# Archer-Daniels-Midland (ADM)

*Updated June 17th, 2026 by Felix Martinez*

## Key Metrics

| | | | | | |
|---|---|---|---|---|---|
| **Current Price:** | $77 | **5 Year Annual Expected Total Return:** | 3.2% | **Market Cap:** | $37.6 B |
| **Fair Value Price:** | $64 | **5 Year Growth Estimate:** | 4.0% | **Ex-Dividend Date:** | 08/20/26 |
| **% Fair Value:** | 119% | **5 Year Valuation Multiple Estimate:** | -3.5% | **Dividend Payment Date:** | 09/10/26 |
| **Dividend Yield:** | 2.7% | **5 Year Price Target** | $78 | **Years Of Dividend Growth:** | 53 |
| **Dividend Risk Score:** | B | **Sector:** | Consumer Staples | **Rating:** | Hold |

## Overview & Current Events

Archer-Daniels-Midland is the largest publicly traded farmland product company in the United States. The company, founded in 1902, trades with a market capitalization of $37.6 billion. Archer-Daniels-Midland's businesses include processing cereal grains, oilseeds, and agricultural storage and transportation.

Archer-Daniels-Midland reported its first-quarter results for Fiscal Year 2026 on May 5th, 2026. The Company reported first-quarter 2026 net earnings of $298 million, or $0.62 per diluted share. Adjusted EPS rose 1% to $0.71, beating estimates by $0.05. Revenue increased 1.6% to $20.49 billion. Total segment operating profit grew 2% to $764 million, driven by strong contributions from Carbohydrate Solutions and Nutrition, while Ag Services & Oilseeds declined due to net negative mark-to-market impacts. Results benefited from a constructive biofuels environment following U.S. policy clarity on renewable volume obligations.

Carbohydrate Solutions operating profit surged 48% to $356 million, supported by improved ethanol margins. Nutrition operating profit rose 42% to $135 million, reflecting higher Flavors sales, the ongoing recovery at the Decatur East plant, and gains in Animal Nutrition. Ag Services & Oilseeds operating profit fell 34% to $273 million, impacted by mark-to-market timing effects, though Ag Services subsegment profit increased 26% on higher export activity. ADM maintained disciplined execution amid global uncertainty, with ongoing focus on operational improvements and portfolio optimization.

CEO Juan Luciano highlighted the company's robust performance and raised 2026 adjusted EPS guidance to approximately $4.15–$4.70 (from $3.60–$4.25), underpinned by biofuels tailwinds and continued progress on strategic priorities. Capital expenditures are expected to remain in the $1.3–$1.5 billion range. ADM remains well-positioned to navigate volatility through its diversified portfolio, strong crushing and ethanol businesses, and focus on Nutrition growth.

## Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **EPS** | $2.16 | $2.13 | $3.50 | $3.24 | $3.59 | $5.19 | $7.85 | $6.98 | $4.74 | $3.43 | ***$4.58*** | ***$5.57*** |
| **DPS** | $1.20 | $1.28 | $1.34 | $1.40 | $1.44 | $1.48 | $1.60 | $1.80 | $2.00 | $2.04 | ***$2.08*** | ***$2.41*** |
| **Shares[1]** | 573.0 | 557.0 | 559.0 | 557.0 | 563.0 | 566.0 | 563.0 | 542.0 | 493.0 | 484.0 | ***482.0*** | ***480.0*** |

Unlike several dividend stocks that have achieved consistent year-over-year growth in earnings-per-share, Archer-Daniels-Midland has faced challenges in boosting its profits over the past decade. However, the recent acquisition of Ziegler Group and the establishment of a nutrition flavor research and customer center are expected to contribute to improved growth prospects. This positive outlook leads us to anticipate a feasible growth rate of approximately 4.0% for the future. Unlike other enterprises that thrive on increased consumer spending during prosperous periods, ADM's revenue doesn't surge significantly due to the relatively stable demand for food. Consequently, while a robust economy offers substantial advantages to many firms, it doesn't serve as a significant tailwind for Archer-Daniels-Midland.

[1] Share count is in millions.

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## Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Avg. P/E** | 18.8 | 20.1 | 14.3 | 17.1 | 14.8 | 13.0 | 11.8 | 10.3 | 10.7 | 12.0 | ***16.7*** | ***14.00*** |
| **Avg. Yld.** | 3.0% | 3.0% | 2.9% | 3.1% | 3.3% | 2.2% | 1.7% | 2.5% | 4.0% | 3.6% | ***2.7%*** | ***3.1%*** |

Archer-Daniels-Midland has been valued at a price-to-earnings multiple of 13.2x over the last decade. Even though its price-to-earnings multiple has been as low as 9.4x and as high as 20.1x. Now, shares look overvalued, with a current PE of 16.7x based on 2026 expected earnings of $4.58. Also, investors get an above-average dividend yield of 2.7% at current prices.

## Safety, Quality, Competitive Advantage, & Recession Resiliency

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Payout** | 56% | 60% | 38% | 43% | 40% | 29% | 20% | 26% | 42% | 59% | ***45%*** | ***43%*** |

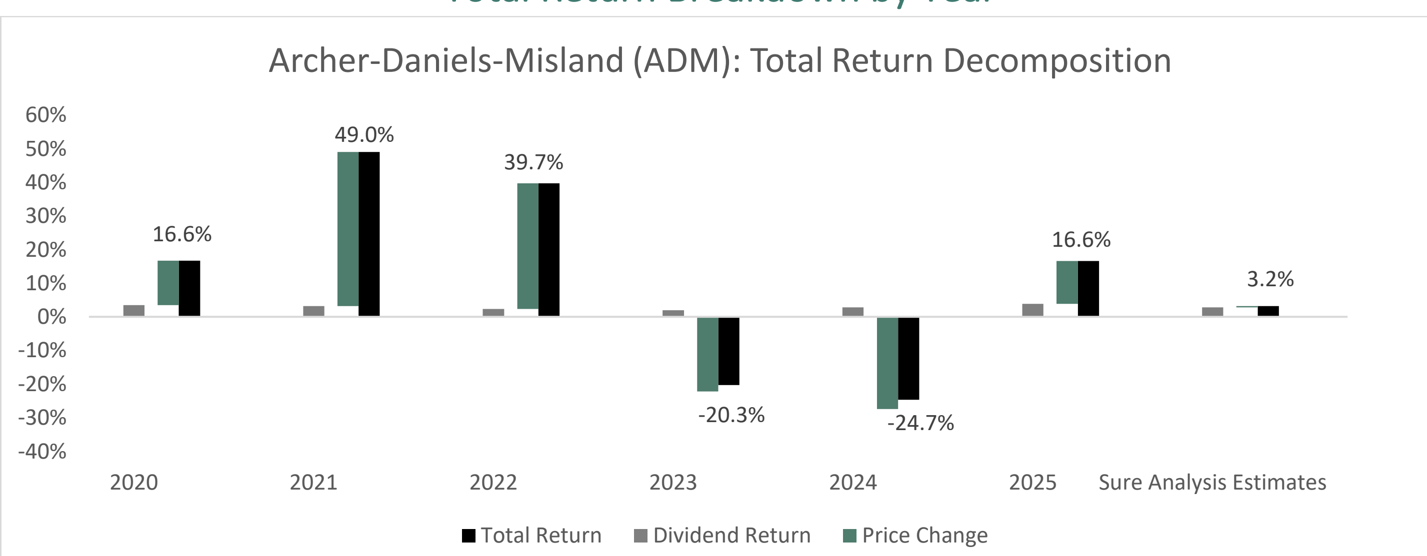
Archer-Daniels-Midland's dividend payout ratio rose substantially between 2009 and 2017, but that was when the payout ratio peaked at the 60% level in 2017. Thanks to 2018's earnings-per-share solid growth, the dividend payout ratio declined considerably to 38% in 2018. The dividend payout ratio is not high, at only 25% based on 2023 earnings. Also, because the company's profits performed well during the last recession, which saw earnings grow from $2.84 in 2008 to $3.06 in 2009, we believe that the dividend is relatively safe.

Archer-Daniels-Midland's business is recession resilient since the demand for food products is not cyclical. Archer-Daniels-Midland is one of the most significant players in its industry and has competitive advantages due to its scale and geographical reach. The company has increased its dividend for 53 consecutive years and has a 5-year dividend growth rate of 2.8%. Archer-Daniels-Midland looks like a low-risk investment due to its recession resilience, solid balance sheet, geographic diversification, and dividend history. Note that the company balance sheet Debt/Equity ratio is 0.3. This is in line with the past five-year average, and isn't a dangerous level for the company.

## Final Thoughts & Recommendation

We expect Archer-Daniels-Midland to grow earnings at 4.0% annually. Investors get an above-average dividend yield, but shares seem overvalued. Our estimated fair value price is $64. The total return outlook is 3.2% annually for the next five years. We rate this company as a hold at the current price because of the modest expected returns.

## Total Return Breakdown by Year




*Disclosure: This analyst has no position in the security discussed in this research report, and no plans to initiate one in the next 72 hours.*

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## Income Statement Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Revenue | 62,346 | 60,828 | 64,341 | 64,656 | 64,355 | 85,249 | 101,556 | 93,940 | 85,530 | 80,269 |
| Gross Profit | 3,618 | 3,518 | 4,181 | 4,147 | 4,453 | 5,987 | 7,570 | 7,513 | 5,778 | 5,033 |
| Gross Margin | 5.8% | 5.8% | 6.5% | 6.4% | 6.9% | 7.0% | 7.5% | 8.0% | 6.8% | 6.3% |
| SG&A Exp. | 1,981 | 1,978 | 2,165 | 2,493 | 2,687 | 2,994 | 3,358 | 3,456 | 3,706 | 3,609 |
| D&A Exp. | 900 | 924 | 941 | 993 | 976 | 996 | 1,028 | 1,059 | 1,141 | 1,181 |
| Operating Profit | 1,637 | 1,540 | 2,016 | 1,654 | 1,766 | 2,993 | 4,212 | 4,057 | 2,072 | 1,424 |
| Operating Margin | 2.6% | 2.5% | 3.1% | 2.6% | 2.7% | 3.5% | 4.1% | 4.3% | 2.4% | 1.8% |
| Net Profit | 1,279 | 1,595 | 1,810 | 1,379 | 1,772 | 2,709 | 4,340 | 3,483 | 1,808 | 1,078 |
| Net Margin | 2.1% | 2.6% | 2.8% | 2.1% | 2.8% | 3.2% | 4.3% | 3.7% | 2.1% | 1.3% |
| Free Cash Flow | -7390 | -7,015 | -5,626 | -6,280 | -3,209 | 5,426 | 2,159 | 2,966 | 1,227 | 4,204 |
| Income Tax | 534 | 7 | 245 | 209 | 101 | 578 | 868 | 828 | 476 | 182 |

## Balance Sheet Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Total Assets | 39,769 | 39,963 | 40,833 | 43,997 | 49,719 | 56,136 | 59,774 | 54,630 | 53,270 | 52,389 |
| Cash & Equivalents | 619 | 804 | 1,997 | 852 | 666 | 943 | 1,037 | 1,368 | 611 | 1,015 |
| Accounts Receivable | 2,426 | 2,424 | 2,683 | 3,281 | 3,653 | 4,490 | 6,235 | 5,284 | 4,580 | 3,594 |
| Inventories | 8,831 | 9,173 | 8,813 | 9,170 | 11,713 | 14,481 | 14,771 | 11,960 | 11,570 | 10,369 |
| Goodwill & Int. | 3,703 | 3,918 | 4,041 | 5,476 | 5,585 | 6,747 | 6,544 | 6,341 | 6,769 | 6,745 |
| Total Liabilities | 22,588 | 21,641 | 21,837 | 24,772 | 29,623 | 33,369 | 35,158 | 30,170 | 30,840 | 29,362 |
| Accounts Payable | 3,606 | 3,894 | 3,545 | 3,746 | 4,474 | 6,388 | 7,803 | 6,313 | 5,535 | 5,195 |
| Long-Term Debt | 6,931 | 7,493 | 8,388 | 8,881 | 9,929 | 9,539 | 9,180 | 8,365 | 10,160 | 6,606 |
| Shareholder’s Equity | 17,173 | 18,313 | 18,981 | 19,208 | 20,000 | 22,477 | 24,284 | 24,130 | 22,170 | 22,733 |
| D/E Ratio | 0.40 | 0.41 | 0.44 | 0.46 | 0.50 | 0.42 | 0.38 | 0.35 | 0.46 | 0.43 |

## Profitability & Per Share Metrics

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|---|---|---|---|---|
| Return on Assets | 3.2% | 4.0% | 4.5% | 3.3% | 3.8% | 5.1% | 7.5% | 6.1% | 3.3% | 2.0% |
| Return on Equity | 7.3% | 9.0% | 9.7% | 7.2% | 9.0% | 12.8% | 18.6% | 14.2% | 7.7% | 4.8% |
| ROIC | 5.3% | 6.4% | 6.8% | 5.0% | 6.1% | 8.7% | 13.1% | 10.5% | 5.5% | 2.7% |
| Shares Out. | 573 | 557 | 559 | 557 | 563 | 566 | 563 | 542 | 493 | 484 |
| Revenue/Share | 105.49 | 106.34 | 113.48 | 114.44 | 113.90 | 150.62 | 180.38 | 173.31 | 173.49 | 165.84 |
| FCF/Share | -12.50 | -12.26 | -9.92 | -11.12 | -5.68 | 9.59 | 3.83 | 5.47 | 2.49 | 8.69 |

*Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.*