



First Quarter 2020 Earnings Conference Call

April 30, 2020

Safe Harbor Statement

Some of our comments and materials in this presentation 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 and materials 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.

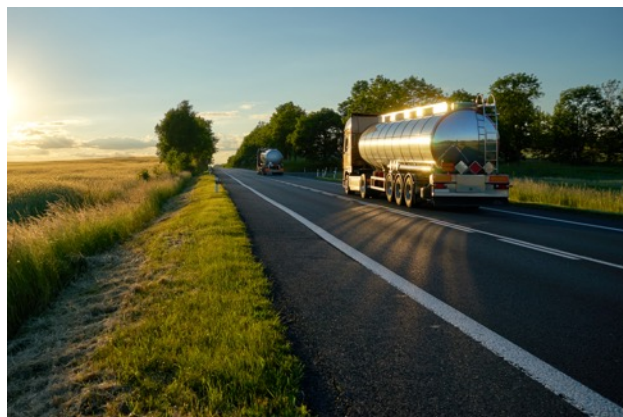
Chairman's Commentary



Juan Luciano

ADM Chairman and CEO

“ I’m extremely grateful to our 38,000 global colleagues, whose commitment, ingenuity and agility are powering ADM as we support the global food supply chain and provide nutrition around the world.”



Q1 Accomplishments

OPTIMIZE The Core

- Further improved capital efficiency in AS&O
- Realized benefits from enhanced reliability at Decatur corn complex
- Improved performance in EMEA starches & sweeteners

DRIVE Efficiencies

- Thousands of global colleagues enabled by IT to work virtually
- Centralized supply chain activities into new global Center of Expertise organization
- Announced ambitious new sustainability goals

EXPAND Strategically

- Achieved Neovia synergy targets ahead of schedule
- Expanded production of non-GMO soy protein concentrate to meet customer demand for alternative protein in EMEA
- Launched virtual innovation sessions to maximize customer experience

READINESS

- Total of \$920M in run-rate benefits since inception

Q1 2020 Financial Highlights

(in millions except per share data and percentages)

	Quarter Ended Mar. 31		
	2020	2019	Change
Adjusted earnings per share ^{(1) (2)}	\$0.64	\$0.46	\$0.18
Total segment operating profit (unadjusted) ⁽³⁾	\$599	\$611	(\$12)
Adjusted segment operating profit ^{(1) (3)}	\$643	\$608	\$35
Trailing 4Q average adjusted ROIC ⁽¹⁾	7.6%	7.8%	(16)bps
Trailing 4Q adjusted EBITDA ^{(1) (4)}	\$3,533	\$3,511	\$22
Annual adjusted EVA ⁽¹⁾	\$538	\$288	\$250
Quarterly effective tax rate ⁽⁵⁾	(4)%	26%	
	Quarter Ended Mar. 31		
	2020	2019	Change
Cash from operations before working capital changes	\$839	\$466	\$373
Purchases of property, plant, and equipment	\$194	\$198	\$(4)
Return of capital to shareholders	\$315	\$198	\$117
Increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents	\$4,540	\$(1,241)	\$5,781
Net debt to total capital ratio (as of Mar. 31)	29%	32%	

(1) Non-GAAP measures - see notes on page 28

(2) See earnings per share, the most directly comparable GAAP measure, on page 22

(3) See segment operating profit as reported on page 19

(4) See earnings before income taxes, the most directly comparable GAAP measure, on pages 25 and 26

(5) See page 14 for additional information about FY20 tax rates

Balance Sheet Highlights

(Amounts in millions)

	Mar. 31, 2020	Mar. 31, 2019
Cash ⁽¹⁾	\$4,734	\$935
Net property, plant, and equipment	9,883	10,299
Operating working capital ⁽²⁾	7,985	8,175
- Total inventories	8,830	8,946
Total debt	12,503	9,884
- CP outstanding	2,178	1,350
Shareholders' equity	18,976	18,910
Memos:		
Available credit capacity March 31		
- CP	\$2.8 bil	\$3.6 bil
- Other	\$3.1 bil	\$2.6 bil
Readily marketable inventory	\$5.6 bil	\$5.5 bil

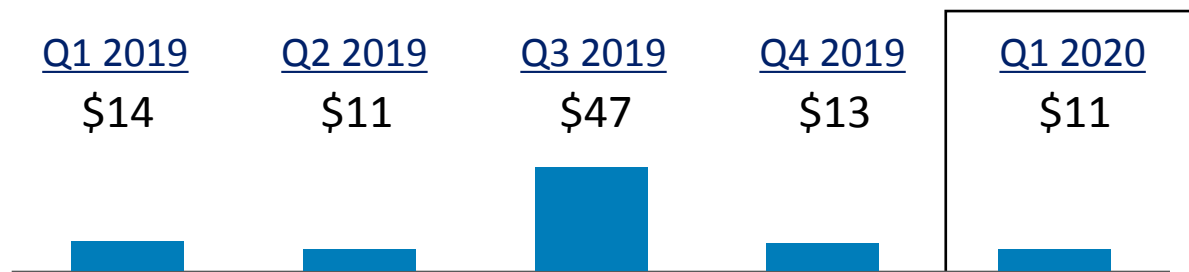
⁽¹⁾Cash = cash and cash equivalents and short-term marketable securities

⁽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))

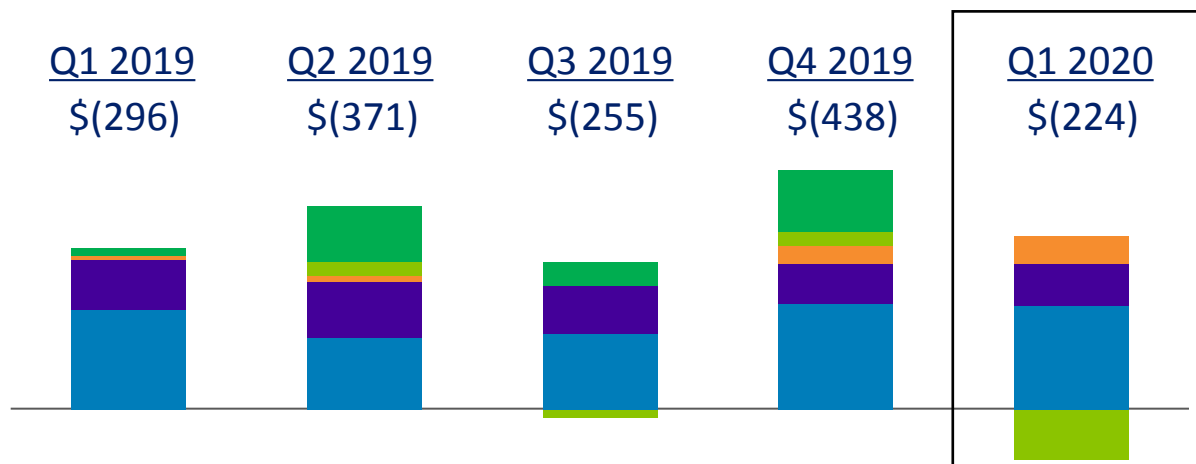
Q1 Other and Corporate Results

(In millions)

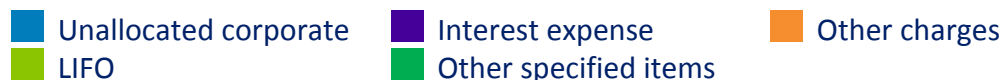
Other Business



Corporate Charges

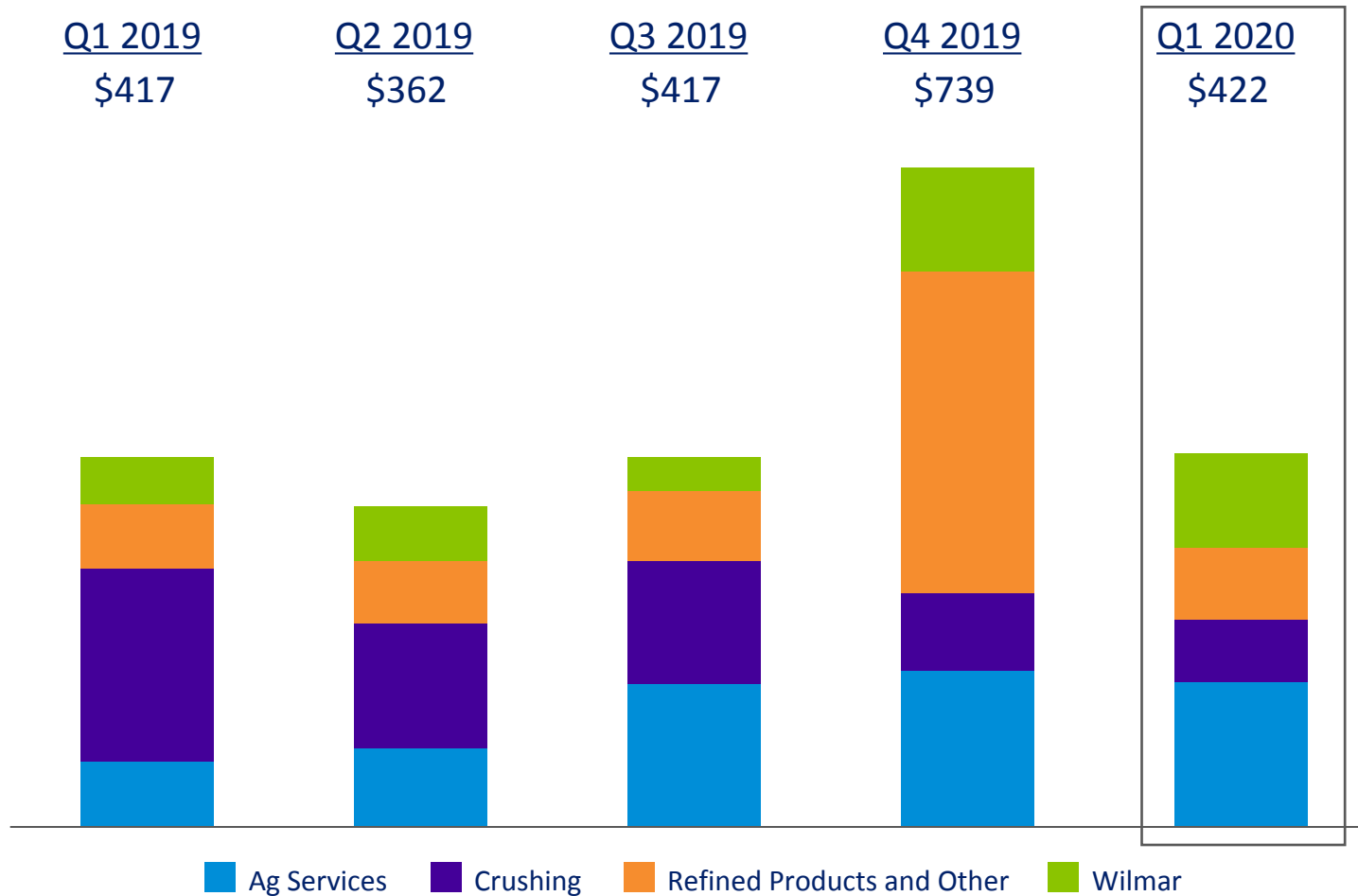


- Other results down on futures commission loss provision, partially offset by improvements in captive insurance
- Unallocated corporate slightly higher on IT and business transformation investments
- Total Corporate benefited from lower average borrowing costs from liability management actions taken in late 2019, and discontinuing LIFO



AS&O: Strong Results Driven by Ag Services

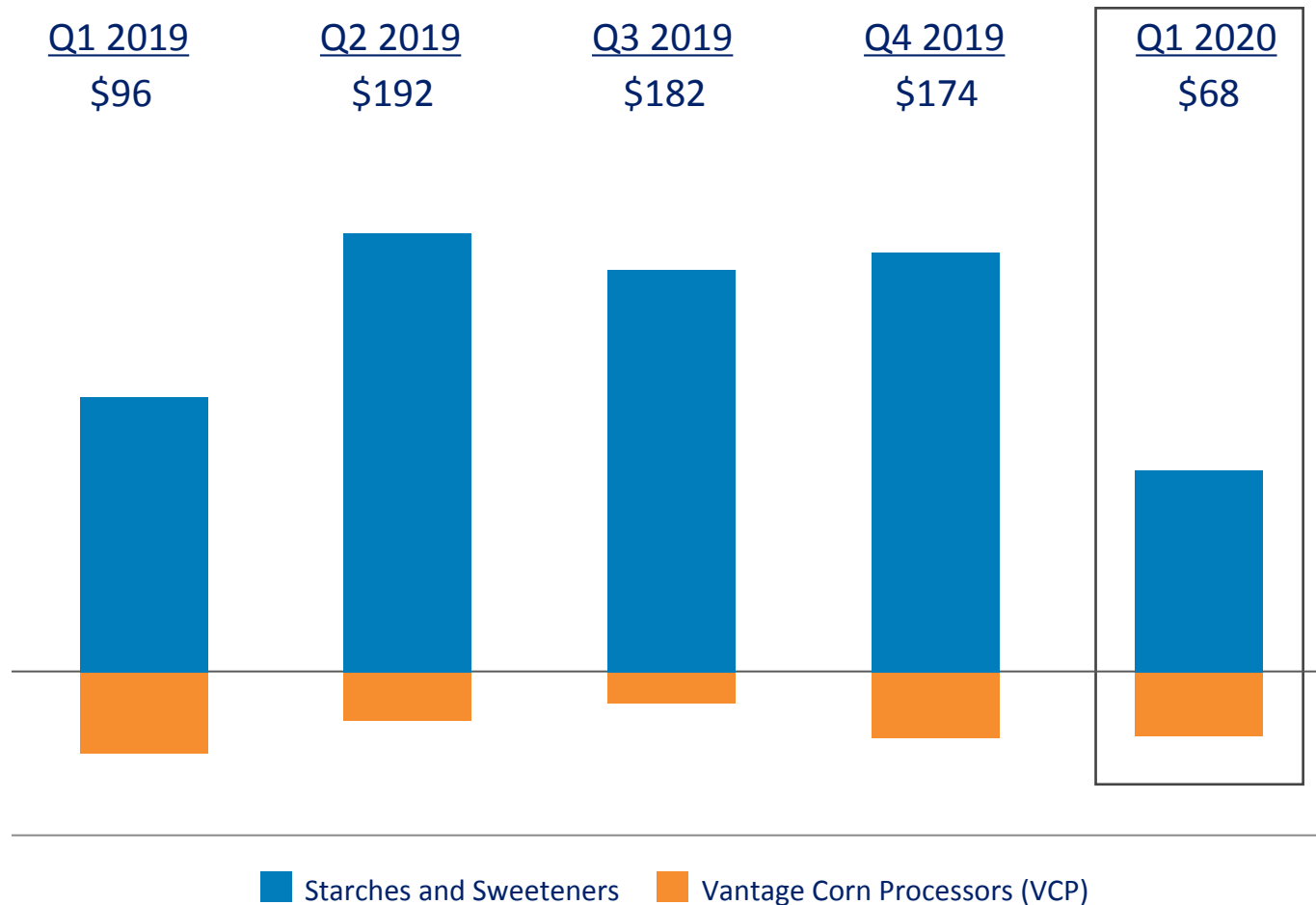
Segment operating profit (in millions)



- Ag Services more than double prior year, driven by global trade results and South America origination
- Solid Q1 Crushing results, but down vs. 2019 strong numbers, which benefited from MTM and Argentina short crop
- RPO up on NA refined oils and biodiesel, improvements in peanut shelling; EMEAI lower
- Wilmar significantly higher YOY

Carbohydrate Solutions: Weaker Quarter, Mixed Results YOY

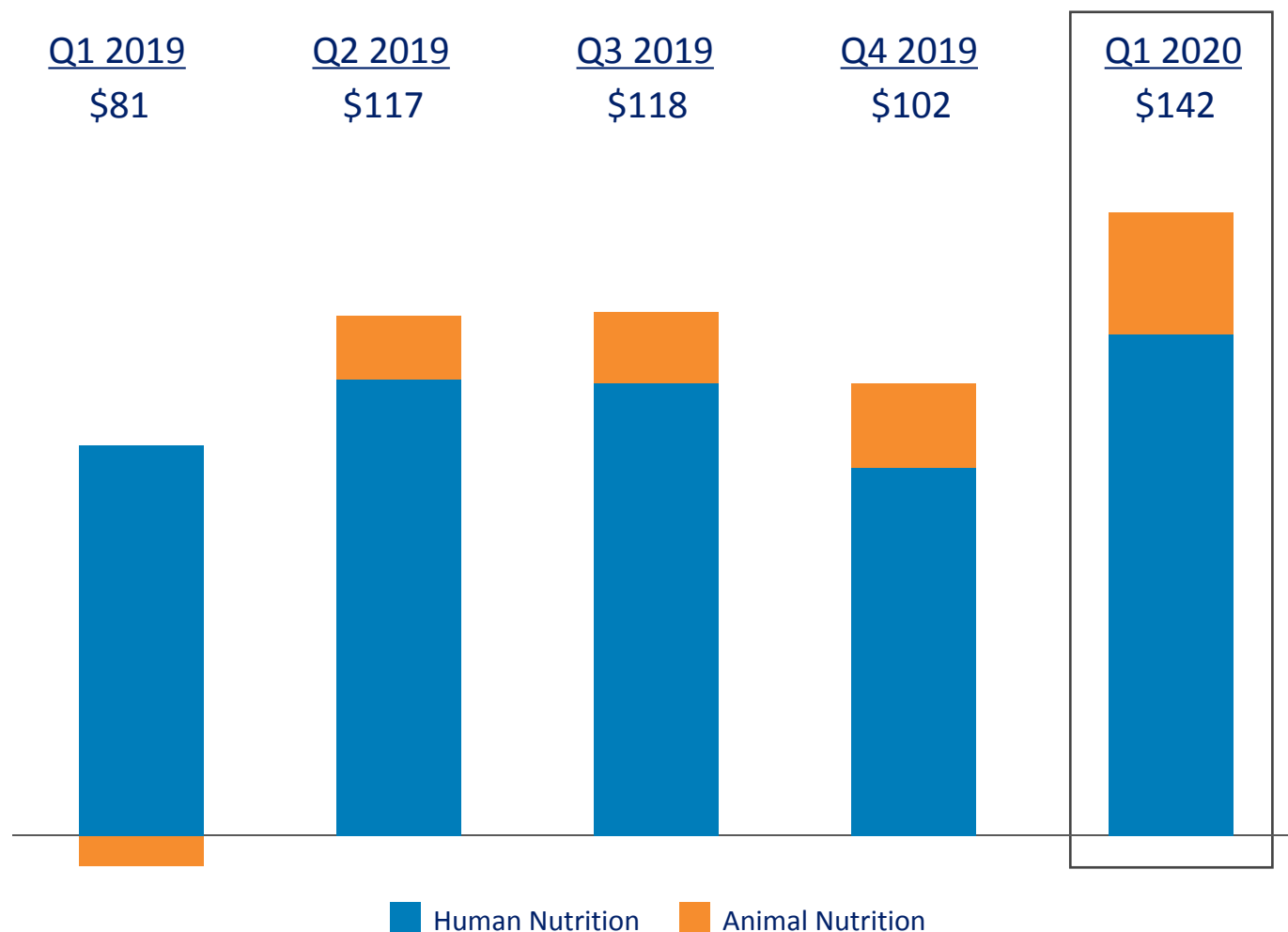
Segment operating profit (in millions)



- S&S impacted by negative MTM, partially offset by Decatur improvements, strength in wheat milling, and improved conditions in EMEAI
- VCP YOY results benefited from good risk management, lack of last year's severe weather impacts; ethanol industry margins weaker on lower demand

Nutrition: Record Results; OP up 75% YOY

Segment operating profit (in millions)



- Growth across Human Nutrition portfolio of flavors, specialty ingredients, and health & wellness
- Animal Nutrition up on Neovia, feed additives, strength in pet care, lack of previous year's purchase price adjustments
- Achieved Neovia synergy goals ahead of schedule

Proud to Be Fulfilling Our Purpose



Upcoming Investor Events

(All events virtual)

BMO 15th Annual Farm to Market Conference
May 13-14

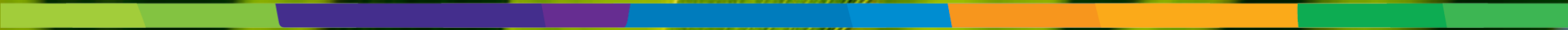
Goldman Sachs Industrial & Materials Conference
May 15

Stifel Cross Sector Insight Conference
June 8-10

Deutsche Bank Global Consumer Conference
June 9-11



Additional Facts and Explanations

A horizontal bar composed of several colored segments: light green, dark green, purple, blue, orange, and teal.

Supplementary Q1 Earnings Information

Q1 income tax expense includes a \$73M discrete item relating to 2018/2019 45G Railway Tax Credits, with offsetting expense in 'Corporate Other Charges'

- Consistent with the policy goals underlying these credits, ADM assists short and regional railroads with their maintenance expenses, and in exchange receives tax credits allowing the railroads to monetize the credit
 - Although full tax credit impact shows up in ADM's tax rate, the cost of acquiring these tax credits reduces ADM's pre-tax profit

Biodiesel Tax Credit

- ADM claims tax credit as part of biodiesel sales/purchases, commonly shares part this benefit with business partners
 - Although full tax credit impact shows up in ADM's tax rate, only the net impact of the shared economic benefit is captured in ADM's operating profit

Full Year Effective Tax Rate Guidance

Reconciliation	Impact
Initial 2020 ETR Guidance	16%-19%
Change in assumptions on tax credits, primarily 45G Railroad Maintenance Expense Tax Credit and Biodiesel Tax Credit	(2)%
Other changes in estimates, primarily geographic earnings mix and Brazil FX	(1)%-(2)%
Revised 2020 ETR Guidance Before Discrete Items	13%-15%

Industry Environment

Spot Gross Crush Margins¹

	Current US\$/MT	Q4 Call US\$/MT
Soybeans:		
US	\$20-\$25	\$25-\$30
Europe	\$25-\$35	\$30-\$40
Brazil	Exp: \$15-\$25 Dom: \$15-\$25	Exp: \$20-\$30 Dom: \$20-\$30
Argentina	\$7-\$12	\$5-\$10
China	\$30-\$35	\$30-\$35
Front Month Board Crush	~\$30	~\$35
Canola/Rapeseed:		
North America	\$20-\$25	\$40-\$50
Europe	\$20-\$30	\$15-\$20

¹ADM estimates

² Bloomberg

³ EIA Weekly Ethanol Plant Production

⁴ADM estimates; reflects most current model assumptions and data regarding crop production, quality, storage, and marketing information

19/20 Farmer Selling⁴

	Current	5-Year Average	2019
Corn:			
US	69%	75%	75%
Brazil	31%	25%	26%
Soybeans:			
US	65%	85%	78%
Brazil	74%	51%	48%
Argentina	19%	12%	10%

U.S. Ethanol Margins/Production

	Q1 20	Q4 19	Q1 19
Average Industry Ethanol EBITDA Margins/ gal ²	\$(0.23)	\$(0.05)	\$(0.09)
Average Industry Daily Production Volume (million gallons/day) ³	43.4	43.3	42.4
U.S. Ethanol Inventory (million gallons) ³	1,080	913	991

ADM Additional Information

Processed Volumes by Quarter (000s of metric tons)

	CY 19				CY 20
	Q1	Q2	Q3	Q4	Q1
Oilseeds	9,167	8,773	9,062	9,269	9,163
Corn	5,132	5,546	5,619	5,782	5,534
	14,299	14,319	14,681	15,051	14,697

Processed Volumes by Year (000s of metric tons)

	Calendar Year	
	2018	2019
Oilseeds	36,308	36,271
Corn	22,343	22,079
	58,651	58,350

Cumulative Crush Deferred Timing Gains/(Losses)

Q4 2019	~\$90M
Q1 2020	~\$80M

As of March 31, 2020, approximately \$80M of deferred mark-to-market timing gains are expected to be recognized in subsequent quarters

Adjusted EBITDA⁽¹⁾⁽²⁾ by Segment (in millions)

	Q1 20	Q1 19	Trailing 4-Quarters	
			Q1 20	Q1 19
Adjusted EBITDA ⁽¹⁾⁽²⁾	\$ 726	\$ 675	\$ 3,533	\$ 3,511
Ag Services and Oilseeds	\$ 514	\$ 510	\$ 2,315	\$ 2,434
Carbohydrate Solutions	\$ 148	\$ 178	\$ 944	\$ 1,156
Nutrition	\$ 199	\$ 134	\$ 707	\$ 487
Other Business	\$ 15	\$ 24	\$ 108	\$ 97
Corporate	\$ (150)	\$ (171)	\$ (541)	\$ (663)

Nutrition Growth

	Q1 20	Growth vs. Q1 19
Revenues		
Human Nutrition	\$719M	7%
Animal Nutrition	\$752M	24%

(1) Non-GAAP measure - see notes on page 28

(2) See earnings before income taxes, the most directly comparable GAAP measure, on pages 25 and 26

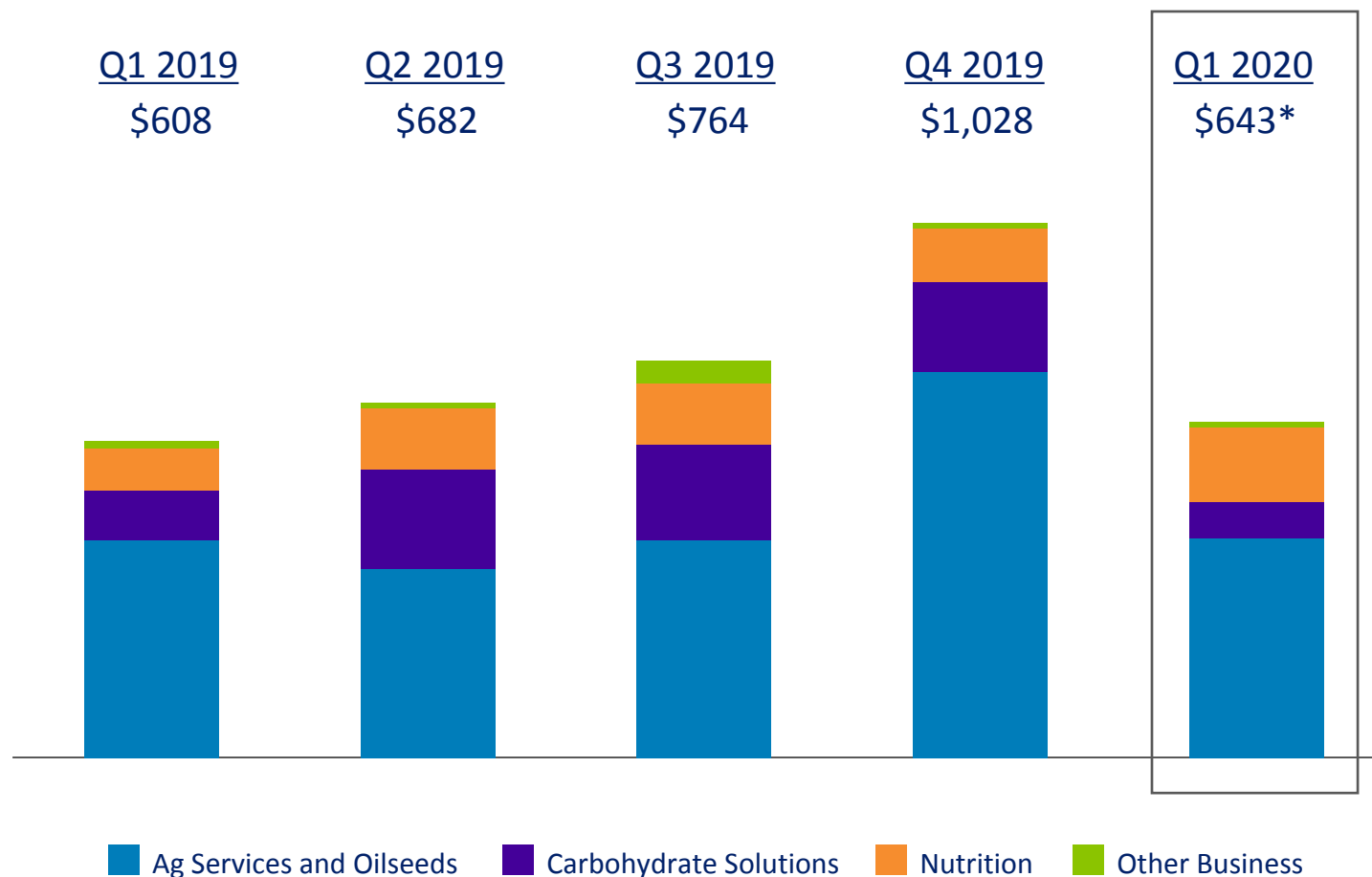
Financial Appendix



Q1 Adjusted Segment OP \$643 million

Adjusted segment operating profit ^(1,2) (in millions)

Excludes specified items



*Segment operating profit as reported was \$599M

⁽¹⁾ Non-GAAP measure - see notes on page 28; ⁽²⁾ Adjusted segment operating profit equals total segment operating profit excluding specified items and timing effects.

Segment Operating Profit and Corporate Results

(Amounts in millions)	Quarter Ended Mar. 31		
	2020	2019	Change
Total Segment Operating Profit⁽¹⁾	\$ 599	\$ 611	\$ (12)
Specified items: (Gains) loss on sales of assets and businesses	—	(12)	12
Impairment and restructuring charges	44	9	35
Adjusted Segment Operating Profit⁽¹⁾⁽²⁾	\$ 643	\$ 608	\$ 35
Ag Services and Oilseeds	\$ 422	\$ 417	\$ 5
Ag Services	164	75	89
Crushing	70	216	(146)
Refined Products and Other	81	72	9
Wilmar	107	54	53
Carbohydrate Solutions	\$ 68	\$ 96	\$ (28)
Starches and Sweeteners	99	135	(36)
Vantage Corn Processors	(31)	(39)	8
Nutrition	\$ 142	\$ 81	\$ 61
Human Nutrition	113	88	25
Animal Nutrition	29	(7)	36
Other Business	\$ 11	\$ 14	\$ (3)
Total Segment Operating Profit⁽¹⁾	\$ 599	\$ 611	\$ (12)
Corporate	\$ (224)	\$ (296)	\$ 72
Interest expense – net	(77)	(90)	13
Unallocated corporate costs	(189)	(183)	(6)
Other charges	(52)	(6)	(46)
Specified items: LIFO credit (charge)	91	(1)	92
Expenses related to acquisitions	—	(14)	14
Impairment, restructuring, and settlement charges	3	(2)	5
Earnings Before Income Taxes	\$ 375	\$ 315	\$ 60

⁽¹⁾ Non-GAAP measure - see notes on page 28; ⁽²⁾ Adjusted segment operating profit equals total segment operating profit excluding specified items and timing effects.

Cash Flow Highlights

(Amounts in millions)

	Three Months Ended Mar. 31	
	2020	2019
Cash from operations before working capital changes	\$839	\$466
Changes in working capital ⁽¹⁾	551	(723)
Purchases of property, plant, and equipment	(194)	(198)
Net assets of businesses acquired	(8)	(1,876)
Sub-total	1,188	(2,331)
Marketable securities investment	5	50
Other investing activities	5	(25)
Debt increase/(decrease)	3,668	1,305
Dividends	(203)	(198)
Stock buyback	(112)	—
Other	(11)	(42)
Increase (decrease) in cash, cash equivalents, restricted cash, and restricted cash equivalents	\$4,540	(\$1,241)

⁽¹⁾ Includes the change in deferred consideration of (\$2,045 million) in 2020 and (\$1,778 million) in 2019 and the net proceeds from retained interest in securitized receivables of \$2,045 million in 2020 and \$1,778 million in 2019 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.

GAAP Statement of Earnings Summary

(Amounts in millions except per share data)

	Quarter Ended Mar. 31		
	2020	2019	Change
Revenues	\$14,970	\$15,304	(\$334)
Gross profit	951	928	23
Selling, general and administrative expenses	664	659	5
Asset impairment, exit, and restructuring charges	41	11	30
Equity in (earnings) losses of unconsolidated affiliates	(140)	(101)	(39)
Interest income	(40)	(49)	9
Interest expense	83	101	(18)
Other (income) expense – net	(32)	(8)	(24)
Earnings before income taxes	375	315	60
Income tax (benefit) expense	(16)	81	(97)
Net earnings including noncontrolling interests	391	234	157
Less: Net earnings (losses) attributable to noncontrolling interests	—	1	(1)
Net earnings attributable to ADM	\$ 391	\$ 233	\$ 158
Earnings per share (fully diluted)	\$ 0.69	\$ 0.41	\$ 0.28

Adjusted Earnings Per Share (EPS)

(Amounts in millions except per share data)

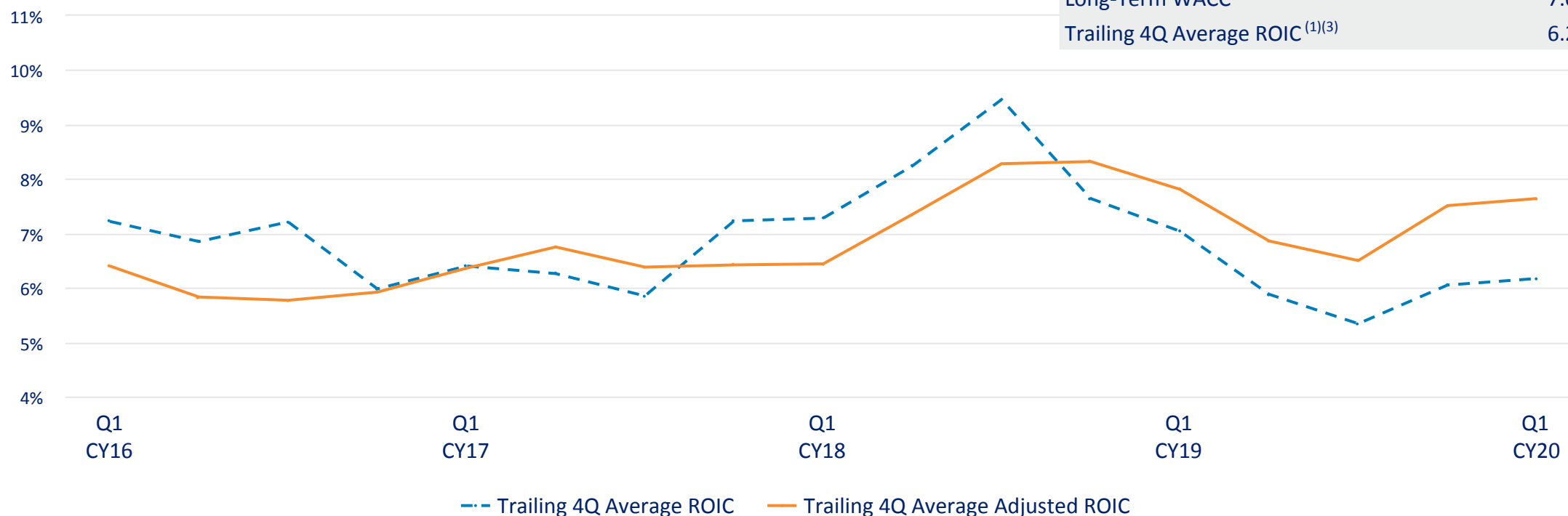
	Quarter Ended Mar. 31					
	2020			2019		
	Pre-tax	After-tax	Per share	Pre-tax	After-tax	Per share
Earnings and EPS (fully diluted) as reported	\$ 375	\$ 391	\$ 0.69	\$ 315	\$ 233	\$ 0.41
<u>Adjustments</u>						
LIFO (credit)/charge	(91)	(69)	(0.12)	1	1	—
(Gains) loss on sales of assets	—	—	—	(12)	(9)	(0.02)
Impairment and restructuring charges	41	32	0.06	11	10	0.02
Expenses related to acquisitions	—	—	—	14	9	0.02
Tax adjustment	7	7	0.01	17	17	0.03
Adjusted Earnings and adjusted EPS (non-GAAP) ⁽¹⁾	\$ 332	\$ 361	\$ 0.64	\$ 346	\$ 261	\$ 0.46

⁽¹⁾ Non-GAAP measure - see notes on page 28

ROIC versus WACC

LT ROIC Objective: 10%

	Q1 CY20
Trailing 4Q Average Adjusted ROIC ⁽¹⁾⁽²⁾	7.6 %
Annual WACC	5.75 %
Trailing 4Q Average Adjusted EVA	\$538M
Long-Term WACC	7.0 %
Trailing 4Q Average ROIC ⁽¹⁾⁽³⁾	6.2 %



⁽¹⁾ Non-GAAP measure - see notes on page 28

⁽²⁾ Adjusted for LIFO and specified items - see notes on page 28

⁽³⁾ Adjusted for LIFO - see notes on page 28

Return on Invested Capital

Adjusted ROIC Earnings⁽¹⁾

(Amounts in millions)

	Quarter Ended				Fourth Quarters Ended
	June 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Mar. 31, 2020
Net earnings attributable to ADM	\$ 235	\$ 407	\$ 504	\$ 391	\$ 1,537
Adjustments					
Interest expense	109	97	95	83	384
LIFO charge (credit)	25	(16)	27	(91)	(55)
Other adjustments	119	48	253	48	468
Total adjustments	253	129	375	40	797
Tax on adjustments	(65)	(32)	(8)	(7)	(112)
Net adjustments	188	97	367	33	685
Total Adjusted ROIC Earnings	\$ 423	\$ 504	\$ 871	\$ 424	\$ 2,222

Adjusted Invested Capital⁽¹⁾

(Amounts in millions)

	Quarter Ended				Trailing Four Quarter Average
	June 30, 2019	Sep. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	
Equity ⁽²⁾	\$ 18,955	\$ 18,873	\$ 19,208	\$ 18,952	\$ 18,997
+ Interest-bearing liabilities ⁽³⁾	9,417	8,891	8,891	12,512	9,928
+ LIFO adjustment (net of tax)	61	49	69	—	45
+ Other adjustments (net of tax)	86	36	274	39	109
Total Adjusted Invested Capital	\$ 28,519	\$ 27,849	\$ 28,442	\$ 31,503	\$ 29,079

⁽¹⁾ Non-GAAP measure – see notes on page 28

⁽²⁾ Excludes noncontrolling interests

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

Adjusted Earnings Before Taxes, Interest, and Depreciation and Amortization (EBITDA)⁽¹⁾

Four Quarters Ended March 31, 2020

Adjusted EBITDA⁽¹⁾

(Amounts in millions)

	Quarter Ended				Fourth Quarters Ended
	June 30, 2019	Sep. 30, 2019	Dec.31,2019	Mar. 31, 2020	Mar. 31, 2020
Earnings before income taxes	\$ 274	\$ 503	\$ 496	\$ 375	\$ 1,648
Interest expense	109	97	95	83	384
Depreciation amortization	248	249	251	245	993
LIFO charge (credit)	25	(16)	27	(91)	(55)
(Gains) Losses on sales of assets and businesses	—	—	101	—	101
Asset impairment, exit, restructuring, and settlement charges	138	53	103	41	335
Railroad maintenance expense	—	—	51	73	124
Expenses related to acquisitions	—	—	3	—	3
Adjusted EBITDA	\$ 794	\$ 886	\$ 1,127	\$ 726	\$ 3,533

Adjusted EBITDA⁽¹⁾ by Segment

(Amounts in millions)

	Quarter Ended				Four Quarters Ended
	June 30, 2019	Sep. 30, 2019	Dec.31,2019	Mar. 31, 2020	Mar. 31, 2020
Ag Services and Oilseeds	\$ 457	\$ 511	\$ 833	\$ 514	\$ 2,315
Carbohydrate Solutions	274	264	258	148	944
Nutrition	173	175	160	199	707
Other Business	18	55	20	15	108
Corporate	(128)	(119)	(144)	(150)	(541)
Adjusted EBITDA	\$ 794	\$ 886	\$ 1,127	\$ 726	\$ 3,533

⁽¹⁾ Non-GAAP measure – see notes on page 28

Adjusted Earnings Before Taxes, Interest, and Depreciation and Amortization (EBITDA)⁽¹⁾

Four Quarters Ended March 31, 2019

Adjusted EBITDA⁽¹⁾

(Amounts in millions)

	Quarter Ended				Fourth Quarters Ended
	Jun. 30, 2018	Sep. 30, 2018	Dec.30,2018	Mar. 31, 2019	Mar. 31, 2019
Earnings before income taxes	\$ 652	\$ 632	\$ 312	\$ 315	\$ 1,911
Interest expense	89	87	97	101	374
Depreciation amortization	239	232	235	245	951
LIFO charge (credit)	(13)	7	(4)	1	(9)
(Gains) Losses on sales of assets and businesses	—	(21)	8	(12)	(25)
Asset impairment, exit, restructuring, and settlement charges	24	2	250	11	287
Expenses related to acquisitions	—	(4)	12	14	22
Adjusted EBITDA	\$ 991	\$ 935	\$ 910	\$ 675	\$ 3,511

Adjusted EBITDA⁽¹⁾ by Segment

(Amounts in millions)

	Quarter Ended				Four Quarters Ended
	Jun. 30, 2018	Sep. 30, 2018	Dec.31,2018	Mar. 31, 2019	Mar. 31, 2019
Ag Services and Oilseeds	\$ 633	\$ 580	\$ 711	\$ 510	\$ 2,434
Carbohydrate Solutions	333	364	281	178	1,156
Nutrition	151	103	99	134	487
Other Business	39	37	(3)	24	97
Corporate	(165)	(149)	(178)	(171)	(663)
Adjusted EBITDA	\$ 991	\$ 935	\$ 910	\$ 675	\$ 3,511

⁽¹⁾ Non-GAAP measure – see notes on page 28

2019 Segment OP and Adjusted Segment OP^(1,2) Comparatives with VCP in Carbohydrate Solutions (in millions)

As Reported	As Restated	Qtr. Ended Mar. 31, 2019		Qtr. Ended Jun. 30, 2019		Qtr. Ended Sep. 30, 2019		Qtr. Ended Dec. 31, 2019		Year Ended Dec. 31, 2019	
		As Reported	As Restated	As Reported	As Restated	As Reported	As Restated	As Reported	As Restated	As Reported	As Restated
Segment Operating Profit ⁽¹⁾	Segment Operating Profit ⁽¹⁾	\$ 611	\$ 611	\$ 645	\$ 645	\$ 758	\$ 758	\$ 934	\$ 934	\$ 2,948	\$ 2,948
Specified items:	Specified items:										
(Gains) losses on sales of assets/businesses	(Gains) losses on sales of assets/businesses	(12)	(12)	—	—	—	—	—	—	(12)	(12)
Impairment, restructuring, and settlement charges	Impairment, restructuring, and settlement charges	9	9	37	37	6	6	94	94	146	146
Adjusted Segment Operating Profit ⁽¹⁾⁽²⁾	Adjusted Segment Operating Profit ⁽¹⁾⁽²⁾	\$ 608	\$ 608	\$ 682	\$ 682	\$ 764	\$ 764	\$ 1,028	\$ 1,028	\$ 3,082	\$ 3,082
Ag Services and Oilseeds	Ag Services and Oilseeds	\$ 417	\$ 417	\$ 362	\$ 362	\$ 417	\$ 417	\$ 739	\$ 739	\$ 1,935	\$ 1,935
Ag Services	Ag Services	75	75	90	90	161	161	176	176	502	502
Crushing	Crushing	216	216	139	139	138	138	87	87	580	580
Refined Products and Other	Refined Products and Other	72	72	71	71	80	80	363	363	586	586
Wilmar	Wilmar	54	54	62	62	38	38	113	113	267	267
Carbohydrate Solutions	Carbohydrate Solutions	\$ 96	\$ 96	\$ 192	\$ 192	\$ 182	\$ 182	\$ 174	\$ 174	\$ 644	\$ 644
Starches and Sweeteners	Starches and Sweeteners	170	135	218	215	207	197	208	206	803	753
Bioproducts	Vantage Corn Processors	(74)	(39)	(26)	(23)	(25)	(15)	(34)	(32)	(159)	(109)
Nutrition	Nutrition	\$ 81	\$ 81	\$ 117	\$ 117	\$ 118	\$ 118	\$ 102	\$ 102	\$ 418	\$ 418
Wild Flavors and Specialty Ingredients	Human Nutrition	88	88	103	103	102	102	83	83	376	376
Animal Nutrition	Animal Nutrition	(7)	(7)	14	14	16	16	19	19	42	42
Other	Other Business	\$ 14	\$ 14	\$ 11	\$ 11	\$ 47	\$ 47	\$ 13	\$ 13	\$ 85	\$ 85

⁽¹⁾ Non-GAAP measure - see notes on page 28; ⁽²⁾ Adjusted segment operating profit equals total segment operating profit excluding specified items and timing effects.

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. 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. 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.
- (6) **Adjusted EBITDA**
Adjusted EBITDA is ADM’s earnings before taxes, interest, and depreciation and amortization, adjusted for LIFO and other specified items. The Company calculates adjusted EBITDA by removing the impact of LIFO and other specified items and adding back the amounts of interest expense and depreciation and amortization to earnings before income taxes. Management believes that adjusted EBITDA is a useful measure of the Company’s performance because it provides investors additional information about the Company’s operations allowing better evaluation of underlying business performance and better period to period comparability. Adjusted EBITDA is a non-GAAP financial measure and is not intended to replace or be an alternative to earnings before income taxes, the most directly comparable GAAP financial measure.