



Bunge Reports Second Quarter 2021 Results

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ST. LOUIS--([BUSINESS WIRE](#))--Bunge Limited (NYSE:BG) today reported second quarter 2021 results

- **Q2 GAAP EPS of \$2.37 vs. \$3.47 in the prior year; \$2.61 vs. \$1.88 on an adjusted basis excluding certain gains/charges and mark-to-market timing differences**
- **Continued strong Agribusiness execution across the global network**
- **Outstanding Refined and Specialty Oils results driven by increasing demand and record refining capacity utilization**
- **Increasing full-year adjusted EPS outlook to at least \$8.50 based on strong Q2 results**
- **Updating mid-cycle earnings baseline with \$2 per share increase reflecting structural changes in oilseed market environment and greater execution benefits from new operating model**

- **Overview**

Greg Heckman, Bunge's Chief Executive Officer, commented, "Our team outperformed expectations by effectively navigating global volatility to produce another strong quarter of results. Our industrial, commercial and risk management teams collaborated throughout the value chains, optimizing trade flows and production volumes while reducing unplanned downtime.

"With an accelerating structural shift in demand for sustainable food, feed and fuel, Bunge's position in the global agribusiness supply chain provides growing opportunity to partner with customers to meet their needs in this changing environment," continued Mr. Heckman. "We are proud of our work with farmers and customers to sustainably connect supply and demand, develop innovative products and services and create new plant-based solutions."

- **Financial Highlights**

(US\$ in millions, except per share data)	Quarter Ended		Six Months Ended	
	June 30,		June 30,	
	2021	2020	2021	2020
Net income attributable to Bunge	\$ 362	\$ 516	\$ 1,194	\$ 332
Net income per common share-diluted	\$ 2.37	\$ 3.47	\$ 7.85	\$ 2.14
Mark-to-market timing difference ^(a)	\$ 0.24	\$ (2.00)	\$ (1.05)	\$ 0.13
Certain (gains) and charges ^(b)	\$ —	\$ 0.44	\$ (1.08)	\$ 0.46
Adjustment of redeemable noncontrolling interest ^(c)	\$ —	\$ (0.03)	\$ —	\$ 0.07
Adjusted Net income per common share-diluted ^(d)	\$ 2.61	\$ 1.88	\$ 5.72	\$ 2.80
Core Segment EBIT ^{(d) (e)}	\$ 500	\$ 949	\$ 1,652	\$ 893
Mark-to-market timing difference ^(a)	50	(385)	(195)	25
Certain (gains) & charges ^(b)	—	—	(170)	—
Adjusted Core Segment EBIT ^(d)	\$ 550	\$ 564	\$ 1,287	\$ 918
Corporate and Other EBIT ^(d)	\$ (60)	\$ (123)	\$ (146)	\$ (187)
Certain (gains) & charges ^(b)	—	66	—	71
Adjusted Corporate and Other EBIT ^(d)	\$ (60)	\$ (57)	\$ (146)	\$ (116)
Non-core Segment EBIT ^{(d) (f)}	\$ 19	\$ (88)	\$ 39	\$ (138)
Certain (gains) & charges ^(b)	—	—	—	—
Adjusted Non-core Segment EBIT ^(d)	\$ 19	\$ (88)	\$ 39	\$ (138)
Total Segment EBIT ^(d)	\$ 459	\$ 738	\$ 1,545	\$ 568
Mark-to-market timing difference ^(a)	50	\$ (385)	\$ (195)	\$ 25
Total Certain (gains) & charges ^(b)	—	\$ 66	\$ (170)	\$ 71
Adjusted Total Segment EBIT ^(d)	\$ 509	\$ 419	\$ 1,180	\$ 664

- (a) Mark-to-market timing impact of certain commodity and freight contracts, readily marketable inventories, and related hedges associated with committed future operating capacity. See note 3 in the Additional Financial information section of this release for details.*
- (b) Certain (gains) & charges included in Total Segment EBIT. See Additional Financial Information for details.*
- (c) Retained earnings impact associated with an adjustment to the carrying amount of the redeemable noncontrolling interest recorded in respect of our 70% ownership interest in Loders. See note 4 in the Additional Financial information section of this release for details.*
- (d) Core Segment EBIT, Adjusted Core Segment EBIT, Corporate and Other EBIT, Adjusted Corporate and Other EBIT, Non-core Segment EBIT, Adjusted Non-core Segment EBIT, Total Segment EBIT, Adjusted Total Segment EBIT, and Adjusted Net income per common share-diluted are non-GAAP financial measures. Reconciliations to the most directly comparable U.S. GAAP measures are included in the tables attached to this press release and the accompanying slide presentation posted on Bunge's website.*
- (e) Core Segment earnings before interest and tax ("Core Segment EBIT") comprises the aggregate earnings before interest and tax ("EBIT") of Bunge's Agribusiness, Refined and Specialty Oils and Milling reportable segments, and excludes Bunge's Sugar & Bioenergy reportable segment and Corporate and Other activities.*
- (f) Non-core Segment EBIT comprises Bunge's Sugar & Bioenergy reportable segment EBIT, which reflects Bunge's share of the results of its 50/50 joint venture with BP p.l.c.*

• **Second Quarter Results**

Core Segments

Agribusiness

(US\$ in millions, except per share data)	Quarter Ended		Six Months Ended	
	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
Volumes (in thousand metric tons)	39,533	38,268	75,889	70,950
Net Sales	\$ 11,654	\$ 6,925	\$ 21,444	\$ 13,307
Gross Profit	\$ 410	\$ 907	\$ 1,295	\$ 904
Selling, general and administrative expense	\$ (114)	\$ (109)	\$ (194)	\$ (218)
Foreign exchange gains (losses)	\$ 36	\$ 31	\$ 29	\$ 19
EBIT attributable to noncontrolling interests	\$ (3)	\$ (8)	\$ (11)	\$ (5)
Other income (expense) - net	\$ 24	\$ 31	\$ 46	\$ 24
Income (loss) from affiliates	\$ 11	\$ 21	\$ 35	\$ 28
Segment EBIT	\$ 364	\$ 873	\$ 1,200	\$ 752
Mark-to-market timing difference	39	(378)	(196)	7
Certain (gains) & charges	—	—	—	—
Adjusted Segment EBIT	\$ 403	\$ 495	\$ 1,004	\$ 759
Certain (gains) & charges, Net Income				
(Loss) Attributable to Bunge	\$ —	\$ —	\$ —	\$ —
Certain (gains) & charges, Earnings Per Share	\$ —	\$ —	\$ —	\$ —

Processing ⁽²⁾

(US\$ in millions)	Quarter Ended		Six Months Ended	
	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
Processing EBIT	\$ 338	\$ 648	\$ 1,067	\$ 593
Mark-to-market timing difference	(129)	(301)	(495)	(37)
Certain (gains) & charges	—	—	—	—
Adjusted Processing EBIT	\$ 209	\$ 347	\$ 572	\$ 556

In Processing, higher results in North America and Argentina were more than offset by lower results in Europe and to a greater extent in Brazil, which included a decreased contribution from soybean origination due to an accelerated pace of farmer selling in the prior year.

Merchandising ⁽²⁾

(US\$ in millions)	Quarter Ended		Six Months Ended	
	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
Merchandising EBIT	\$ 26	\$ 225	\$ 133	\$ 159
Mark-to-market timing difference	168	(77)	299	44
Certain (gains) & charges	—	—	—	—
Adjusted Merchandising EBIT	\$ 194	\$ 148	\$ 432	\$ 203

In Merchandising, improved performance was primarily driven by higher results in ocean freight, due to strong execution, and our global grain value chains, which benefited from increased volumes and margins.

Refined & Specialty Oils

(US\$ in millions, except per share data)	Quarter Ended		Six Months Ended	
	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
Volumes (in thousand metric tons)	2,246	2,286	4,451	4,640
Net Sales	\$ 3,198	\$ 2,129	\$ 5,924	\$ 4,455
Gross Profit	\$ 195	\$ 146	\$ 430	\$ 275
Selling, general and administrative expense	\$ (90)	\$ (89)	\$ (176)	\$ (183)
Foreign exchange gains (losses)	\$ 1	\$ (4)	\$ 2	\$ 3
EBIT attributable to noncontrolling interests	\$ (5)	\$ —	\$ (83)	\$ 5
Other income (expense) - net	\$ 1	\$ (2)	\$ 237	\$ (2)
Segment EBIT	\$ 102	\$ 51	\$ 410	\$ 98
Mark-to-market timing difference	11	(3)	(3)	17
Certain (gains) & charges	—	—	(170)	—
Adjusted Segment EBIT	\$ 113	\$ 48	\$ 237	\$ 115
Certain (gains) & charges, Net Income (Loss) Attributable to Bunge	\$ —	\$ —	\$ (165)	\$ —
Certain (gains) & charges, Earnings Per Share	\$ —	\$ —	\$ (1.08)	\$ —

Refined & Specialty Oils Summary

The outstanding performance in the quarter was largely driven by higher margins and record capacity utilization in North America refining, which benefited from strong food service demand and increased demand from the renewable diesel sector. Improved results in South America were due to the combination of higher margins and lower costs, more than offsetting lower volumes. Europe benefited from increased volumes and margins.

Milling

(US\$ in millions, except per share data)	Quarter Ended		Six Months Ended	
	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
Volumes (in thousand metric tons)	1,508	1,261	3,247	3,199
Net Sales	\$ 471	\$ 382	\$ 862	\$ 797
Gross Profit	\$ 57	\$ 53	\$ 91	\$ 100
Selling, general and administrative expense	\$ (25)	\$ (28)	\$ (48)	\$ (54)
Foreign exchange gains (losses)	\$ 2	\$ —	\$ —	\$ (2)
Segment EBIT	\$ 34	\$ 25	\$ 42	\$ 43
Mark-to-market timing difference	—	(4)	4	1
Certain (gains) & charges	—	—	—	—
Adjusted Segment EBIT	\$ 34	\$ 21	\$ 46	\$ 44
Certain (gains) & charges, Net Income				
(Loss) Attributable to Bunge	\$ —	\$ —	\$ —	\$ —
Certain (gains) & charges, Earnings Per Share	\$ —	\$ —	\$ —	\$ —

Milling Summary

Higher volumes, lower costs and good supply chain execution in South America were the primary drivers of improved performance in the quarter. Results in North America were comparable with last year.

Corporate and Other

(US\$ in millions, except per share data)	Quarter Ended		Six Months Ended	
	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
Gross Profit	\$ 2	\$ (1)	\$ (6)	\$ (2)
Selling, general and administrative expense	\$ (68)	\$ (120)	\$ (150)	\$ (185)
Foreign exchange gains (losses)	\$ (4)	\$ —	\$ (6)	\$ 1
Other income (expense) - net	\$ 10	\$ (2)	\$ 15	\$ (1)
Segment EBIT	\$ (60)	\$ (123)	\$ (146)	\$ (187)
Certain (gains) & charges	—	66	—	71
Adjusted Segment EBIT	\$ (60)	\$ (57)	\$ (146)	\$ (116)
Certain (gains) & charges, Net Income				
(Loss) Attributable to Bunge	\$ —	\$ 66	\$ —	\$ 69
Certain (gains) & charges, Earnings Per Share	\$ —	\$ 0.44	\$ —	\$ 0.46

Corporate

(US\$ in millions)	Quarter Ended		Six Months Ended	
	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
Corporate EBIT	\$ (71)	\$ (58)	\$ (157)	\$ (130)
Certain (gains) & charges	—	—	—	5
Adjusted Corporate EBIT	\$ (71)	\$ (58)	\$ (157)	\$ (125)

Other

(US\$ in millions)	Quarter Ended		Six Months Ended	
	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
Other EBIT	\$ 11	\$ (65)	\$ 11	\$ (57)
Certain (gains) & charges	—	66	—	66
Adjusted Other EBIT	\$ 11	\$ 1	\$ 11	\$ 9

Corporate and Other Summary

The increase in Corporate expenses during the quarter was primarily related to performance-based compensation accruals. The increase in Other was related to our captive insurance program.

Non-core Segments

Sugar & Bioenergy

(US\$ in millions, except per share data)	Quarter Ended		Six Months Ended	
	Jun 30, 2021	Jun 30, 2020	Jun 30, 2021	Jun 30, 2020
Volumes (in thousand metric tons)	97	62	200	148
Net Sales	\$ 68	\$ 26	\$ 122	\$ 76
Gross Profit	\$ 1	\$ —	\$ 2	\$ 2
Income (loss) from affiliates	\$ 18	\$ (88)	\$ 37	\$ (139)
Segment EBIT	\$ 19	\$ (88)	\$ 39	\$ (138)
Certain (gains) & charges	—	—	—	—
Adjusted Segment EBIT	\$ 19	\$ (88)	\$ 39	\$ (138)
Certain (gains) & charges, Net Income (Loss)				
Attributable to Bunge	\$ —	\$ —	\$ —	\$ —
Certain (gains) & charges, Earnings Per Share	\$ —	\$ —	\$ —	\$ —

Sugar & Bioenergy Summary

Improved results in the quarter were primarily driven by higher ethanol volume and margins. Prior year results were negatively impacted by approximately \$70 million in foreign exchange translation losses on U.S. dollar denominated debt of the joint venture due to depreciation of the Brazilian *real*.

Cash Flow

	Six Months Ended	
	Jun 30, 2021	Jun 30, 2020
Cash used for operating activities	\$ (1,436)	\$ (1,502)
Proceeds from beneficial interest in securitized trade receivables	2,049	748
Cash (used for) provided by operating activities, adjusted	\$ 613	\$ (754)

Cash used for operations in the six months ended June 30, 2021 was \$1,436 million compared to cash used of \$1,502 million in the same period last year. Adjusting for the proceeds from beneficial interest in securitized trade receivables, cash provided from operating activities was \$613 million compared with cash used for operating activities of \$754 million in the prior year. Funds from operations (FFO) adjusted for notable items and mark-to-market timing differences was \$900 million compared to \$817 million in the prior year⁽⁵⁾.

Income Taxes

For the six months ended June 30, 2021, income tax expense was \$242 million compared to an income tax expense of \$113 million for the prior year. The increase in income tax expense is due to higher pre-tax income, partially offset by a lower estimated effective tax rate for 2021.

COVID-19 Update

Bunge continues to take proactive steps to protect the health and safety of its employees, their families and the communities in which it operates. Through an internal task force, the Company closely monitors developments related to the pandemic and provides guidance to its facilities worldwide. Each of Bunge's facilities around the globe is taking steps to respond to COVID-19 based on the nature of its operations and the guidelines from and actions being taken by local governments. The Company has continued to restrict travel, follow upgraded cleaning practices at its facilities and offices, put in place remote work arrangements for teammates wherever possible, reduce staffing in its production and other facilities and keep social distancing and other safety related measures in place. Bunge is strongly encouraging its employees to be vaccinated when available in their countries, and facilitating this when possible.

Numerous countries around the globe, including places where Bunge operates production facilities or maintains offices, have continued to impose quarantines and significant restrictions, including shelter-in-place or stay-at-home orders. Additionally, a rise in the number of observed COVID-19 cases in certain parts of the world may lead to governments re-imposing travel and work restrictions or imposing additional restrictions. In locations where such restrictions are in place, Bunge has been deemed an essential or life-sustaining operation. To date, the Company has not seen a significant disruption in its supply chain, has been able to mitigate logistics and distribution issues that have arisen, and substantially all of its facilities around the world have continued to operate at or near normal levels. Bunge continues to monitor local, regional and national governmental actions that could limit or restrict the movement of agricultural commodities or products or otherwise disrupt physical product flows or its ability to operate in the future.

• Outlook

We are increasing our full-year 2021 EPS outlook to reflect our strong second quarter results. We are now forecasting full-year 2021 adjusted EPS of at least \$8.50 per share.

In Agribusiness, results are expected to be modestly up from our previous outlook, but still forecasted to be down from a very strong 2020.

In Refined and Specialty Oils, results are expected to be up from our previous outlook reflecting our strong second quarter results and positive trends in North America being driven by increased demand from food service and renewable diesel.

We continue to expect results in Milling and Corporate and Other to be generally in line with last year.

Additionally, the Company now expects the following for 2021: an adjusted annual effective tax rate in the range of 17% to 19%; net interest expense in the range of \$220 to \$230 million; capital expenditures in the range of \$450 to \$500 million; and depreciation and amortization of approximately \$420 million.

In Non-Core, full-year results in the sugar and bioenergy joint venture are expected to be a positive contributor.

• Updated Mid-Cycle Earnings Baseline

The Company has also updated its mid-cycle baseline EPS. This update reflects structural improvement in oilseed market fundamentals, as well as greater benefits following the change in Bunge's operating model to a global value chain approach. We now estimate our mid-cycle EPS is \$7, an increase of \$2 from the baseline provided at the Company's Virtual Business Update Meeting on June 24, 2020.

• Conference Call and Webcast Details

Bunge Limited's management will host a conference call at 8:00 a.m. Eastern (7:00 a.m. Central) on Wednesday, July 28, 2021 to discuss the company's results.

Additionally, a slide presentation to accompany the discussion of results will be posted on www.bunge.com.

To listen to the call, please dial 1 (844) 735-3666. If you are located outside the United States or Canada, dial +1 (412) 317-5706. Please dial in five to 10 minutes before the scheduled start time. The call will also be webcast live at www.bunge.com.