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EDITED TRANSCRIPT

ADM.N - Archer-Daniels-Midland Co at BMO Capital Markets Global Farm to Market Conference

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PRESENTATION

Kenneth Bryan Zaslow *- BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

Good morning, everyone. Juan and Vikram, thank you both for being here. It's been a -- it's great to see you guys in person and not in a little box on Zoom. Juan, as CEO and Chairman, you challenge conventional thinking, made difficult choices during less-than-ideal operating conditions, and structurally, change ADM's identity across every facet of its business, including portfolio mix, culture, capital deployment and operational excellence. ADM is not only navigating an unprecedented environment, but also reaping the rewards from your actions to prioritize capital towards growth and cost efficiency programs. To join ADM's journey towards sustainability and growth, Vikram, who has served in several key financial leadership positions at both ADM and General Motors over the last 20-plus years, was recently appointed CFO to maintain the discipline focused on capital allocation as well as to enhance and build upon ADM's strong financial foundation.

With that, I'm going to turn it over to you, Juan, for a few introductory comments.

Juan Ricardo Luciano *- Archer-Daniels-Midland Company - Chairman, CEO & President*

Thank you very much. So good morning, everybody, and again, welcome to Vikram, my new CFO, but he's been with us for a while, doing strategy work for us, and so -- very intimate with the strategy of ADM.

So it's great to be back. I think I've done every BMO since I joined the company, and I think I got the last 2 ones virtual, which is not the same impression. So hopefully, we can keep it this way.

So I just want to refer you briefly to the safe harbor statement. Of course, you can find this in adm.com or in our earnings materials. But take a minute to familiarize yourselves with that.

As Ken was saying, we've been operating a very consistent strategy over the last 10, 11 years in ADM, mostly focused on driving returns and -- until we achieve our 10% objective. And we have done that, as you can see here in what I call horizons. Strategically, we put forward our plans way into the future, and we are already working in the next horizon.

So of course, at the beginning of that, we did a lot of portfolio management in ADM, trying to align ourselves with high return in businesses. Fundamentally, we work on 3 aspects with different, if you will, nomenclatures over times in the different horizons, but we work on -- continue to drive and hone our execution. And we do that well in ADM, but that continues to get more intricate.

If you think about today in order the attention we need to pay, there are more than 7,500 sanctions in the world that we need to avoid violating. And there are more than 43 export restrictions in the world right now. So every day, we need to get all that into the minds of the team to make sure we maximize our opportunities and we minimize our risks. So that execution thing has been happening and it's very integral part of the ADM DNA.

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The second is, as we were doing that, we started to create better capabilities in ADM and developing more core capabilities outside the traditional risk management and value chain management that we always have done. That has allowed us to move into nutrition, but also into microbiome solutions and allow us to look at the next horizon with even more optimism than maybe all these 3 that have delivered.

The third thing that we did during all this is we aligned our company and our portfolio with 3 fundamental trends: trends of food security, health and well-being and sustainability. So we're absolutely sure these are the correct trends for ADM to be over the next 50 years.

Sometimes it's difficult to determine the time in which these things are going to happen because we have an overlay of our company improvement also with the cycles that happen. But we've proven over the last 10 years that this was the right position to take for ADM.

And as we think today, events at times highlight one of our trends. So if you think about sustainability, you go through either the investor themes or ESG, or as you go through storms or you go through droughts or changes in climate and people think about our sustainability trend. As you think about COVID, people get a little bit more attuned into health and wellness trends.

And unfortunately, as you get into short crops in Brazil or the issues in the Baltic area now between -- the war between Ukraine and Russia, you get much more into food security. We never put food security there because of a potential conflict. We put security -- food security there because we believe there is not much more land to be brought into production, and we need to run this experiment of feeding 9 billion to 10 billion people by 2050, something that, of course, we've never done before. So if anything, this situation right now, this war and this shortness is nothing more than a peek into the future in our view of what's going to happen when we try to feed 9 billion to 10 billion people sustainably in maybe 20 years' time.

So again, I think that we continue to execute well. And when you look at the results of all this positioning and all these 10 years, you look that we achieved a lot of the objectives we set up to achieve at the beginning. So we have record profits in 2020 and then record profits again in 2021. Maybe more importantly for us and for shareholders, we achieved our 10% ROIC that we set up to do many years ago. And 2022 started very strong. Again, the momentum of 2021 continued into the first quarter with $1.90 of adjusted EPS. And again, maybe more important that the adjusted EPS is $1.6 billion of cash flow in the first quarter. Cash flows continues to grow, continues to be very strong for us, and that provides us a lot of optionality on what to do in the future, whether it's continued organic growth or looking at opportunities as valuations may correct or return that to shareholders.

And we talked a little bit about -- in December about our milestone of maybe achieving $6 to $7 per share. And of course, we're going to do that before 2025 given the conditions. We expect conditions to be favorable for companies like in our space, probably for the next 2 or 3 years. But despite all that, we have already work in the next horizon. And if you think about the productivity that we're bringing into the table that is allowing us to offset some of the inflations and supply chain issues we're facing, maybe more important than that is the innovation we're seeing in the company.

We're working on 2 types of innovation. There is one innovation that is happening at the business level. So you see how Ag Services and Oilseeds is accelerating into regen ag or digital capabilities. We see how Carb Solutions is looking more into biosolutions, so the ability to replace oil-based products with plant-based products. That's a business that is growing for us at maybe 10% per year and highly profitable, or carbon capture and sequestration that we have. We have the only on-purpose carbon capture and sequestration unit in the United States, and we have sequestered 3.5 million tons of CO2 safely a mile under the surface so far. That allows all our Decatur complex to produce low CI feedstocks that can go into a variety of industries.

When you look at Nutrition, we have developed this microbiome platform that allows us to not only do better food, but better animal nutrition and certainly pet industry there, and it has to -- is the precursor of personalized supplementation and eventually personalized nutrition, which we're very interested in. So these are the innovations that you are seeing, and a lot of them was not put in the $6 to $7 per share milestone, but that's at the business level.

At the corporate level, we're working a lot in microbial solutions. And you see some of the investments that we have made to the right. But basically, if you think about that future, we are a company that have very effective feedstocks and low-priced sugars, if you will, for all this bacteria to grow,

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but also with very low CI scores and a lot of expertise in fermentation. So we can be an ideal partner for some of these companies to scale up and build the future in which we need less intensity of materials in order to deliver the growth and the feed and food that they plan at least.

So basically, ADM has aligned itself to the concept of how to increase the carrying capacity of our planet as we go into 9 billion, 10 billion tons. So we can talk all the way from crops and oilseeds all the way to enzymes and expanding the carrying capacity of the world. And again, I will leave that to Ken to take us into any direction you want.

So with that, I will stop my remarks.

QUESTIONS AND ANSWERS

Kenneth Bryan Zaslow - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

Let me kick it off. You and your team have transformed the ADM's portfolio markedly over the last 5 to 10 years, but what's interesting is the magnitude of the changes over the next 5 years. The first thing I'll say is, look, Nutrition only represents 15% of operating profit, but it's expected to be the -- to drive the majority of your profit growth over the next several years, almost doubling its operating profit by 2025. So what are the key drivers, underlying fundamentals that drive that? Is it more Human? Is it more Animal? Is it more organic? Is it more inorganic? And how much capital is required?

Juan Ricardo Luciano - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Yes. I think the first thing you need to think about Nutrition is -- that I think sometimes people don't get is how early are we in the game of building this business. This is a business didn't exist in ADM by -- in 2014, and it's a business that is going to make, give or take, north of $800 million in operating profit this year and probably $1 billion of operating profit next year. But as I said, we are at the early stages. We are significantly underrepresented from a geography perspective. We are very good in the areas that are growing the least like North America and Europe, but we are just getting started in Latin America and Asia Pacific, and basically has been a business where we have positioned ourselves very, very well in applications that are growing fast and in customers that are growing fast.

So -- and it's a combination of factors. One is the pantry that we have, the number of products that we can bring to a solution. But it's not just the number of products. It's the fact that we changed the game. When -- we knew we were late to this industry. So when we look at the industry, we said how can we differentiate ourselves. And our way to do that was to change the paradigm. Instead of people competing in verticals of colors and flavors and texture and some proteins, we said, I don't want to look at the business like that. We want to look at the $30 billion to $40 billion of -- in general business. And we introduced this concept of bringing systems into it. So not only we have the best pantry, but we have the fastest speed to get the customer or the marketing department of a customer to a product to be launched in a few months. And that, I think, was the recipe for this accelerated growth.

Our businesses -- I mean, I think, we referred it in the first quarter. We grew revenue 17% out of acquisitions, so net of acquisitions, organic growth. And we put that number in front of our team -- those KPIs in front of our team from the beginning is you need to grow organically twice at the market rate, and they have done it every year since we had it. And you need to continue to grow EBITDA margin on sales, and they have done that. So you've seen OP growth year-over-year of 30% to 40%. And we have settled to say long term, we're going to grow 15%. And already in the first quarter, we upgraded the guidance to 20%. But it's about our way to market, our value proposition, our pantry of products and the ability to continue to apply that copy and paste philosophy to new segments. So we started in, if you will, human nutrition, beverages. We expanded it to food. We expanded it to pet. We expanded it to biomaterials as well.

So my point is we are at this -- at the beginning stages. So will the business get $1 billion? Absolutely, next year. Will the business continue to drive and move beyond that number? We think it continues to have runway of 15% to 20% over the next 5 to 10 years at this point in time. We have a very strong pipeline, and our winning rates continue to grow every quarter. So there's no indication of any deceleration on the contrary.

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Kenneth Bryan Zaslow - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

How much capital needs to be put into it? Or is the capital already set up that you already have the foundation to grow to what you want to go?

Juan Ricardo Luciano - *Archer-Daniels-Midland Company - Chairman, CEO & President*

If you think about the $1.3 billion that we're going to spend this year and maybe next, of course, a proportion of that -- a high proportion of that is going to Nutrition. But if you think about the capital intensity of this business versus the other businesses, it pales. So if you have a 1:6 capital to profitability -- profitability to capital in the commodity business, you have like 1:1 in this type of business. So from a capital intensity, it's not a problem at all for ADM to finance that.

We are not forecasting at this point in time in our 5-year plan any major acquisition. We continue to think ourselves as organic growth and some bolt-on M&A. I think these last 10 years of cheap money have exacerbated valuations in the Nutrition space. So we try to be very targeted and very shy in terms of how much M&A we put into that. We think that those valuations may correct, and then we can flex our balance sheet.

Our balance sheet and our great cash flow are a source of competitive advantage when things get tight, when interest rates go up. Over the last 10 years, everybody had free money. So we didn't flex that much. I think that, that will happen a little bit more later on, but our original projections didn't include any major M&A.

Kenneth Bryan Zaslow - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

Vikram, you walk in as CFO, ADM is generating more cash than you've ever imagined. It's a high-class problem, but it is a problem, right? So you got to figure out how to prioritize your cash. How do you think about share repurchases, organic investments and M&A? And which ones are you going to be pulling the levers to? And then just as a supplemental question to this is, what are the actions that you think that needs to enhance ADM's positioning as CFO now? Like what do you want to accomplish?

Vikram Luthar - *Archer-Daniels-Midland Company - CFO & Senior VP*

I think first, Ken, our capital allocation and, frankly, resource allocation is tightly integrated with our strategy. And the great thing is, you're right, we're generating a lot of cash flow. And the other thing that's important to highlight, it's not just the operating cash flow that we focus on. We also constantly are dynamically rotating our portfolio. Actually, we cited this in the Global Investor Day, between 2015 and 2020, we generated almost $3 billion from the sale of noncore assets. And that philosophy continues.

We talked about the recent sale of our Peoria assets. We're looking at our dry mills. So it's not just the operating cash flow, but that dynamic repositioning of our portfolio, that's going to bolster our cash flow and give us more capital to reinvest and create more value with an emphasis on returns.

Within that paradigm, the way we think about it is about 30% to 40% of our cash flow, we would reinvest in the business with an emphasis on building capabilities. Juan talked about that, to build up productivity and innovation initiatives, science technology as well as building operations resilience to make sure we are well positioned to take advantage of this long-term fundamental market demand cycle that we see.

The other aspect is also making sure that we are building capacity for these high-growth, highly attractive categories. We recently announced certain capacity increases, including in starches recently, to fund help with the biosolutions part of the business in plant-based proteins as well as innovation centers. All that's going to drive us to serve our customers better.

The remaining 60% to 70% of the cash flow would be a function of dividends, which, by the way, for those who are not familiar, we've been constantly increasing our dividends every year for over 40 years. And so 30% to 40% of that cash flow, the remaining 60% to 70% would be allocated

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towards dividends and probably more towards the higher end of that range over time. And the rest of it will be a function of strategic M&A as well as return to the shareholders. And one of the things I said even on our Q1 call, in the near term, we'd be focused very much on offsetting the dilution in our shareholdings. So that's the way we think about our capital allocation, Ken.

In terms of the priorities for me, I think for me, we will have a renewed -- I will have a renewed emphasis on 2 aspects. One is cash flow, and the other is returns. And when you think about returns and you unpack returns very simply, it's a function of margins times your asset turnover. So we are going to be emphasizing margins. In some business, it'll be margins per unit volume, per metric ton. In others like Nutrition, it would be margin over sales, right? So it will be sales margins. But that is going to be an important emphasis and also the asset turnover. So the function and emphasis on this is help us going to drive more cash flow and invest in the optionality that we have created over the last 10 years through the new revenue streams and new adjacent profit pools. So that's the way you think about it.

Kenneth Bryan Zaslow - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

Let me just ask a subtle addition to that question. If your cash flow is growing and 30% to 40% is to reinvest in capital projects, does that mean that you will be accelerating your capital spending, just by mathematically? Is that the way to interpret it, more cash times 30% to 40% means that there could be an acceleration of projects? Is that a fair way of looking at it?

Vikram Luthar - *Archer-Daniels-Midland Company - CFO & Senior VP*

It could be, Ken. And we cited for 2022 that our CapEx is going to be more like $1.3 billion. And probably that rate will continue for the next year or so. And that's been higher than our trend rate of about $1 billion. So that's a function of our confidence in the higher operating cash flow. But at the end of the day, the focus is value creation with an emphasis on EVA and ROIC. And we see a lot of opportunity to reinvest in the business to build those capabilities and create value. So possibly, we could see some higher CapEx, but yet to be determined.

Kenneth Bryan Zaslow - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

The operating environment for crush margins is unbelievably strong, right? And I never thought I would ever say this, but are you concerned about the high margins and returns inviting overcapacity or new capacity into the crushing industry? And how much new capacity do you think the world can take on? Is it coming from the U.S.? Is it coming from the world? How do you kind of think of that? And again, I don't care about the next 6 months. I'm talking 2 to 3 years.

Juan Ricardo Luciano - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Yes. I'm not concerned about capacity outside the U.S. I don't think you're going to see capacity, if you think capacity growth elsewhere. I think if you think in Asia, crush capacity is effectively maybe 65% utilization. I think Argentina built a crush industry for 80 million tons of crops, and they're going to maybe -- they're going to harvest maybe 40 million, 42 million tons of soybeans. So there is a lot of extra capacity there. I don't see it in Brazil where still a big percentage of that is being exported. So I think the question then becomes to the U.S. And in the U.S., it makes sense to export. We have the beans. So that's an important consideration. We have the RGD industry, which is taking a lot from the oil piece. And the soil piece of -- the oil piece, of course, it provides a big advantage to soybean meal. So soybean meal will gain export market share in the world.

So I would say, we need some capacity not to fall behind the demand in the U.S. I think that the capacity so far that has been announced, I think it emphasizes 2 things. First of all, most of it is placed in export places. So where -- that's where the product is going to be destined to, which is smart. But secondly, it emphasizes that some of this capacity will come onstream in 2026 even if you announce it today. So I think it emphasizes that we will have the ability to supply those markets and continue to grow.

So I'm always paranoid about going back to low returns. I think that the industry has learned, and I think that the capacity that has been announced so far is needed to fulfill the demand that is growing.

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Kenneth Bryan Zaslow - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

And just going on the oil side of that, what stage are we in the renewable diesel -- for the renewable diesel growth? And do you think the current impact from inflation, food versus fuel, does that change your thoughts on the 5 billion gallons of capacity by 2025?

Juan Ricardo Luciano - *Archer-Daniels-Midland Company - Chairman, CEO & President*

I think we're probably going to see is maybe a slowdown in the timing that we thought the capacity was going to come just because it's difficult to get people and to get materials. I don't think it's going to be because RGD demand will not going to be there. I think whether you build 5 billion gallons by that day or 3 billion to 4 billion gallon is probably within the range. I think it's going to be more on logistics and the mechanics of today's times building new capacity.

I mean for our capacity, which is the only thing we can control, we have done a good job of ordering lead time equipment. And our capacity is still going to come in '23 when we expect it to come. But I would say, it's more an operations issue than a strategic issue. I think that if something both parties agree in our country is in the -- some of the biofuels policy and doing all that. So we see that with certainty.

Kenneth Bryan Zaslow - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

If it extends, is that actually not better for you? Would you rather not have it over a longer duration than a shorter peak? I mean is it -- I mean isn't the operational delays actually positive for the longevity of the crush environment?

Juan Ricardo Luciano - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Yes. I think the imbalance of where the feedstock is going to come is so big anyways that I think, I mean, 6 months earlier or later, it may not make a big difference. But of course, if -- I think every CEO will like capacity to come in the smaller chunks to be absorbed better, but none of my wishes will ever grant it. So why start now? So I think that's okay. We will have to suffer through it like everybody.

No, but I think the environment is very -- is, as you said, I've been in the industry for, what, 11 years, so it's not that I have a huge expertise or experience, but it's never been more positive. We never had such a strong 2 legs to stand for the crush, and we see that going forward.

Kenneth Bryan Zaslow - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

I love having to talk about unfortunate events, obviously. But the war in Ukraine, obviously, has impacted food security, crush margins, vegetable oil demand and grain export demand. How does this change the duration and magnitude of the agricultural cycle? And how many crops do you think are required to fill the gap? You put some context to this, and I know it's an unfortunate -- I know your performance has actually unfortunately benefited from it, and you don't want that to happen. But how do you frame that, if that's okay?

Juan Ricardo Luciano - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Yes. Again, I think that, first of all, we need to think markets were tight already before the February 24 invasion of Ukraine by Russia. As I said before, we had records in 2020, record in '21, and even the first quarter numbers were not impacted by the war since the war started when all our positions and our business was done. So I think, first, we need to separate that.

Second is this is a human tragedy. We have 650 employees in Ukraine. And it's the task of management every day to keep track of all of them to try to remove them from areas of harm and it has been incredibly difficult. And the stress these people are going through, you can never believe.

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So sometimes you read these things in the news, but when you have a conference call with somebody that just put their family in the car and is driving West without knowing whether they're going to spend the night, then it becomes real. So it's really been a tough thing.

What has happened here is that other than the fertilizer issue, of course, this is one of the bread baskets of the world. I mean we don't have that many places. We have South America, we have the Midwest in the U.S. and the Black Sea. Those are the areas of production. Ukraine is a little bit like Argentina, have a very few inhabitants, but they can feed 400 million people. So there's a lot of countries that are counting with that.

And at this point in time, what has happened is -- and I think it needs to happen is wheat needs to go high enough in price to bring all those inventories to market. We need to cover that. So all those inventories that are -- prices go up and bringing those inventories to market. And wheat needs to be high enough that doesn't get to be fed into animals to save it for people. So that's why I think you're going to have the strong crush margins because what happen is wheat goes high to preserve it to human consumption, then it gets out of the ration. So you get more corn and more soybean meal into the rations for longer.

The issue we have in Ukraine at the moment, and we've been working with our logistics to try to remove the crop, is that they have about 60 million tons of storage in Ukraine, and you have about half of that so 30 million tons in grain already there. That grain is exported through the Odessa port through the sea at the rate of about 3 million to 5 million tons per month. At this point in time, we've been working with the agricultural minister to evacuate all that crop through the West through rail or trucks, but we're doing it at a rate of 100,000 to 150,000 tons per month. So it's just ridiculous how slow it is. So there are a lot of efforts through NATO and WTO -- WFO and all that to try to create a channel, if you will, of protected exports in the sea to be able to do that because the farmer needs that storage. They don't -- not only the world needs the food, the farmer needs the cash, but also the farmer needs that storage to be empty because they need like 2/3 of that storage to put the next crop if they're going to plant the next crop.

So the problem is when the world is going into all this, and again, prices are going up to bring the inventories into the market, governments are reacting to that, putting some of these export blockades.

And I understand the governments because they are paid to help their constituencies, and they see local inflation. So they want to stop that. The problem is that exacerbate the problem at the global level, first of all, because some of those inventories don't get the signal to come to market. So you cannot feed all the people, but also the local farmer that cannot enjoy that export price that they have there, they may make a different decision in terms of planting because if I have to plant something that I should plant based on the price, but I don't have that price available to me, and this could exacerbate the delay.

So we see these -- the way we're going today is like a 3-year event, give or take, in order for this to be normalized.

Kenneth Bryan Zaslow - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

When you have this inflationary pressure, you have other businesses that have to pass along the pricing. Which businesses do you think are best capable to do that? Which businesses do you think are going to have a little bit more trouble doing that? How do you think about demand elasticity? And particularly probably the Carb Solutions business is the one that we probably focus on in terms of pricing power. How do you see that -- and again, not this year, 2023 and 2024?

Juan Ricardo Luciano - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Yes. Maybe I'll talk a little bit about the elasticity, and then you can give some particulars here. Listen, I see overall, I think the U.S. economy is strong. I think that consumers are feeling the pinch in their discretionary environment today, but we have not felt any change in our fundamental demand. There may be some people go to the supermarket, and maybe they pick more store brands than your marquee brands or whatever. But we haven't seen a significant impact. I worry that all these events will create maybe a slowdown of growth on a global basis. I think the U.S. has the consumer right now in a position to navigate some of this inflation.

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In places where we have seen a little bit of buying down, if you will, to a certain degree, is not bad for crush margins because people move down to chicken, if you will. And chicken is a big user of soybean meal. So we have not seen that.

The other thing that is happening is that you hear everybody in the CPG companies dealing with supply chain issues. We have a lot. So I'm not sure how much can we really read the elasticity because at the end of the day, we are shipping what we can to the people that actually are getting the materials they can. So sometimes people don't get packaging. Sometimes people don't have enough people to run this line.

So at this point in time, there is a little bit of a fog also on what's happening because I think the implicit demand is bigger than the ability to supply for some of these. So we have not seen it and maybe because the consumer is stronger, maybe because the pipeline is so sure that we need to continue replenishing. If you want to talk about specific pricing.

Vikram Luthar - *Archer-Daniels-Midland Company - CFO & Senior VP*

Yes. I mean on Carb Solutions, in general, right, if you think about the volume side of the business, the volume side of the business, at least in Sweeteners and Starches is just coming back closer to pre-pandemic levels given the food service demand escalating.

From a margin perspective, 2022 should be strong. We talked about that. And you asked specifically about '23 and '24. Our objective has always been to at least maintain margins. And that's a function of focusing on our risk management capabilities, but also the mix.

I mean think about what we've done, biosolutions that Juan referenced, right? We're adding starch capacity. You think about the Carb Solutions business. We have that biosolutions starch-driven business, high-margin business that we're going to be spending more -- or putting more output towards. So the mix is also going to help drive and at least help us maintain and not expand margins.

The other side of the business, remember, we are diversified, right? There's citric acid, which is also part of Carb Solutions, this year is going to be a great performer because we've got supply chain challenges out of China. And that helps benefit citric acid supply out of North America or the U.S. So the great thing about it is the diversity of the portfolio allows us to toggle the volume margin mix to help us maintain, if not expand margins, coupled with risk management as well as supply chain efficiencies across the chain.

Kenneth Bryan Zaslow - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

Just one last question. How do you think about your ability -- I know you referenced it in your opening remarks, but how do you think of your ability to achieve the $6 to $7 earlier than expected even potentially maybe even this year? But more importantly, does that create a new base from which to think about and grow from? Or is it a pull-forward of fundamentals? How do you conceptualize the environment?

Juan Ricardo Luciano - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Yes. I always say when I come to this conference is we have different jobs. Your job is to prognosticate the future. My job is to create a better company. So $6 to $7 is a milestone that we put out there because you normally need to tell your investors why are you going to spend the $1.3 billion. What's going to be up for me? So that's what we do. So certainly, we're going to hit $6 to $7 way sooner than 2025.

As I said, I think that my job is to continue to build capabilities so I can continue to build another Nutrition. So I personally have moved on from Nutrition because Nutrition already is a business that's going to make a billion, so they don't need me. I have moved to strengthening Carb Solutions and how to align Carb Solutions better to the trends and developing all these things that we're talking about, but also working on the next horizon in which certainly an area of fermentation or synthetic biology, whatever you want to call it, where ADM can lead.

So there's never -- I mean Churchill will say victory is never final. So $6 to $7 means nothing other than another point when we started with less than $3. And here we are talking about $6 to $7. Very soon, we're going to be talking about the next.

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You also have to think that when we did $6 to $7 or we put the number out there, $6 to $7 included buybacks. And certainly, when -- we are buying only for dilution in 2022, so we might get to $6 to $7 even without the buyback. So -- which shows the strength of the operating environment. But I think, again, I think that under that operating environment, which I don't see many reasons for it to decelerate over the next 3 years, there is a strength of a company that have shifted the portfolio and have improved the execution and have improved the returns. I mean the returns today are north of 10% on a working capital that is all-time crazy high. So that shows the profitability of the business, how it has improved.

Kenneth Bryan Zaslow - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

Great. We're going to end it there. Thank you very much. That was awesome.

Juan Ricardo Luciano - *Archer-Daniels-Midland Company - Chairman, CEO & President*

Okay. Thank you. Thank you.

Kenneth Bryan Zaslow - *BMO Capital Markets Equity Research - MD of Food & Agribusiness Research and Food & Beverage Analyst*

Thank you.

Vikram Luthar - *Archer-Daniels-Midland Company - CFO & Senior VP*

Thank you.

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