27)</b>	<b>\$50</b>	<b>(\$77)</b>
<b>Total Segment Operating Profit<sup>(1)</sup></b>	<b>\$733</b>	<b>\$806</b>	<b>(\$73)</b>
<b>Corporate</b>	<b>(\$190)</b>	<b>(\$177)</b>	<b>(\$13)</b>
LIFO credit (charge)	(2)	(2)	—
Interest expense – net	(78)	(77)	(1)
Unallocated corporate costs	(94)	(132)	38
Minority interest and other charges	(16)	34	(50)
<b>Earnings Before Income Taxes</b>	<b>\$543</b>	<b>\$629</b>	<b>(\$86)</b>

<sup>(1)</sup> Non-GAAP measure - see notes on page 22; <sup>(2)</sup> Adjusted segment operating profit equals total segment operating profit excluding specified items and timing effects.



# Balanced Use of Cash Between Investments and Return of Capital to Shareholders

<i>(Amounts in millions)</i>	Years Ended Dec. 31	
	2017	2016
Cash from operations before working capital changes	\$1,895	\$2,060
Changes in working capital	316	(505)
Purchases of property, plant and equipment	(1,049)	(882)
Net assets of businesses acquired	(187)	(130)
Sub-total	975	543
Marketable securities investment	447	258
Other investing activities	(97)	(457)
Debt increase/(decrease)	371	1,088
Dividends	(730)	(701)
Stock buyback	(750)	(1,000)
Other	81	34
Increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents	\$297	(\$235)

# Maintained Strong Balance Sheet

*(Amounts in millions)*

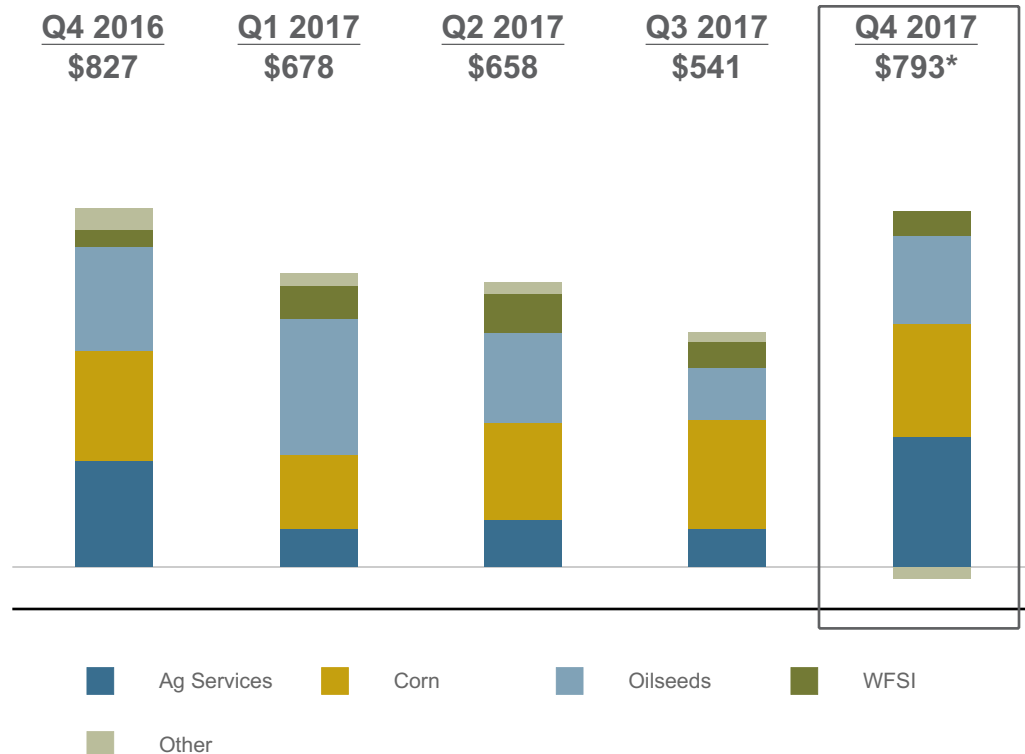
	Dec. 31, 2017	Dec. 31, 2016
Cash <sup>(1)</sup>	\$804	\$915
Net property, plant, and equipment	10,138	9,758
Operating working capital <sup>(2)</sup>	7,421	7,384
- Total inventories	9,173	8,831
Total debt	7,493	6,931
- CP outstanding	700	—
Shareholders' Equity	18,322	17,181
<b>Memo: Available credit capacity December 31</b>		
- CP	\$4.3 bil	\$4.0 bil
- Other	\$1.2 bil	\$1.8 bil
<b>Memo: Readily marketable inventory</b>	<b>\$5.9 bil</b>	<b>\$5.8 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 \$793 million

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



- Q4 adjusted segment OP down slightly year-over-year
- Calendar year OP of \$2.7 billion up slightly over 2016

## Adjusted Segment Operating Profit Calendar Year

	2017	2016
Ag Services	\$ 585	\$ 573
Corn	909	761
Oilseeds	841	880
WFSI	284	275
Other	51	134
<b>Total</b>	<b>\$ 2,670</b>	<b>\$ 2,623</b>

\*Segment operating profit as reported was \$733M

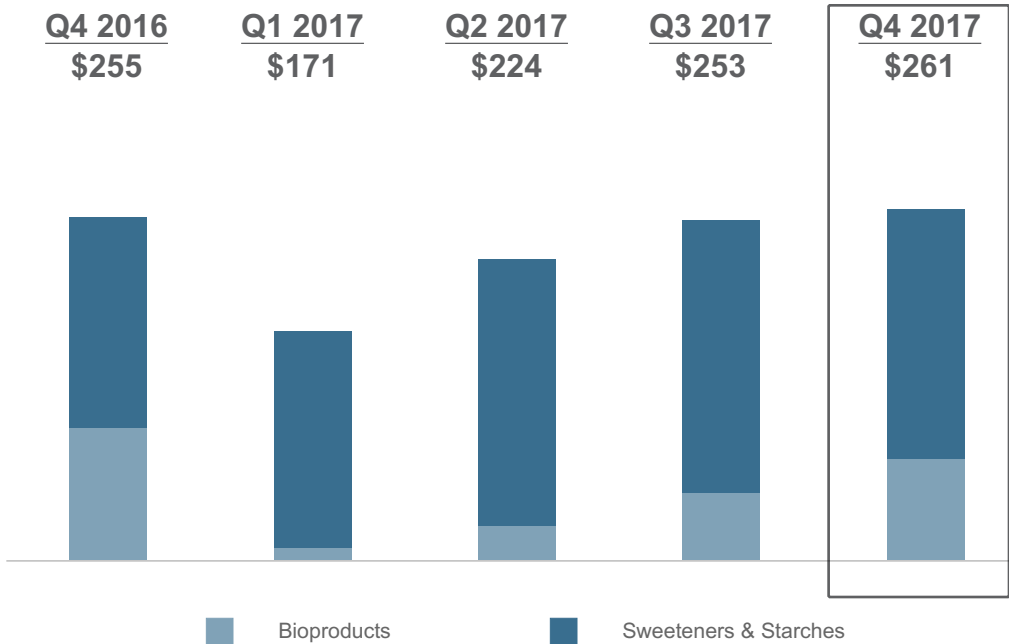


# Ag Services: Earnings Up Year-Over-Year



- Solid execution from Global Trade, growing contributions from destination marketing
- Transportation down due to lower volumes and freight values
- Milling down on volumes and margins

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



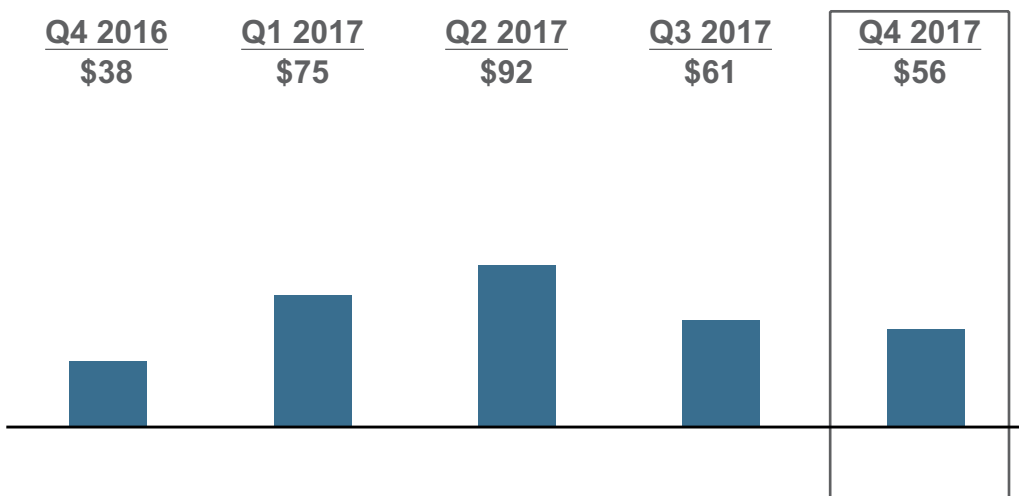
- **Good sales growth and solid margins in Sweeteners and Starches; European operations continue to deliver**
- **Bioproducts down on ethanol margins**
- **Animal Nutrition up significantly, driven by improving cost position in SFI**

# Oilseeds: Results Down, Signs of Improving Operating Environment



- C&O down on weak crush margins and SA origination
- Indications of improving global demand for meal
- RPBO down on biodiesel
- Asia up slightly on Wilmar

## WFSI: Solid Quarter, Up Year-Over-Year



- Another quarter of double-digit earnings growth in WILD Flavors
- Specialty Ingredients up vs difficult year-ago quarter

# Driving Value Creation Throughout 2017

## OPTIMIZE



### Optimize the Core

- Almost \$400M in monetizations in 2017
- Divested CRS, announced sale of Bolivian Oilseeds
- Lysine turnaround
- 2,000 WFSI sales synergy projects in pipeline

## DRIVE



### Drive Readiness

- Generated \$285 million in run-rate cost savings for the year
- Rolled out 1ADM across several businesses and regions
- Operational excellence projects delivering energy, yield and process improvements

## GROW



### Expand Strategically

- Expanded destination marketing; ADM Israel
- Grew S&S with Chamtor acquisition; expanded former Eaststarch plants
- Opened WFSI innovation centers in Asia, Australia
- Bioactives and enzymes: Biopolis, Mayo Clinic, Vland

# Looking Ahead

# Upcoming Investor Event



## **Bank of America/Merrill Lynch 2018 Global Agriculture and Materials Conference**

Ft. Lauderdale, FL

February 28 and March 1



# Appendix



# GAAP Statement of Earnings Summary

<i>(Amounts in millions except per share data)</i>	Quarter Ended Dec. 31		
	2017	2016	Change
Revenues	\$16,070	\$16,501	(\$431)
Gross profit	939	1,011	(72)
Selling, general and administrative expenses	463	455	8
Asset impairment, exit, and restructuring charges	33	19	14
Equity in (earnings) losses of unconsolidated affiliates	(129)	(139)	10
Interest income	(31)	(24)	(7)
Interest expense	84	80	4
Other income – net	(24)	(9)	(15)
Earnings before income taxes	543	629	(86)
Income tax benefit (expense)	249	(203)	452
Net earnings including noncontrolling interests	792	426	366
Less: Net earnings (losses) attributable to noncontrolling interests	4	2	2
<b>Net earnings attributable to ADM</b>	<b>\$788</b>	<b>\$424</b>	<b>\$364</b>
<b>Earnings per share (fully diluted)</b>	<b>\$1.39</b>	<b>\$0.73</b>	<b>\$0.66</b>

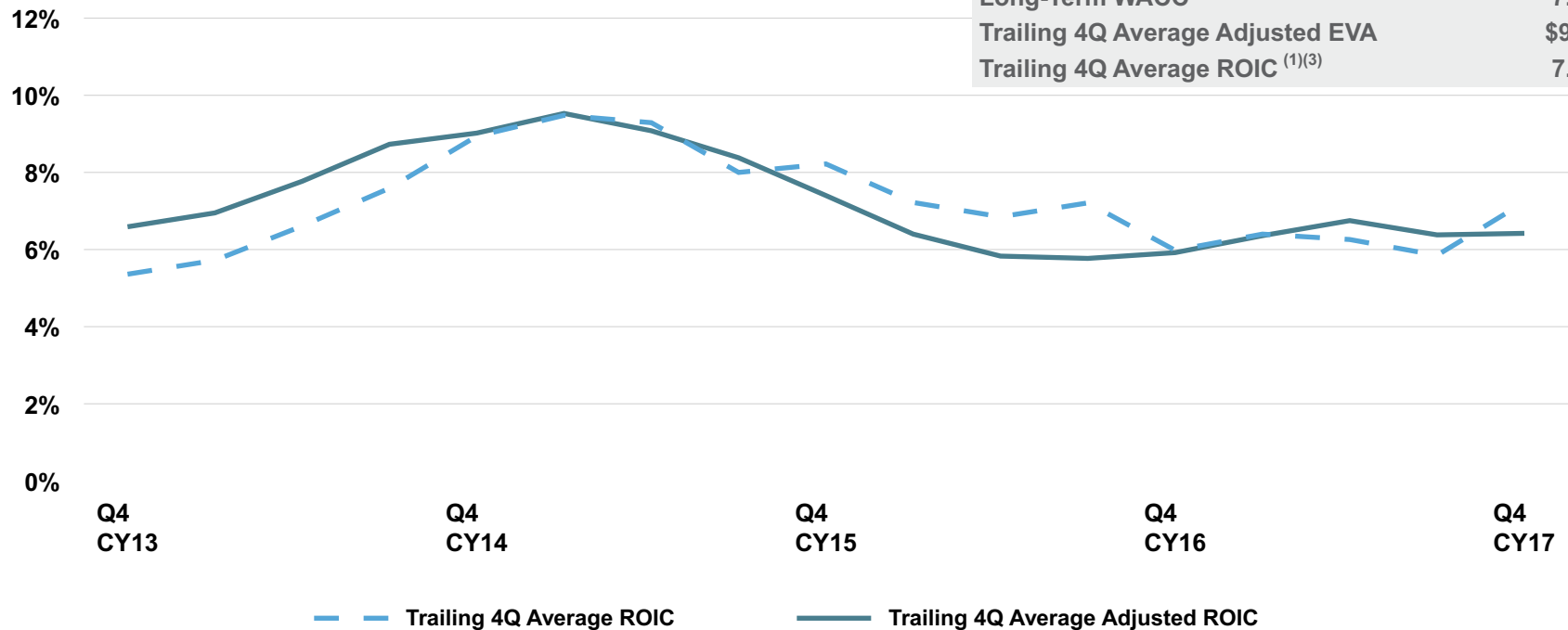
# Adjusted Earnings Per Share

	Quarter Ended Dec. 31	
	2017	2016
<b>Earnings per share (fully diluted) as reported</b>	<b>\$ 1.39</b>	<b>\$ 0.73</b>
<b>Adjustments</b>		
LIFO (credit)/charge	—	—
(Gains) loss on sales of assets and businesses/revaluation	—	—
Asset impairment, restructuring, and settlement charges	0.08	0.03
Post-retirement benefit curtailment	—	(0.04)
Tax adjustments	(0.65)	0.03
<b>Adjusted earnings per share (non-GAAP)<sup>(1)</sup></b>	<b>\$ 0.82</b>	<b>\$ 0.75</b>

<sup>(1)</sup> Non-GAAP measure - see notes on page 22

# ROIC versus WACC

## LT ROIC Objective: 10%



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

Q4 CY17

6.4%

Annual WACC

6.0%

Long-Term WACC

7.0%

Trailing 4Q Average Adjusted EVA

\$99M

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

7.2%

<sup>(1)</sup> Non-GAAP measure - see notes on page 22

<sup>(2)</sup> Adjusted for LIFO and specified items - see notes on page 22

<sup>(3)</sup> Adjusted for LIFO - see notes on page 22

# Return on Invested Capital

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

(Amounts in millions)

	Quarter Ended				Four Quarters Ended
	Mar. 31, 2017	June 30, 2017	Sep. 30, 2017	Dec. 31, 2017	Dec. 31, 2017
Net earnings attributable to ADM	\$ 339	\$ 276	\$ 192	\$ 788	\$ 1,595
Adjustments					
Interest expense	81	86	79	84	330
LIFO charge (credit)	(13)	9	—	2	(2)
Other adjustments	14	20	106	(303)	(163)
Total adjustments	82	115	185	(217)	165
Tax on adjustments	(28)	(13)	(70)	(55)	(166)
Net adjustments	54	102	115	(272)	(1)
<b>Total Adjusted ROIC Earnings</b>	<b>\$ 393</b>	<b>\$ 378</b>	<b>\$ 307</b>	<b>\$ 516</b>	<b>\$ 1,594</b>

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

(Amounts in millions)

	Quarter Ended				Trailing Four Quarter Average
	Mar. 31, 2017	June 30, 2017	Sep. 30, 2017	Dec. 31, 2017	
Equity <sup>(2)</sup>	\$ 17,121	\$ 17,411	\$ 17,570	\$ 18,313	\$ 17,604
+ Interest-bearing liabilities <sup>(3)</sup>	7,207	6,980	7,336	7,493	7,254
+ LIFO adjustment (net of tax)	39	44	44	46	43
+ Other adjustments (net of tax)	12	43	66	(326)	(51)
<b>Total Adjusted Invested Capital</b>	<b>\$ 24,379</b>	<b>\$ 24,478</b>	<b>\$ 25,016</b>	<b>\$ 25,526</b>	<b>\$ 24,850</b>

<sup>(1)</sup> Non-GAAP measure – see notes on page 22

<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	2017
Oilseeds Processing	31,820	31,768	32,208	33,817	33,788	34,733
Corn Processing	24,517	23,688	23,668	23,126	22,273	22,700
	<b>56,337</b>	<b>55,456</b>	<b>55,876</b>	<b>56,943</b>	<b>56,061</b>	<b>57,433</b>

	CY16				CY17			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Oilseeds Processing	8,281	8,468	8,388	8,651	8,819	8,518	8,265	9,131
Corn Processing	5,742	5,087	5,794	5,650	5,544	5,840	5,621	5,849
	<b>14,023</b>	<b>13,555</b>	<b>14,182</b>	<b>14,301</b>	<b>14,363</b>	<b>14,358</b>	<b>13,886</b>	<b>14,980</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)**  
Adjusted EPS reflects ADM’s fully diluted EPS after removal of the effect on EPS as reported of certain specified items as more fully described above. Management believes that adjusted EPS is a useful measure of ADM’s performance because it provides investors additional information about ADM’s operations allowing better evaluation of underlying business performance and better period-to-period comparability. This non-GAAP financial measure is 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.
- (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.