

Fourth Quarter 2018

Earnings Conference Call

February 5, 2019



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.

Highlights from 2018



OPTIMIZE The Core

- Bolivian divestiture
- Optimization of U.S. Origination footprint
- Turnarounds in Global Trade and South American origination



DRIVE Efficiencies

- Operational excellence run-rate cost savings of more than \$300M, exceeding target for full year



EXPAND Strategically

- 5 new/renovated plants, 3 labs and innovation centers
- GrainBridge, SoyVen, Aston JVs
- Algar, Rodelle, Protexin
- Neovia announcement and integration preparation



READINESS

Readiness Starts to Contribute



Targets



Key Focus Areas

- Data and analytics via 1ADM
- Process simplification and standardization
- Behavioral and cultural change

Q4 2018 Financial Highlights

(Amounts in millions except per share data and percentages)

	Quarter Ended Dec. 31		
	2018	2017	Change
Adjusted earnings per share ^{(1) (2)}	\$0.88	\$0.82	\$0.06
Adjusted segment operating profit ^{(1) (3)}	\$860	\$793	\$67
Trailing 4Q average adjusted ROIC ⁽¹⁾	8.3%	6.4%	+190bps
Annual adjusted EVA ⁽¹⁾	\$557	\$99	+\$458
Effective tax rate	(2)%	(46)%	

(1) Non-GAAP measures - see notes on page 24

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

(3) See segment operating profit as reported on page 6

Segment Operating Profit and Corporate Results

<i>(Amounts in millions)</i>	Quarter Ended Dec. 31		
	2018	2017	Change
Total Segment Operating Profit⁽¹⁾	\$ 786	\$ 733	\$ 53
Specified items:			
(Gains) loss on sales of assets and businesses	8	(2)	10
Impairment and restructuring charges	66	62	4
Adjusted Segment Operating Profit⁽¹⁾⁽²⁾	\$ 860	\$ 793	\$ 67
Origination	\$ 183	\$ 261	\$ (78)
Merchandising & Handling	149	224	(75)
Transportation	34	37	(3)
Oilseeds	\$ 432	\$ 201	\$ 231
Crushing & Origination	255	45	210
Refining, Packaging, Biodiesel, and Other	75	63	12
Asia	102	93	9
Carbohydrate Solutions	\$ 197	\$ 285	\$ (88)
Starches & Sweeteners	195	225	(30)
Bioproducts	2	60	(58)
Nutrition	\$ 62	\$ 73	\$ (11)
Wild Flavors and Specialty Ingredients	59	56	3
Animal Nutrition	3	17	(14)
Other	\$ (14)	\$ (27)	\$ 13
Total Segment Operating Profit⁽¹⁾	\$ 786	\$ 733	\$ 53
Corporate	\$ (474)	\$ (190)	\$ (284)
Interest expense – net	(85)	(78)	(7)
Unallocated corporate costs	(173)	(94)	(79)
Other charges	(24)	(9)	(15)
Specified items:			
LIFO credit (charge)	4	(2)	6
Expenses related to acquisitions	(12)	—	(12)
Impairment, restructuring, and settlement charges	(184)	(7)	(177)
Earnings Before Income Taxes	\$ 312	\$ 543	\$ (231)

⁽¹⁾ Non-GAAP measure - see notes on page 24; ⁽²⁾ 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

	Years Ended Dec. 31	
	2018	2017
<i>(Amounts in millions)</i>		
Cash from operations before working capital changes	\$2,672	\$1,895
Changes in working capital ⁽¹⁾	382	316
Purchases of property, plant and equipment	(842)	(1,049)
Net assets of businesses acquired	(464)	(187)
Sub-total	1,748	975
Marketable securities investment	13	447
Other investing activities	37	(97)
Debt increase/(decrease)	989	382
Dividends	(758)	(730)
Stock buyback	(77)	(750)
Other	33	70
Increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents	\$1,985	\$297

⁽¹⁾ Includes the change in deferred consideration of (\$7,838 million) in 2018 and (\$8,177 million) in 2017 and the net proceeds from retained interest in securitized receivables of \$7,838 million in 2018 and \$8,177 million in 2017 which are presented separately as operating activities and investing activities, respectively, in the statement of cash flows as required by ASU 2016-15 which took effect 1/1/18.

Maintained Solid Balance Sheet

(Amounts in millions)

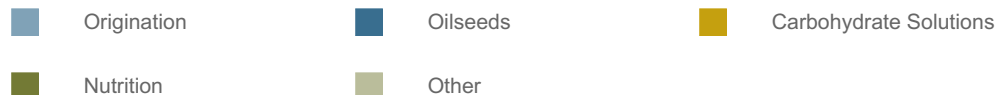
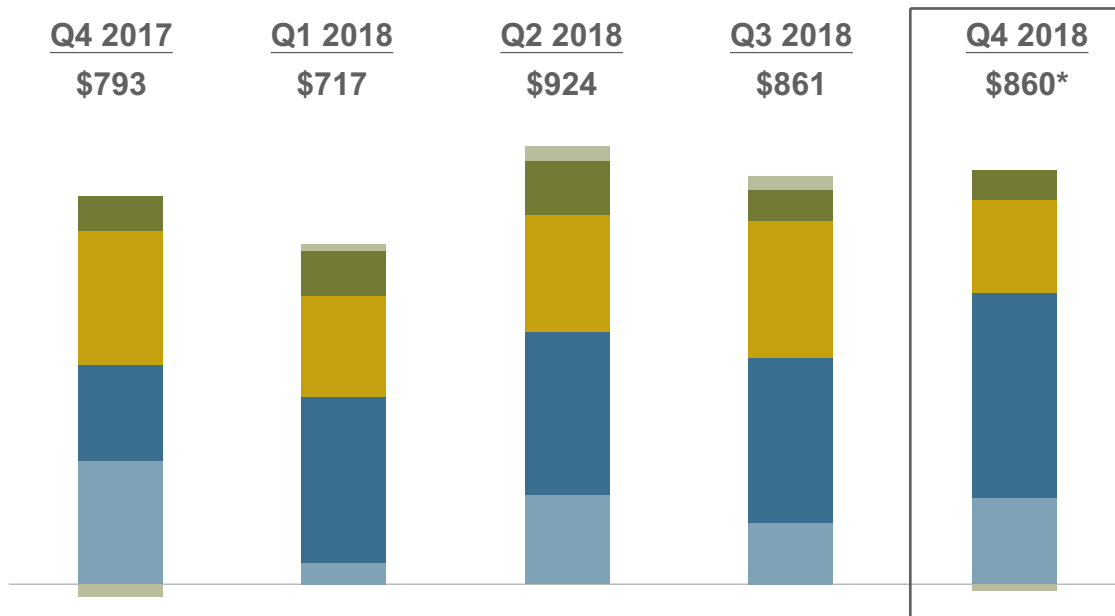
	Dec. 31, 2018	Dec. 31, 2017
Cash⁽¹⁾	\$2,003	\$804
Net property, plant, and equipment	9,953	10,138
Operating working capital⁽²⁾	7,499	7,421
- Total inventories	8,813	9,173
Total debt	8,388	7,493
- CP outstanding	—	700
Shareholders' Equity	18,996	18,322
Memos:		
Available credit capacity December 31		
- CP	\$5.0 bil	\$4.3 bil
- Other	\$3.9 bil	\$1.2 bil
Readily marketable inventory	\$5.6 bil	\$5.9 bil
Diluted Shares Outstanding (in millions)	566	564
Net Debt to Total Capital Ratio	25%	27%

⁽¹⁾Cash = cash and cash equivalents and short-term marketable securities

⁽²⁾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)

Q4 Adjusted Segment OP \$860 million; Full Year Up 26% YOY

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

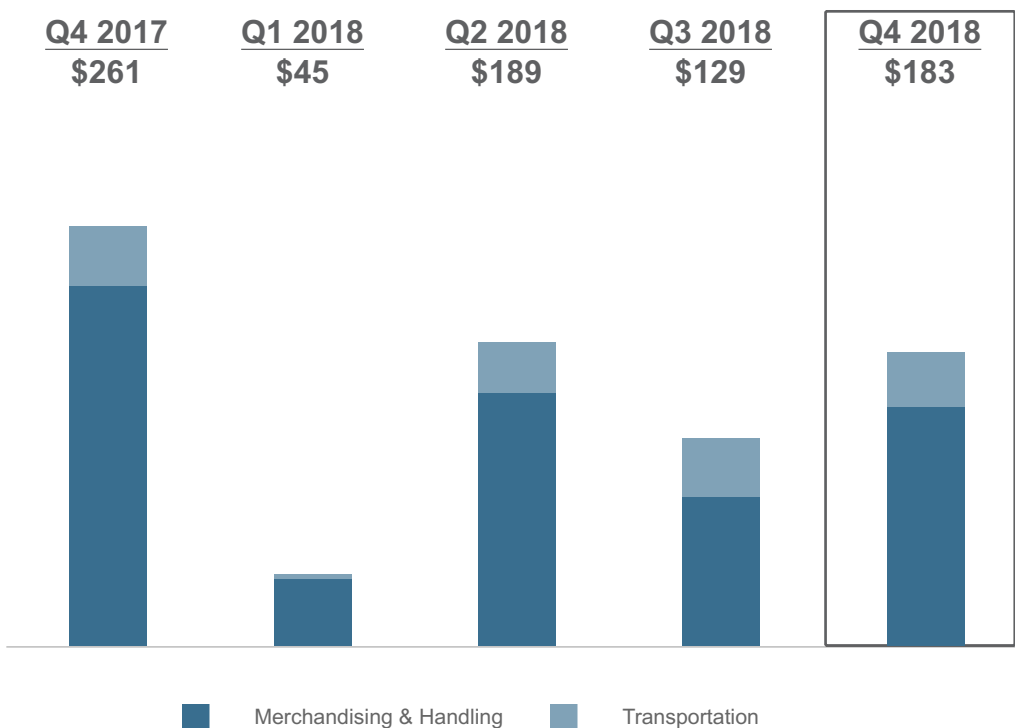


Adjusted Segment Operating Profit		
Calendar Year		
	2018	2017
Origination	\$ 546	\$ 404
Oilseeds	1,474	825
Carb Solutions	945	1,078
Nutrition	339	312
Other	58	51
Total	\$ 3,362	\$ 2,670

*Segment operating profit as reported was \$786M

Origination: Solid Performance in Dynamic Global Environment

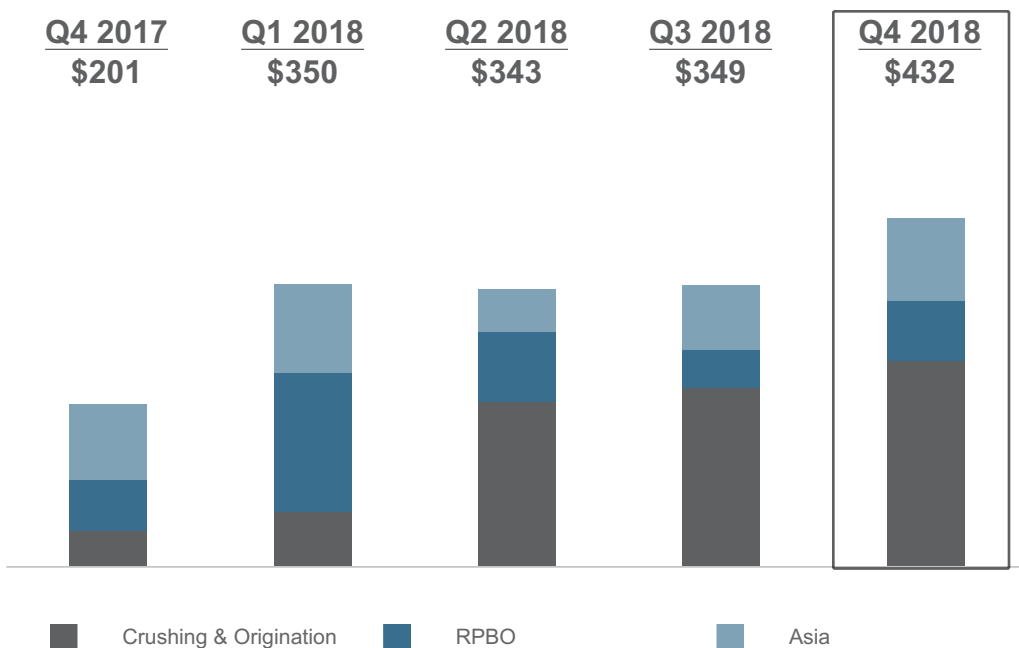
Segment operating profit (in millions)



- North American export margins up YOY
- Comparable YOY NA export volumes, despite lack of exports to China
- Good execution in Global Trade, offset by ocean fuel hedges
- Transportation: improved freight rates, offset by increased operating costs

Oilseeds: Outstanding Q4 Results, More than Doubled YOY

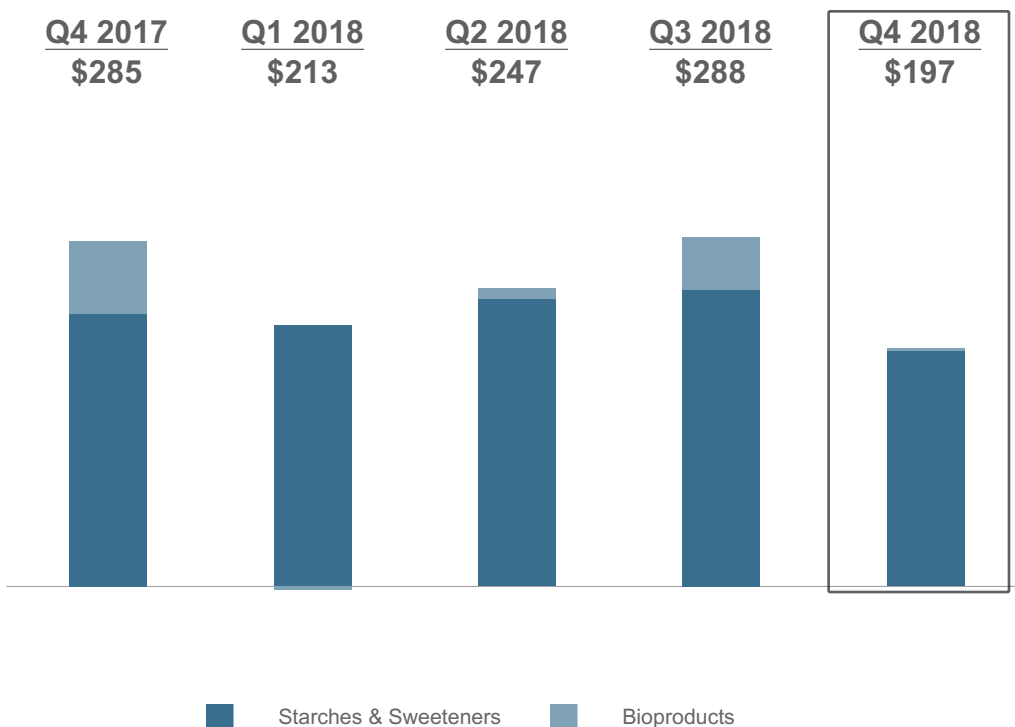
Segment operating profit (in millions)



- **C&O:** continued to capitalize on solid meal demand and strong crush margins
- **RPBO:** Strong biodiesel volumes and margins, higher food oils results; challenging market conditions in nut processing
- **Asia up on Wilmar results**

Carbohydrate Solutions: Solid NA S&S Volumes, Ethanol Challenges

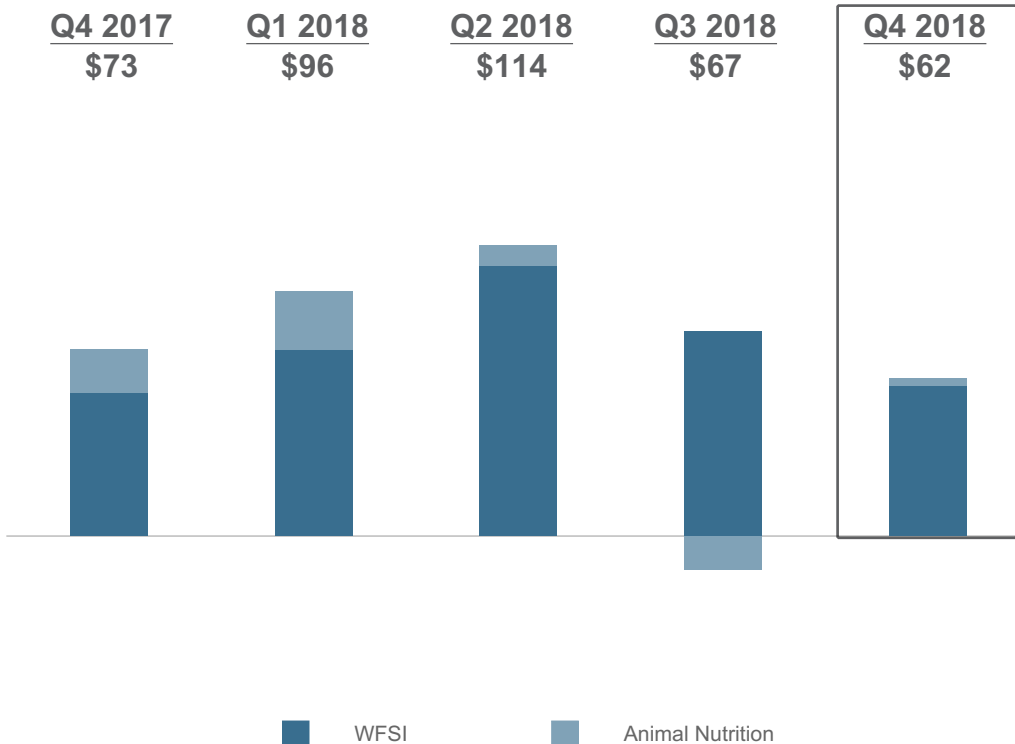
Segment operating profit (in millions)



- NA S&S volumes solid
- Lower S&S margins and sales in EMEA; higher COGS in NA, in part due to lower Decatur production rates
- Continued weak ethanol industry pricing and margin environment

Nutrition: WFSI Strong, Sales Up; Continued Lysine Challenges

Segment operating profit (in millions)



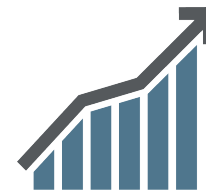
- WFSI sales 14% higher YOY on constant currency basis; organic sales up 8%
- New wins, acquisitions contributing to WILD and Health & Wellness; Specialty Ingredients sales up 9% YOY
- Continued lysine production issues

Drivers of Profit and Cash Flow Growth



**Business
Turnarounds**

READINESS  



**Harvesting
Growth
Investments**

Well-positioned for profit growth in 2019 and beyond

Upcoming Investor Events

Morgan Stanley Chemicals & Agriculture Corporate Access Day

New York, NY

February 14

Bank of America/Merrill Lynch Global Agriculture and Materials Conference

Ft. Lauderdale, FL

February 27-28



Appendix

GAAP Statement of Earnings Summary

(Amounts in millions except per share data)

	Quarter Ended Dec. 31		
	2018	2017	Change
Revenues	\$15,947	\$16,070	(\$123)
Gross profit	1,053	942	111
Selling, general and administrative expenses	558	459	99
Asset impairment, exit, and restructuring charges	130	33	97
Equity in (earnings) losses of unconsolidated affiliates	(140)	(129)	(11)
Interest income	(47)	(31)	(16)
Interest expense	97	84	13
Other (income) expense – net	143	(17)	160
Earnings before income taxes	312	543	(231)
Income tax expense (benefit)	(5)	(249)	244
Net earnings including noncontrolling interests	317	792	(475)
Less: Net earnings (losses) attributable to noncontrolling interests	2	4	(2)
Net earnings attributable to ADM	\$ 315	\$ 788	\$ (473)
Earnings per share (fully diluted)	\$ 0.55	\$ 1.39	\$ (0.84)

Adjusted Earnings Per Share (EPS)

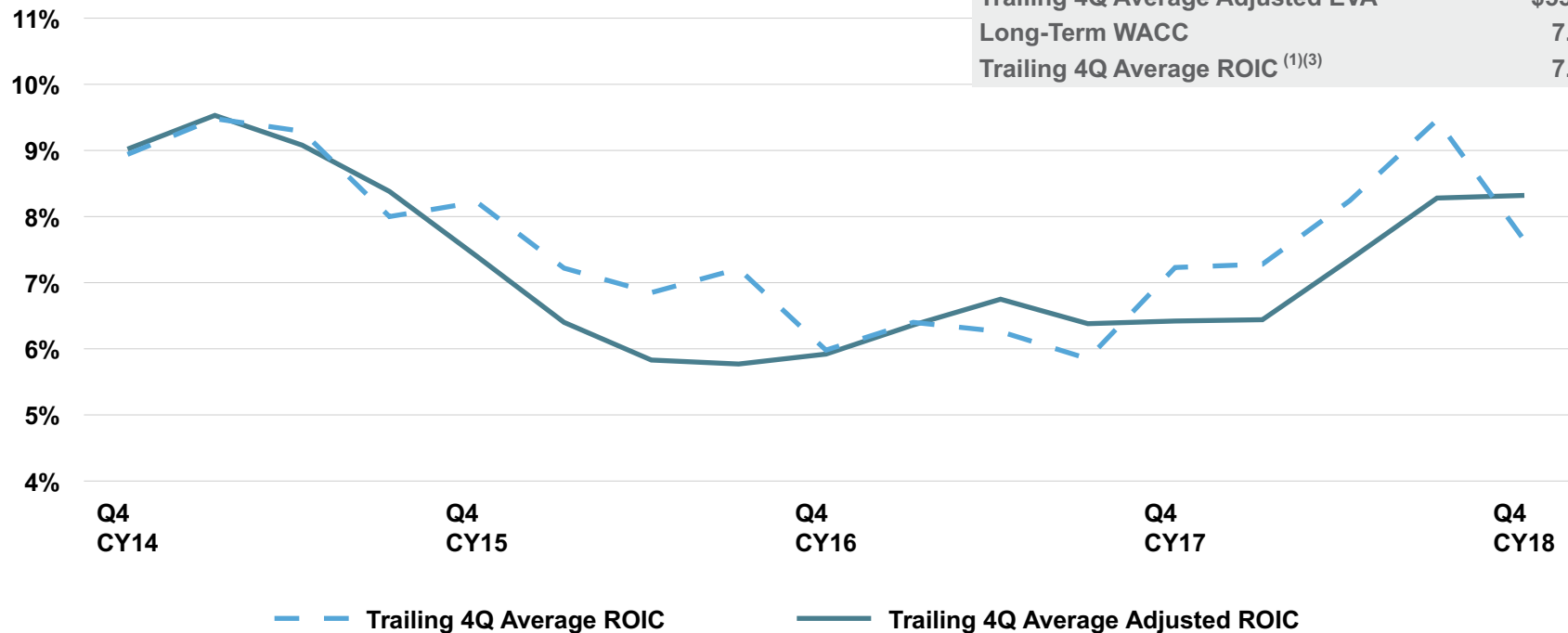
(Amounts in millions except per share data)

	Quarter Ended Dec. 31					
	2018			2017		
	Pre-tax	After-tax	Per share	Pre-tax	After-tax	Per share
Earnings and EPS (fully diluted) as reported	\$ 312	\$ 315	\$ 0.55	\$ 543	\$ 788	\$ 1.39
Adjustments						
LIFO (credit)/charge	(4)	(3)	—	2	1	—
(Gains) loss on sales of assets	8	7	0.02	(2)	(2)	—
Impairment, restructuring, and settlement charges	250	196	0.35	69	46	0.08
Expenses related to acquisitions	12	9	0.01	—	—	—
Tax adjustment	(29)	(29)	(0.05)	(370)	(370)	(0.65)
Adjusted Earnings and adjusted EPS (non-GAAP) ⁽¹⁾	\$ 549	\$ 495	\$ 0.88	\$ 242	\$ 463	\$ 0.82

⁽¹⁾ Non-GAAP measure - see notes on page 24

ROIC versus WACC

LT ROIC Objective: 10%



	Q4 CY18
Trailing 4Q Average Adjusted ROIC ⁽¹⁾⁽²⁾	8.3%
Annual WACC	6.25%
Trailing 4Q Average Adjusted EVA	\$557M
Long-Term WACC	7.0%
Trailing 4Q Average ROIC ⁽¹⁾⁽³⁾	7.6%

⁽¹⁾ Non-GAAP measure - see notes on page 24

⁽²⁾ Adjusted for LIFO and specified items - see notes on page 24

⁽³⁾ Adjusted for LIFO - see notes on page 24

Return on Invested Capital

Adjusted ROIC Earnings⁽¹⁾

(Amounts in millions)

	Quarter Ended				Four Quarters Ended
	Mar. 31, 2018	June 30, 2018	Sep. 30, 2018	Dec. 31, 2018	Dec. 31, 2018
Net earnings attributable to ADM	\$ 393	\$ 566	\$ 536	\$ 315	\$ 1,810
Adjustments					
Interest expense	91	89	87	97	364
LIFO charge (credit)	(8)	(13)	7	(4)	(18)
Other adjustments	2	31	(20)	241	254
Total adjustments	85	107	74	334	600
Tax on adjustments	(24)	(26)	(21)	(80)	(151)
Net adjustments	61	81	53	254	449
Total Adjusted ROIC Earnings	\$ 454	\$ 647	\$ 589	\$ 569	\$ 2,259

Adjusted Invested Capital⁽¹⁾

(Amounts in millions)

	Quarter Ended				Trailing Four Quarter Average
	Mar. 31, 2018	June 30, 2018	Sep. 30, 2018	Dec. 31, 2018	
Equity ⁽²⁾	\$ 18,732	\$ 18,710	\$ 18,987	\$ 18,981	\$ 18,853
+ Interest-bearing liabilities ⁽³⁾	9,000	7,630	7,857	8,392	8,220
+ LIFO adjustment (net of tax)	49	39	44	41	43
+ Other adjustments (net of tax)	(2)	23	(18)	183	47
Total Adjusted Invested Capital	\$ 27,779	\$ 26,402	\$ 26,870	\$ 27,597	\$ 27,163

⁽¹⁾ Non-GAAP measure – see notes on page 24

⁽²⁾ Excludes noncontrolling interests

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

Segment OP and Adjusted OP (a non-GAAP measure) Comparatives Introducing New Segments (Amounts in millions)

		Qtr. Ended		Qtr. Ended		Qtr. Ended		Qtr. Ended		Year Ended	
		Mar. 31, 2017		Jun. 30, 2017		Sep. 30, 2017		Dec. 31, 2017		Dec. 31, 2017	
		As Reported	Pro Forma	As Reported	Pro Forma	As Reported	Pro Forma	As Reported	Pro Forma	As Reported	Pro Forma
Segment Operating Profit ⁽¹⁾	Segment Operating Profit ⁽¹⁾	\$ 676	\$ 676	\$ 642	\$ 642	\$ 485	\$ 485	\$ 733	\$ 733	\$ 2,536	\$ 2,536
Specified items:	Specified items:										
(Gains) losses on sales of assets/businesses	(Gains) losses on sales of assets/businesses	—	—	(8)	(8)	(12)	(12)	(2)	(2)	(22)	(22)
Impairment, restructuring, and settlement charges	Impairment, restructuring, and settlement charges	9	9	26	26	63	63	62	62	160	160
Hedge timing effects	Hedge timing effects	(7)	(7)	(2)	(2)	5	5	—	—	(4)	(4)
Adjusted Segment Operating Profit ⁽¹⁾⁽²⁾	Adjusted Segment Operating Profit ⁽¹⁾⁽²⁾	\$ 678	\$ 678	\$ 658	\$ 658	\$ 541	\$ 541	\$ 793	\$ 793	\$ 2,670	\$ 2,670
Agricultural Services	Origination	\$ 88	\$ 47	\$ 109	\$ 57	\$ 87	\$ 39	\$ 301	\$ 261	\$ 585	\$ 404
Merchandising and handling	Merchandising and handling	19	23	40	46	20	25	221	224	300	318
Transportation	Transportation	24	24	11	11	14	14	37	37	86	86
Milling and other		45	—	58	—	53	—	43	—	199	—
Oilseeds Processing	Oilseeds	\$ 314	\$ 313	\$ 206	\$ 198	\$ 119	\$ 113	\$ 202	\$ 201	\$ 841	\$ 825
Crushing and origination	Crushing and origination	120	121	38	35	39	36	44	45	241	237
Refining, packaging, biodiesel, and other	Refining, packaging, biodiesel, and other	59	57	83	78	66	61	64	63	272	259
Asia	Asia	135	135	85	85	14	16	94	93	328	329
Corn Processing	Carbohydrate Solutions	\$ 171	\$ 211	\$ 224	\$ 282	\$ 253	\$ 300	\$ 261	\$ 285	\$ 909	\$ 1,078
Sweeteners and starches	Starches and sweeteners	161	201	198	253	202	251	185	225	746	930
Bioproducts	Bioproducts	10	10	26	29	51	49	76	60	163	148
Wild Flavors and Specialty Ingredients	Nutrition	\$ 75	\$ 77	\$ 92	\$ 94	\$ 61	\$ 68	\$ 56	\$ 73	\$ 284	\$ 312
Wild Flavors and Specialty Ingredients	Wild Flavors and Specialty Ingredients	75	73	92	91	61	59	56	56	284	279
	Animal Nutrition	—	4	—	3	—	9	—	17	—	33
Other	Other	\$ 30	\$ 30	\$ 27	\$ 27	\$ 21	\$ 21	\$ (27)	\$ (27)	\$ 51	\$ 51

⁽¹⁾ Non-GAAP measure - see notes on page 24; ⁽²⁾ Adjusted segment operating profit equals total segment operating profit excluding specified items and timing effects.

Segment OP and Adjusted OP (a non-GAAP measure) as Currently Reported vs Previous Segments (Amounts in millions)

		Quarter Ended December 31, 2018	
As Currently Reported	Pro Forma	As Currently Reported	Pro Forma
Segment Operating Profit⁽¹⁾	Segment Operating Profit⁽¹⁾	\$ 786	\$ 786
Specified items:	Specified items:		
(Gains) losses on sales of assets/businesses	(Gains) losses on sales of assets/businesses	8	8
Impairment and restructuring charges	Impairment and restructuring charges	66	66
Adjusted Segment Operating Profit⁽¹⁾⁽²⁾	Adjusted Segment Operating Profit⁽¹⁾⁽²⁾	\$ 860	\$ 860
Origination	Agricultural Services	\$ 183	\$ 226
Merchandising and handling	Merchandising and handling	149	140
Transportation	Transportation	34	34
	Milling and other	—	52
Oilseeds	Oilseeds Processing	\$ 432	\$ 429
Crushing and origination	Crushing and origination	255	255
Refining, packaging, biodiesel, and other	Refining, packaging, biodiesel, and other	75	72
Asia	Asia	102	102
Carbohydrate Solutions	Corn Processing	\$ 197	\$ 165
Starches and sweeteners	Sweeteners and starches	195	152
Bioproducts	Bioproducts	2	13
Nutrition	Wild Flavors and Specialty Ingredients	\$ 62	\$ 54
Wild Flavors and Specialty Ingredients	Wild Flavors and Specialty Ingredients	59	54
Animal Nutrition		3	—
Other	Other	\$ (14)	\$ (14)

⁽¹⁾ Non-GAAP measure - see notes on page 24; ⁽²⁾ Adjusted segment operating profit equals total segment operating profit excluding specified items and timing effects.

Processed Volumes (by commodity)

Metric Tons Processed (000s)

	Calendar Year					
	2013	2014	2015	2016	2017	2018
Oilseeds	31,768	32,208	33,817	33,788	34,733	36,308
Corn	23,688	23,668	23,126	22,273	22,700	22,343
	55,456	55,876	56,943	56,061	57,433	58,651

	CY17				CY18			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Oilseeds	8,818	8,519	8,265	9,131	9,047	9,075	9,181	9,005
Corn	5,619	5,765	5,467	5,849	5,591	5,518	5,599	5,635
	14,437	14,284	13,732	14,980	14,638	14,593	14,780	14,640

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 net earnings and Adjusted earnings per share (EPS)**
Adjusted net earnings reflects ADM’s reported net earnings after removal of the effect on net earnings of specified items as more fully described above. Adjusted EPS reflects ADM’s fully diluted EPS after removal of the effect on EPS as reported of specified items as more fully described above. Management believes that Adjusted net earnings and Adjusted EPS 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 alternatives to net earnings and EPS as reported, the most directly comparable GAAP financial measures, or any other measures of operating results under GAAP. Earnings amounts described 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.