



Archer-Daniels-Midland (ADM)

Updated August 27th, 2026 by Felix Martinez

Key Metrics

Current Price:	\$80	5 Year Annual Expected Total Return:	5.3%	Market Cap:	\$38.6 B
Fair Value Price:	\$76	5 Year Growth Estimate:	4.0%	Ex-Dividend Date:	08/19/26
% Fair Value:	105%	5 Year Valuation Multiple Estimate:	-1.0%	Dividend Payment Date:	09/09/26
Dividend Yield:	2.6%	5 Year Price Target	\$92	Years Of Dividend Growth:	53
Dividend Risk Score:	A	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 \$38.6 billion. Archer-Daniels-Midland's businesses include processing cereal grains, oilseeds, and agricultural storage and transportation.

Archer-Daniels-Midland reported its second-quarter results for Fiscal Year 2026 on August 4th, 2026. The company reported second-quarter 2026 diluted earnings per share of \$1.87 and adjusted diluted EPS of \$1.84, nearly double the prior-year adjusted figure of \$0.93. Net earnings reached \$908 million, while total segment operating profit rose 75% to \$1.45 billion. Revenue was \$22.68 billion. Strong commercial execution, a constructive biofuels environment, and improved Nutrition results drove the broad-based gains across all three segments.

Ag Services & Oilseeds operating profit more than doubled to \$867 million, led by higher crushing margins supported by the Renewable Fuel Standard volume obligations and elevated energy prices. Carbohydrate Solutions profit increased 22% to \$411 million on robust ethanol margins, while Nutrition profit rose 51% to \$172 million, reflecting growth in both Human and Animal Nutrition. Year-to-date adjusted EPS stood at \$2.56, up 57% from the prior-year period.

Management raised full-year 2026 adjusted EPS guidance to approximately \$5.15–\$5.60 from the previous range of \$4.15–\$4.70. The updated outlook reflects expected continued strength in crushing and ethanol margins, further improvement in Nutrition, and disciplined operational execution. Capital expenditures remain projected at \$1.3–\$1.5 billion.

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	\$5.43	\$6.61
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
Shares¹	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.

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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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	14.7	14.0
Avg. Yld.	3.0%	3.0%	2.9%	3.1%	3.3%	2.2%	1.7%	2.5%	4.0%	3.6%	2.6%	2.6%

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 14.7x based on 2026 expected earnings of \$5.43. Also, investors get an above-average dividend yield of 2.6% 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%	38%	36%

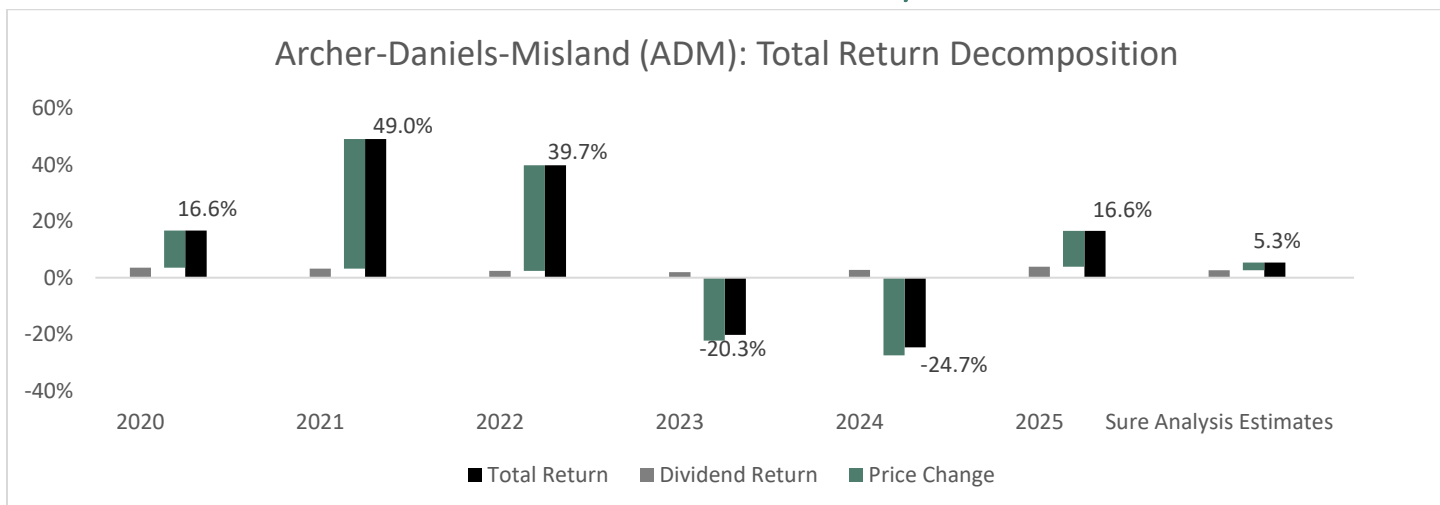
Archer-Daniels-Midland's dividend payout ratio rose substantially between 2009 and 2017, but that was when the payout ratio peaked at the 60% level in 2017. Thanks to 2018's earnings-per-share solid growth, the dividend payout ratio declined considerably to 38% in 2018. The dividend payout ratio is not 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 0.3x. 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% annually. Investors get an above-average dividend yield, but shares seem overvalued. Our estimated fair value price is \$76. The total return outlook is 5.3% 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



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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.

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