

ADM Reports Outstanding Results: Fourth Quarter Earnings per Share of \$1.38, \$1.50 on an Adjusted Basis; Full Year 2021 EPS of \$4.79, \$5.19 on an Adjusted Basis

01/25/2022

Full-year 2021 net earnings of \$2.7 billion; adjusted net earnings of \$2.9 billion

Full-year 2021 segment operating profit up 34%, 38% on an adjusted basis

2021 ROIC meets 10% objective

Announcing 8% increase in quarterly dividend

Great momentum driving optimism for strong 2022

CHICAGO--(BUSINESS WIRE)-- ADM (NYSE: ADM) today reported financial results for the quarter and year ended December 31, 2021.

“Our record results reflect the continued success of our growth strategy and our culture of innovation and execution, which enabled our global team to successfully navigate through supply chain challenges while capitalizing on favorable demand dynamics to deliver an outstanding year,” said Chairman and CEO Juan Luciano.

“Just as importantly, we’re advancing our productivity and innovation actions to accelerate earnings growth,” Luciano continued. “We’ve positioned our portfolio to align with the enduring trends of food security, health and well-being, and sustainability. As we enter 2022, we’re well situated to capitalize on strong crush margins, driven by good demand for meal and for vegetable oil as a feedstock for renewable green diesel; a continuing healthy ethanol market, supported by increased domestic and export demand and better clarity of the regulatory landscape; and our robust Nutrition sales pipeline, as well as the accretion of our recent acquisitions in that business.

“Our excellent performance in the fourth quarter and throughout 2021 gives us great momentum going into the new year. We’re confident in our strategic plan continuing to deliver, which is why we’re pleased to announce an 8% increase in our quarterly dividend. I’m proud of our team, grateful for their efforts, and optimistic for another very strong performance in 2022 as we progress towards our strategic plan’s next earnings milestone of \$6.00-\$7.00 per share.”

Fourth Quarter 2021 Highlights

(Amounts in millions except per share amounts)

	2021	2020
Earnings per share (as reported)	\$ 1.38	\$ 1.22
Adjusted earnings per share¹	\$ 1.50	\$ 1.21
Segment operating profit	\$ 1,388	\$ 1,139
Adjusted segment operating profit (loss)¹	\$ 1,413	\$ 1,152
Ag Services and Oilseeds	810	834
Carbohydrate Solutions	428	208
Nutrition	160	127
Other Business	15	(17)

Q4 2021 EPS as reported of \$1.38 includes a \$0.12 per share charge related to impairment and restructuring, a \$0.07 per share gain related to the sale of certain ethanol and other assets, a \$0.01 per share charge related to acquisition expenses, and a \$0.06 per share tax expense related to certain discrete items. Adjusted EPS, which excludes these items, was \$1.50.¹

¹ Non-GAAP financial measures; see pages 5, 10, 11 and 12 for explanations and reconciliations, including after-tax amounts.

Quarterly Results of Operations

Ag Services & Oilseeds results were largely in line with the prior year’s extremely strong quarter.

Ag Services executed well to deliver strong results, just slightly off the outstanding fourth quarter of 2020, when the U.S. experienced exceptionally high export margins. Global Trade was substantially

higher year over year, driven by solid risk management and improved results in global ocean freight.

Crushing executed well in a continued solid demand environment for both soybean meal and vegetable oil. Results were lower year over year, driven by approximately \$250 million of net negative timing impacts, versus negative \$125 million in the prior-year quarter, as well as lower results in EMEAI versus a very strong Q4 2020. The majority of the negative timing effects are expected to reverse in the first half of 2022.

Refined Products and Other results were substantially higher than the prior-year period, driven by strong volumes and margins in North America for refined oils, and improved margins in North America and EMEAI for biodiesel, more than offsetting weaker South American results due to the reduced biodiesel mandate.

Equity earnings from Wilmar were higher versus the fourth quarter of 2020.

Carbohydrate Solutions results more than doubled year over year.

Starches and Sweeteners, including ethanol production from our wet mills, was lower versus the fourth quarter of 2020, driven by higher input costs, including energy costs in EMEAI, as well as lower wheat milling volumes, partially offset by continued strong ethanol margins.

Vantage Corn Processors results were substantially higher year over year, driven by historically strong industry ethanol margins as a result of strong demand relative to supply, as well as increased sales volumes due to production at the two dry mills that were idle in the previous-year period.

Nutrition had another extremely strong quarter, with revenue growth of 19% and operating profits 26% higher than the prior-year period; full-year operating profits were up 20% versus 2020.

Human Nutrition results were substantially higher year over year, with strength across the business. Flavors continued its growth trajectory, driven primarily by improved product mix in EMEAI and continued strong performance from North America, partially offset by weaker APAC results. In Specialty Ingredients, overall profits were in line with the year-ago period as strong demand for plant-based proteins offset the impact of one-time insurance proceeds in the fourth quarter of 2020. Health & Wellness was higher versus the prior-year quarter, as the business continued to deliver growing profits in bioactives and fermentation.

Animal Nutrition profits were much higher than the fourth quarter of 2020, driven primarily by continued strength in amino acids.

Other Business results were substantially higher, driven primarily by higher Captive Insurance underwriting results as the prior-year quarter included larger intra-company insurance settlements.

Other Items of Note

As additional information to help clarify underlying business performance, the table on page 10 includes reported earnings and EPS as well as adjusted earnings and EPS.

Segment operating profit of \$1.4 billion for the quarter includes charges related to asset impairment and restructuring of \$80 million (\$0.12 per share) and gains related to the sales of certain ethanol and other assets of \$55 million (\$0.07 per share).

In Corporate results, interest expense increased year over year on higher short-term borrowings. Unallocated corporate costs were lower year over year due primarily to increased variable performance-related compensation expense accruals in the prior year, partially offset by higher IT operating and project-related costs and transfers of costs from business segments into the centralized centers of excellence in supply chain and operations. Corporate results also included \$4 million (\$0.01 per share) of expenses related to an acquisition, and a gain related to the mark-to-market adjustment on the Wilmar exchangeable bond of \$2 million.

The effective tax rate for the quarter was approximately 21% compared to 8% in the prior year. The calendar year 2021 effective tax rate was approximately 17%, up from 5% in 2020. The increase for the calendar year was due primarily to changes in the geographic mix of earnings and current year discrete tax items.

Dividend

ADM's Board of Directors has declared a cash dividend of 40.0 cents per share on the company's common stock, an 8.1% increase from last quarter's dividend of 37.0 cents per share. The dividend is payable on March 1, 2022, to shareholders of record on Feb. 8, 2022. As of Dec. 31, 2021, there were 559,551,590 shares of ADM common stock outstanding.