2026 Barclays Annual Global Consumer Conference

Fireside Chat Featuring ADM's Chief Financial Officer, Monish Patolawala, and ADM's President of Nutrition, Ian Pinner

Hosted by Benjamin Theurer of Barclays in Boston

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Benjamin Theurer:

Alright. Well, first of all, good morning, everyone. Thanks for joining us for next on stage with ADM, global leader in human and animal nutrition and the world's premier agricultural origination and processing company.

With us today are Monish Patolawala, Executive Vice President and Chief Financial Officer; as well as Ian Pinner, Senior Vice President and President of ADM's Nutrition business as well as Chief Sales and Marketing Officer.

So Monish, you're going to start off with some opening remarks, and then we'll get into our questions.

Monish Patolawala:

Sounds great. Thanks for having us, Ben. It's always great to be back here. And Ian, thanks for joining me on stage, and we got my two IR friends, Greg and Kate joining us, too. I just thought I'll do a quick recap of the second quarter and where we stand at the first half, and then we'll take the questions the way you see fit.

The team executed well. We delivered $1.84 of adjusted EPS at the end of Q2. For the first half, when you look at where we are, our adjusted EPS is up 50% on a year-over-year basis. Good execution, I would say, across all the three businesses. I would say on the commercial and operational side, including manufacturing, the teams have done a nice job of driving volume, capturing some of the opportunities that existed. When I go through the businesses, I look at AS&O, I look at Carbs, I look at Nutrition. I'll start with Nutrition since Ian is on stage.

The Nutrition business grew approximately 50% on an OP basis in Q2 of this year versus Q2 of last year. You had the AS&O business that grew greater than 100%. And then you had Carbs that also grew very well, thanks to all the work the team has done on ethanol and the policy incentives like 45Z that they were able to capture. And then when I go to AS&O and I break out Ag Services and Oilseeds, the team did a wonderful job not just managing the risk through the volatility, but also making sure that manufacturing cost execution was great. Ag Services volumes were higher and then our port in Brazil was back online, which was impacted last year, that also helped the Ag Services business. I would say from a macro perspective, we continue to

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see a very constructive biofuel environment as well as we've been helped a little bit by higher fuel prices.

But when I look at our biofuels business and AS&O, I look at ethanol and carbs, they both have shown tremendous strength, future constructive environment, too, and the teams have done very well to capture the opportunities. And this is where the power of ADM comes into play. You have deep domain from a talent perspective. You have a global asset base that we have, and that allows us to capture these opportunities and capture the value that passes through different pieces of the value chain in a very dynamic environment.

So based on where we were for year-to-date as well as where we see the environment to be, we raised guidance again for the second time this year. Currently, our projection is our adjusted EPS for the year is in a range of $5.15 to $5.60. We are, of course, monitoring multiple risk factors that I'm sure many of you and other companies in this conference are monitoring too. And then I think about capital allocation Ben, and I look at also just the work the team has done on cash. I would first say the team did a very nice job on executing on the cash. We've been driving for the last two years, opportunities in working capital management. So that has been a big driver for us on driving cash. Our ratings are back up to stable in all the three different rating agencies that we use.

Leverage at the end of Q2 was approximately 1.6. We have still said leverage will be around two by the end of the year. We continue to invest CapEx in the range of $1.3 billion to $1.5 billion. And then dividend, we raised -- we announced our 379th successive quarter of paying a dividend. And then we've been -- we are back in the market with a certain modest share repurchase as we had disclosed during our earnings call.

So overall, I would just say the team has done a really nice job of executing well, navigating through a very, very difficult environment. And we are really jazzed about the future with all the work the team has done, whether it's on future expansion, opportunities for driving more efficiency and then, of course, innovation and growth that we'll be happy to discuss more. So with that, I'll turn it back to you, Ben.

Benjamin Theurer:

Awesome, Monish. Thanks for that overview, and we'll pick up on a couple of themes. But maybe taking advantage that Ian is with us, and let's start with the Nutrition business. So Flavors growth has been very strong recently, especially in the international markets. What do you credit as a primary driver of the success? And where do you see the sustainable growth rate in that business?

Ian Pinner:

Yes. Thanks, Ben, and hello, and thank you to everybody that's joining us here. So Flavors is compounding. We're seeing growth on growth. The success, if you like, is coming from some core areas. We've got very, very strong customer focus. We really are zeroed in on making sure that we're dealing with our customers' needs and requirements. We've got a team that's executing

very well. We spent a lot of time making sure that we've got strong commercial discipline and strong executional discipline as well.

And then I think you're seeing us harvest some of the investments that we've made over the years with Flavors. We spent a long time investing in core capabilities in Flavors since the WILD acquisition in 2014, all the way through to our more recent acquisitions in 2024. And I think the integration of those and the way that the team are operating those as well is really starting to come together with the focus that we have on operational excellence, commercial excellence and customer focus.

I think as well, you're seeing strong trends. We're in a market that's looking for opportunities and also dealing with challenges. So reformulation is an area that our team are experts in, whether it's thinking about managing inflation and renovation of existing products, or whether it's thinking about anchoring into the consumer trends that we're seeing now, whether it's health and well-being, whether it's the functionality that we're looking for, maybe it's clean label, natural colors. And as well, we're seeing strong overlaps now in the Human Nutrition business with the change in GLP-1 and proteins and how we're helping with flavor masking and the functionality that's coming from our health and wellness business as well which is then being driven by flavors if you think about the opportunity for functional beverages, which we're very strong in and we're seeing customer launches there, too.

I think as well, in addition to that -- when we think about the regional base, we've seen strong growth in emerging markets has been good for us, and we made some inorganic investments over the last years, which is starting to really come together and accelerate but we're also building on our base business in North America and in Europe. So we've come from a lower base, and we continue to build on that business. Longer term, our margins are in line with peers. And we target specific areas where our capabilities allow us to grow in excess of the segments that we're targeting in -- so longer term, I think you'll continue to see us targeting in excess growth rates from the segments that we're in and those margins at peer levels.

Benjamin Theurer:

You've picked up on a few trends. So as it relates to like customer preference, any particular changes that you're seeing that excites you more than others? What are you seeing, particularly in the new customer side?

Ian Pinner:

Always. And I love spending time with customers. So when we're with our customers, we're looking at helping with their challenges, but also the opportunities that they're seeing. And our customers provide us with strong input to our innovation agenda as well. So it's really important that we stay very engaged with what they're working to do so that we can back into how we can support their growth. We're looking at the continued trends in health and well-being, there's clean label, there's natural solutions, there's functionality and some structural trends as well around GLP-1.

I was in India a couple of weeks ago, and I was spending time with one of our customers who's launched a prebiotic beverage into the India market using our systems. So they've got our flavors in there, our colors in there and our prebiotics in there. One of the things that excited me a lot coming back from India is not just the structural shift that you're seeing every meeting, you're talking about GLP-1, you're talking about fiber demand, protein demand -- and then, of course, this middle-class health and well-being focus that is really coming through.

And so I think there's an opportunity that's coming there. And actually, we spent time then with another customer. They were having an innovation day at one of our customer innovation centers with our team, where we were really providing that full solution about how do we help them think about the product that they're going to launch next and then provide that solution.

And we got into the postbiotic market and the opportunity there. And I think pretty soon, you'll see them come to market, not just with the prebiotics that they have in their beverages today, plus our colors plus our flavors but also postbiotics as they think about bringing that functionality. We've got investments that we've been making since we got into the biotics business through our acquisition. And so if you think about opportunities around not just gut health but mood and sleep and stress and metabolism. And these are things that really resonate with consumers on a global basis and we're seeing customers looking for us for solutions that really work for them now as they think about launching their new products into the market.

Benjamin Theurer:

Okay. Good stuff. We'll come back on a couple of that later on. But Monish, I want to go back to you and just pick up on like dynamics into the second half. So in your recent guidance update, you also called out that potentially 3Q might be stronger than 4Q. So can you just walk us through the market landscape that led to this split assumption? And how does this actually compare to what usually fourth quarter may be stronger, particularly in AS&O from a seasonality perspective?

Monish Patolawala:

Yes, sure. So I would say, Ben, when we came into the quarter and we gave you at the end of Q2 and gave you guidance for the second half, we had certain basic assumptions. One is that the biofuels market would remain very constructive. Number two is that ethanol margins would remain strong. Ethanol demand would remain strong. Number three was our own execution, that our teams will continue executing well. And a part of that was Ian's business continues to do well from a sequential execution perspective.

As we reflect on where we were coming into Q3, some of our businesses are longer cycle, some of our business -- a longer book and some are much shorter. So for example, in our crush business, you have more visibility. In a business like ethanol, it's a little shorter cycle. And so coming into Q3, within our crush business, we were pretty much -- we had a good book on, a long book on for Q3. And then for Q4, we were still widely open. And so we had better insight coming into Q3 on what margins we had booked into AS&O. Also, if you remember, Ben, we

had mark-to-market that existed as of Q2 that would reverse in Q3 and Q4, so we had more visibility.

So that was like one of the first pillars that we came in when we said that Q3 could be higher than Q4. When you now sit today, you can still say you can see constructive market when you think about ethanol, when you think about biofuels. So margins will always have ups and downs as you go through. But long term, we still see a very constructive market. And at the same time, we have looked at your question on this seasonality. Usually in Q4, you end up seeing Ag Services higher just because of the export volumes. But you actually see Nutrition much lower because their flavors business actually sees a lull from a seasonality perspective.

We still believe that the second half is going to be higher than the first half. And Q3 could be higher than Q4, it will all come down ultimately to what margins we can capture in Q4 as we go through the dynamic environment that we are in. And that I think you'll see as we go through the quarter, we'll start filling up Q4.

Now one reminder for everybody, and I've said it multiple times and you know this, Ben, mark-to-market does have an impact on our results. We disclose it. We don't predict it. So all we can do is say what's existing on the book, what we think is going to reverse based on a trend. But any new mark-to-market, which is marked in the last day of the quarter, could have an impact on the results, too. But we'll see what that plays out when the quarter is marked.

Benjamin Theurer:

Okay. You touched on the volatility. And obviously, macro plays a big role here, and there is still a lot of geopolitical events happening all the time. We get trade flow, demand overall, just things that could impact profits. What do you see as a more like normalized earnings level for the segment right now?

Monish Patolawala:

Yes. So I would tell you just -- it's a very dynamic environment. So when that dynamic environment actually gives you both, it gives you tremendous opportunities and it also gives you challenges. And the team is working well through capturing the opportunities and trying to eliminate some of the challenges that they face. Secondly, I would say, as we have reflected over the last few years, today's environment, I think, is hard to compare to some other prior cycle that we have had and say, okay, this is how we have behaved in the prior cycle, we should behave exactly the same. When you think about the dynamic environment, whether you talk about some of the escalations that are going on in Ukraine right now or you thought -- think about some of the export restrictions out of the Black Sea.

The Middle East crisis, the biofuel policy across different countries, whether it's the U.S., et cetera, all of that has an impact on how the world is reacting from a dynamism perspective. What we believe is that we have an asset base and a domain knowledge with our talent that allows us to play very well in this place. ADM was built for complexity. So the scale that we have across all the countries we play in the transportation infrastructure we have, the customer relationships,

we have all of that allows us to play in this economy and add value to shareholders for the long run.

You will see quarters that go up or down, but we think we are a better operator now than we were a few years ago, too. We have driven more simplification. We are driving more manufacturing cost efficiency, driving more productivity while continuing to invest in innovation for long-term growth. So when you put all that together, Ben, I would try to not say let's focus on one quarter or the other, it's more as we see over long term, we feel that through cycles, we can give you stronger returns just because of what we have done, our asset base, our talent pool and our innovation that we have, and a strong balance sheet that allows us to play offense as required.

Benjamin Theurer:

And picking up on that, and thanks for that detail. If you look at the longer-term growth profile, like beyond, where else do you see you can potentially unlock long-term upside? Is it from the operational level, just within the space in general? Where do you see the opportunities for growth?

Monish Patolawala:

So I would say both. I would tell you it's operational and it's innovation / commercial. On the operational side, first step for us is to continue to drive our priorities. The two big ones we are driving right now are manufacturing cost productivity. Coming in, as Juan has mentioned a few times, coming into through the pandemic, we have seen manufacturing costs higher, but most companies are seeing manufacturing costs higher. So we are driving a lot of efficiency in our manufacturing, making our plants run better, but also going after cost out. The second piece on the cost side is transaction cost. When you think about the work we can do using data and analytics and digital, we can definitely drive better transaction cost out, whether it's in the office functions or whether it is in the manufacturing space.

So that clearly is one area. While we are doing that, we want to make sure we keep investing in talent. So there's an investment going on there to keep investing in talent, and building the next generation of leaders, and making sure we have a strong cash position. So that's like, I would say, table stakes for us. Then when you think about growth, there are 4 or 5 platforms and a couple of them clearly fall under Ian's portfolio, that's where we are investing in growth. So whether you think about decarbonization, you think about biosolutions, functional health, advanced nutrition, precision fermentation, all of those are platforms that we can keep growing.

These are in areas that we already have deep customer relationships. These are areas we have existing infrastructure in. So we are making smart bets in these areas that we believe with the knowledge that we have and the relationships that we have, we can continue to grow. So you combine operational excellence with commercial/innovation excellence, and that's what gives you the algorithm that for the long term, ADM will be very successful.

Benjamin Theurer:

Okay. Now picking up on that and maybe that's one for Ian. So you also outlined recently the potential for roughly $80 million to $100 million operating profit opportunity from that shift to natural colors in the U.S. as being one of those growth engines. What are you monitoring to evaluate customer adoption and the market size? And does that require any sort of investments and actually to capture the opportunity?

Ian Pinner:

Yes. Our team is very excited about the opportunity to help our customers with that transition in the U.S. for natural colors. Natural colors is a global market. We're already a strong global player in natural colors. And one of the things that excites them is the same team went through the process in Europe, some 10 years ago when we were transitioning from artificial colors to natural colors there. I've talked before about our team's ability to reformulate.

And so we've got a lot of experience, a lot of bench strength when it comes to being able to work with customers who haven't done that before, where we can bring our experiences from the last 10 years. And what happened in Europe and then how we can apply that in North America with some of the same products, but also some of the new innovations that we're bringing through the pipeline from a natural color perspective.

And so we think the addressable market is about $1 billion in the U.S. in revenue. And we think that we've got a strong position in our portfolio and with the capabilities to bring reformulation -- and as you say, we're targeting $80 million to $100 million of operating profit that we think that we can generate from the transition. And it's not just going to be a North American thing, you see trends continue. And this is a trend that we think is here to stay for two reasons.

You've got consumer pull. Consumers are looking for more natural ingredients in their products, cleaner labels and we're seeing that shift just here from a global perspective as well. And then, of course, there's regulatory push which is driving some of the change and some of the speed of change too. And I think on that note, what you'll see is the speed is going to happen as our customers move. And so what we're looking for is we've got pipeline growth. Are we seeing work actively on reformulation with customers? And then are we converting some of those activities into sales. And at the moment, we're seeing positive signs in all of those areas and some commercial wins coming through from our customer base as we're looking to support them.

The other thing is as you start talking about color reformulation, it's not a one for one. You don't just take an artificial color and put it in a natural color. You've got to think about taste. You got to think about the other ingredients that are going there, shelf stability, shelf life. And so we tend to have bigger conversations. We might start with a color discussion, and then they'll end up getting larger as you think about the opportunity to help those customers with other ingredients that we already have in our pantry, so they don't need to go and talk to another single ingredient player.

They can talk to ADM from the pantry perspective, and our teams can bring all of that together, and they do that very well. And then from an investment perspective, we've announced some

investments. I think one of the things that excites me is that the team has been very smart in how they're thinking about precise investments for what we need to be able to win for where we're targeting to be successful where we think we've got core capabilities and commercial strength.

And so we're looking at adding capabilities that we don't have now that we think we're going to need in the short term and for the future for different applications, different use cases. and then as well, expanding our capacity, and we're materially expanding our capacity in North America. We announced recently at our site in Erlanger in Kentucky.

And the thing that's exciting is it's incremental capacity. So we have an existing infrastructure. We have existing manufacturing footprint, and we're putting incremental capacity on to that, which is great in two ways. I think it gives us a speed to market advantage because we not out there having to develop a greenfield site and application. But then at the same time, it's less expensive than building greenfield capacity. And so I'm really proud of how the team is developing and building on that business, and we're supporting them, not just with the investments that we need today, but then future investments as that business continues to grow and expand.

Another area that we've got very strong capabilities is upstream. You've got to make sure that you have the raw materials available for natural colors. And so given our experience in Europe and the fact that we're already a large player globally in natural colors, our teams have been very active with our supply base to make sure that we're thinking about strategic partnerships rather than transactional relationships. And then I think more medium term, Monish mentioned, things like precision fermentation, that's a play in natural colors, and we've got teams working on technology in that area as well, to be able to bring to market potential future capabilities where we can deliver natural colors and solutions in our Flavors business and then using our precision fermentation capabilities and the core competencies that ADM already has from a fermentation perspective. So it's very exciting for us.

Benjamin Theurer:

A lot going on. Thanks for that context, Ian. Now pivoting from growing top line a little bit to the bottom line and on the cost savings side, I think you've highlighted you continue to advance on your plans to save approximately $500 million to $750 million cost over the next 3 to 5 years. Where do you feel you are in this plan? Where are we on the journey and what other major projects still need to go on the way to actually achieve it?

Monish Patolawala:

So there's been this program we announced Feb of 2025, where we said we would get $500 million to $750 million of cost out, starting in 2025. And the team did a really nice job of driving cost out in 2025. Where we sit today, I think we feel good on where we are based on what we have done. Number one is in 2025, we went after SG&A. We drove some of the cost out there. We had procurement savings, and we started looking at our factories and saying, let's go drive better cost out in our factories, get our up time up, so yield and efficiency higher than where it

wanted to be. And also at the same time, we looked at portfolio pretty strong, and we made some moves in Ian's space in our portfolio moves on the majority perspective.

The goal of the program was not just to drive cost out, but actually how we work. The goal was to make a simpler company and easier and a more agile company to deal with. That was the initial goal. So as we have gone through 2025, we've made progress in the areas I said. And Ben to your question what is next, the next phase of this is largely going to come from continuing driving manufacturing cost and efficiency and driving transaction costs. On the manufacturing cost and efficiency, part of it is making sure we are seeing where our bottlenecks are, doing a good job on root cause analysis and trying to figure out how do we increase the uptime in these factories while at the same time driving cost out because some of you may or may not know, these -- these oil seeds and carbs businesses, there's a lot of fixed cost that goes into the factory.

So the more the throughput that I can push through this factory, my average cost per unit goes down. So I get the double benefit. I get the lower cost and I get the higher volume, so I get the higher margin. So that is one piece. Transactional cost is another big piece that we can go after. Some of you know, I'm a student of Lean. So I'll just give you an example in finance, where I want to give a shout-out to my finance team. Under an umbrella that we call Frictionless Finance, the team is using Lean to say where is friction and what can we do better. So for example, in our global business services business, our AP, accounts payable, cost has come down by 25% since the beginning of the year by just looking at where friction is.

You can apply the same in our IT area, which is where we are going after partnerships, we are relooking at some of our service levels, we get from our vendors. We're reducing the number of vendors. And that's -- and then we've also now opened an ACC, GCC in India, that's also allowing us to take advantage of some of the talent especially on the digital side in India. So that's where I look at this, Ben, opportunity and say it's manufacturing cost, and at the same time, it's driving transaction cost that gets us there. And the team is doing a fantastic job of finding "waste in the company" that allows us one to reduce cost, but more importantly, make it easier for our employees to do their work.

Benjamin Theurer:

Okay. Then you talk about like simplification and just improving operations. And one example was in the Nutrition segment, you've done a couple of things, plant improvements, portfolio actions -- so if you look ahead, how much margin recovery do you think remains versus what has been captured already? And what are like the steps remaining to close the gap?

Ian Pinner:

It's a good question. We've made a lot of investments in Nutrition over the last 10 or so years. And I think we've got a lot of runway from an organic growth perspective and leverage on margin. The things that we continue to focus on, it's been said a few times here. If you think about commercial excellence, we're laser-focused on our customers but also how we're working with our customers. So things like investments in AI to help our teams go faster from a front-of-shop perspective, discipline around how we're operating as well across the broader commercial

teams, but then as well, the teams have done a really good job from an end-to-end perspective and getting better organized, better integrated on how we're operating, and we have this corporate focus on cash, capital and cost, and we're part of a great corporation. And of course, we're very focused in that area, too.

And Nutrition team has done a lot in those areas, whether it's improving our working capital, simplifying our inventories, think about our supply chains and our procurement -- but then as well, thinking about how we can take cost out in our value chain, but at the same time, making sure that we're not losing the ability to be fast at responding to our customers so that we're giving our commercial teams the kind of motivation that they're looking for and they're wanting to be able to service customers well and compete effectively across the industry where we're choosing to compete in the segments that we're going after.

So that's just day-to-day operations. I mean you talked about some of the things that we work through as well. Decatur East is an area that we've had some challenges over the last couple of years from a supply perspective. I think probably this time last year, the crush plant was coming back up. And so we're seeing now much more reliable supply. So that takes us away from having to buy in our raw materials, source our white flakes, you've got transportation cost, you've got market costs, you've got the cost of the yields of having to process these products after they've traveled a long way.

And now we're receiving white flakes directly from the crushing plant in Decatur. So that's great. That's allowed our teams to go back out and sell, but it takes longer to build back customers who have had to go elsewhere to buy their product than it does to get the plant back up and running.

But we feel really good about the progress that we're making. So we've gone from a headwind in proteins to now a strong contributor compared to where we were. That's helping the SI business. You mentioned portfolio. You might remember, we've also rationalized that asset base. So we saw some competition investing in protein in the U.S. And so we shut down some smaller, less cost-effective factories, and we transitioned some of that capability into Decatur and we moved some of the Decatur manufacturing into Europe. So we're really thinking about that as a global asset base and how we can best service our customers, leveraging our overall capacity.

But the underlying objective there is making sure that we have the lowest cost, best quality protein in the industry. And I think the team has done a good job building that back, and that is resonating now with our customers as we've got better manufacturing capabilities, and we're back now supplying them and launching new products and innovating with them. On the Flavors side, we talked about continuing to build back and the investments that we've been making the organic investments are coming into play now.

And then on the Animal Nutrition side, we've been exiting some less returning businesses and continuing to invest in areas where we're getting higher margins and higher growth, especially in the ingredients and feed additives is an area that we're pivoting to.

We're building back our pet business, and that's going much more strongly this year, and that has more runway to go. And our joint venture that we announced in complete feed in North America

is coming together very nicely. So I think that and the portfolio, you're seeing Nutrition now probably think about it as a second wave of growth coming from a very strong base that the team has put in. I'm really proud of all the work the team has done over the last year to build that back. But we're coming from a very low base compared to where we are.

That said, we talked about the trends earlier, and we think that we're set for the trends, whether it's functional, clean label, we talked about natural colors. We've talked about biotics, postbiotics We think GLP-1 is structural. And so our protein business plays well into that. We've got a strong fiber portfolio as well, which allows us to support our customers from that perspective. And we're seeing a lot more from a discussion perspective on GLP-1s and how we can work with our customers there. So we're excited about the future. Our goal is to make sure that we are growing in excess of the segments that we're operating in, and making sure that we're delivering wider margins, and that's really coming from the investments that we've made, working closely with our customers, reformulating with the skills that we have with our teams, leveraging the ADM pantry where I think we've got an unparalleled capability if you think of some of the things that we've discussed for the ingredients that we're bringing together and then really delivering on our strategy.

Benjamin Theurer:

Okay. Well, wrapping it up, just real quick, maybe on capital allocation as we are getting against time. So Monish, if you look at capital allocation, just holistically, obviously, a typical decision, CapEx, M&A, investments, and share buybacks and so on. You've announced a couple of debottlenecking efforts for some of the operations. You've already said the $1.3 billion to $1.5 billion on CapEx. How much of that is like kind of like growth, what goes into some of these debottlenecking efforts. And in light of that, wherever leverage stands, how do you feel about buybacks versus M&A?

Monish Patolawala:

Yes. So I'll go quick because I know we'll run out of time. Back to a point Ian made earlier, which is we are looking at opportunities on expanding our current plans versus just greenfield. So similar logic that Ian used in Erlanger with the colors we are using in our Ag Services and Oilseeds business. So we -- what we did, Ben, was we said we have an existing infrastructure. We have a very constructive market when it comes to biofuels, how do we take advantage of that.

So one option, of course, would have been to do a greenfield. The second option, which I think is a much better option to say, how do we unlock capacity in our plants. So that's what we're doing is debottlenecking. So we looked at all our plants. We have ten plants where we have an opportunity where we said, if we just put a little bit of money and debottleneck them, so study where bottlenecks are, it creates extra capacity. And at the same time, as I've said before, fixed cost to put more volume through, your average cost per unit comes down.

So we just announced, we said let's do it in a phased approach. So we're being very thoughtful and disciplined. We said there are 4 plants that we can do it quicker than the other plants, invest

approximately $100 million and get more than 700,000 metric tons of capacity that is created out from this expansion. When you think about that, the underwriting of that case is it's good ROIC because one, you have an existing plant, it's far cheaper than putting in a greenfield; and two, you get the higher volume and the lower cost. So that's how we are thinking about being very thoughtful in phases to keep looking at debottlenecking.

You could get similar opportunities in ethanol, you can get similar opportunities in other parts of the world. This was only a North America discussion because that's where also, again, our footprint we're so strong in North America that it helps us get a very good ROIC. So that was one.

To answer your second question on share buybacks versus et cetera, the policy that for the last few years that I've been here, Juan and I have talked about, we will always invest first organically, whether it's organic capacity expansions like we talked about, productivity initiatives or organic growth, all of that give us the best return. The second one is dividend. I know dividend return matters to shareholders. We announced a 379th consecutive quarter of dividend pay and then after that, it's either you do M&A or you do share buybacks.

On M&A right now, Ben, we have said this and Juan said it too at the last earnings call, we are looking at bolt-on acquisitions. We are not looking at big transformative M&A, that doesn't mean if we get one, we are not going to do it because one of our biggest things we have worked on is financial flexibility. For the last two years with the environment that we were in, Juan and I made the call to make sure we're going to keep driving cash, we've got the rating agencies all back to stable outlooks. We have a leverage ratio that allows us to play offense if we need.

But right now, we are looking at bolt-on M&As, and we are always looking at those that enhance. And then if we don't have any great M&A opportunities, we will return money back to shareholders, and we have said that. And we have also said based on the environment that we're in, I just said this morning, too, that we are back in the market with some modest share repurchases that we have started in Q3. So overall, I would just say, as I wrap up, team has done a really nice job executing. There's a lot more we can do. When you think about the constructive environment that we have, whether it's biofuels, ethanol, we are there. We are built for complexity.

So when there is opportunity in the market, we'll take advantage of it. We have a strong cash position, so we can play offense. And then some of the innovation ideas that Ian talked about here and other parts of the business, is very exciting. So we think about the long-term future of ADM. It's a very exciting place to be. And thank you for having us.

Benjamin Theurer:

Thank you very much for joining us. There won't be a breakout, so thank you very much for joining us this morning.