UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF ILLINOIS

Plaintiff, v. ARCHER-DANIELS-MIDLAND COMPANY, JUAN LUCIANO, VIKRAM LUTHAR, and RAY YOUNG, Defendants.	Case No. **CLASS ACTION COMPLAINT FOR VIOLATION OF THE FEDERAL SECURITIES LAWS** **DEMAND FOR JURY TRIAL**

Plaintiff __________ ("Plaintiff"), individually and on behalf of all others similarly situated, alleges the following upon personal knowledge as to Plaintiff, and upon information and belief as to all other matters based upon the investigation conducted by and through Plaintiff's attorneys, which included, among other things, a review of documents filed by Defendant Archer-Daniels-Midland Company ("ADM" or the "Company") with the U.S. Securities and Exchange Commission ("SEC"), research reports issued by securities and financial analysts, press releases issued by Defendants, media and news reports, and other publicly available information about Defendants. Plaintiff believes that substantial additional evidentiary support will exist for the allegations set forth herein after a reasonable opportunity for discovery.

NATURE AND SUMMARY OF THE ACTION

1. This is a securities fraud class action on behalf of all those who purchased, or otherwise acquired, ADM common stock during the period from April 30, 2020 through January 22, 2024, inclusive (the "Class Period"), who were damaged thereby (the "Class"). This action is brought on behalf of the Class for violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. §§ 78j(b) and 78t(a) and Rule 10b-5 promulgated thereunder by the SEC, 17 C.F.R. § 240.10 b-5.

2. ADM is an agricultural supply chain manager and processor that operates through three main business segments: Ag Services and Oilseeds, Carbohydrate Solutions, and Nutrition. The Nutrition segment is engaged in the manufacturing, sale, and distribution of a range of ingredients and solutions, including plant-based proteins, natural flavors, flavor systems, natural colors, emulsifiers, and other specialty food and feed ingredients.

3. Over the past decade, ADM has spent billions of dollars trying to expand its Nutrition business to protect against commodity price volatility in its legacy agricultural commodities trading business. The Company first acquired WILD Flavors in 2014 for $3 billion

and most recently, towards the end of 2023, announced it would acquire UK-based flavor and ingredient firm FDL. However, ADM's string of investments in animal feed and pet nutrition did not meet expectations, and leading up to the Class Period, ADM's Nutrition segment was under increased pressure resulting from weak demand for meat alternatives and other products as well as downtime at a large soy processing facility. In October 2023, ADM reported that Nutrition revenues had decreased 4% to $1.8 billion due to lower sales volumes, Nutrition operating profit had decreased 22%, and both Human and Animal Nutrition results were lower compared to the third quarter of 2022.

4. Throughout the Class Period, Defendants made false and/or misleading statements, as well as failed to disclose material facts, about the performance and prospects of ADM's Nutrition segment and its accounting practices. Specifically, Defendants made positive statements about the Nutrition segment as a future profit-driver for the Company, with the ability to capitalize on healthier eating trends and rising consumer demand for natural ingredients and flavoring. Defendants also created the impression that the Nutrition segment's growth would provide more diversification and earnings stability for ADM. This was an appealing strategy because the Company's results were historically tied to the highly cyclical commodities market.

5. Unbeknownst to investors, however, the Nutrition segment's ostensibly impressive growth from 2020 through 2022 was inaccurate and subject to improper accounting practices, and Defendants also downplayed the segment's eventual decline in 2023. As ADM was aggressively acquiring companies to expand its capabilities in Nutrition, investors were under the impression that the segment was growing rapidly. In reality, Defendants' accounting practices for the segment misrepresented its true financial results and prospects, including its operating profits ("OP"). During the Class Period, Defendants were incentivized to create the appearance of a diversified

business by inflating the performance of the Nutrition segment, and the Individual Defendants were further incentivized by stock awards that were directly tied to the performance of the Nutrition segment from 2020 to 2022. As a result, ADM's business and prospects were much worse than represented by Defendants, causing the price of ADM common stock to trade at artificially inflated levels during the Class Period.

6. On January 21, 2024, ADM announced that it had placed its CFO Vikram Luther on leave effective immediately. The company said that Luther's "leave is pending an ongoing investigation being conducted by outside counsel for ADM and the Board's Audit Committee regarding certain accounting practices and procedures with respect to ADM's Nutrition segment, including as related to certain intersegment transactions." The Company also revealed that its investigation was initiated in response to its receipt of a voluntary document request by the SEC. As a result, ADM delayed its Q4 and FY 2023 earnings release and withdrew its outlook for the Nutrition segment.

7. On this news, the price of ADM common stock declined by $16.23 per share, or approximately 24%, from $68.19 per share to close at $51.69 on January 22, 2024, wiping out approximately $8.8 billion of ADM's market value. This is the Company's largest one-day decline since November 13, 1929, which was two weeks after the market crash of 1929.

8. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's common stock, Plaintiff and other Class Members have suffered significant losses and damages.

JURISDICTION AND VENUE

9. The claims asserted herein arise under §§10(b) and 20(a) of the Exchange Act, 15 U.S.C. §§78j(b) and 78t(a), and Rule 10b-5 promulgated thereunder by the SEC, 17 C.F.R.

§240.10b-5. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. §1331 and 1367, and pursuant to §27 of the Exchange Act, 15 U.S.C. §78aa.

10. This Court has jurisdiction over each Defendant named herein because each Defendant is an individual or corporation who has sufficient minimum contacts with this District so as to render the exercise of jurisdiction by the District Court permissible under traditional notions of fair play and substantial justice.

11. Venue is proper in this District pursuant to §27 of the Exchange Act, 15 U.S.C. §78aa and 28 U.S.C. §1931(b), as the Company has its principal executive offices located in this District and conducts substantial business here.

12. In connection with the acts, omissions, conduct, and other wrongs alleged in this complaint, Defendants, directly or indirectly, used the means and instrumentalities of interstate commerce including but not limited to the United States mail, interstate telephone communications and the facilities of the national securities exchange.

PARTIES

13. Plaintiff, as set forth in the accompanying certification, which is incorporated by reference herein, purchased ADM common stock during the Class Period and has been damaged thereby.

14. Defendant Archer-Daniels-Midland Company is a multinational food processing and commodities trading company headquartered in Chicago, Illinois. The Company's stock trades on the New York Stock Exchange ("NYSE") under the ticker symbol "ADM."

15. Defendant Juan Luciano ("Luciano") has served as Chief Executive Officer ("CEO") and President of ADM since January 2015, and as Chairman of the Board of Directors since January 2016.

16. Defendant Vikram Luthar ("Luthar") served as Chief Financial Officer ("CFO") of ADM beginning in April 2022 and as Senior Vice President of ADM beginning in March 2015, until he was placed on administrative leave on January 21, 2024. Luthar previously served as Chief Financial Officer of ADM's Nutrition business segment from January 2020 to April 2022.

17. Defendant Ray Young ("Young") served as CFO of ADM from December 2010 until April 2022. After transferring the title of CFO to Luthar, Young assumed the position of Vice Chairman of ADM before retiring at the end of 2022.

18. Collectively, Defendants Luciano, Luthar, and Young are referred to throughout this complaint as the "Individual Defendants."

19. The Individual Defendants, because of their positions at the Company, possessed the power and authority to control the content and form of the Company's annual reports, quarterly reports, press releases, investor presentations, and other materials provided to the SEC, securities analysts, money and portfolio managers and investors, *i.e.*, the market. The Individual Defendants authorized the publication of the documents, presentations, and materials alleged herein to be misleading prior to its issuance and had the ability and opportunity to prevent the issuance of these false statements or to cause them to be corrected. Because of their positions with the Company and access to material non-public information available to them but not to the public, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to and were being concealed from the public and that the positive representations being made were false and misleading. The Individual Defendants are liable for the false statements pleaded herein.

20. ADM and the Individual Defendants are referred to herein, collectively, as "Defendants."

SUBSTANTIVE ALLEGATIONS

21. ADM is a multinational food processing and commodities trading corporation that engages in the production of oilseeds, corn, wheat, cocoa, and other agricultural commodities. It operates through three main segments: Ag Services and Oilseeds, Carbohydrate Solutions, and Nutrition. The Ag Services and Oilseeds segment includes activities related to the origination, merchandising, transportation, and storage of agricultural raw materials, and the crushing and further processing of oilseeds such as soybeans and soft seeds cottonseed, sunflower seed, canola, rapeseed, and flaxseed into vegetable oils and protein meals. The Carbohydrate Solutions segment mainly consists of corn and wheat wet and dry milling, and the Nutrition segment serves various end markets including food, beverages, nutritional supplements, and feed and premix for livestock, aquaculture, and pet food. Before increasing its focus on nutrition, ADM's business primarily focused on buying, selling, and processing raw materials such as soy and cornbeans.

22. Historically, ADM and its two primary competitors, Bunge Global SA and Cargill Inc., focused on buying, storing, and selling grain and profiting from exclusive information about supply and demand. As technology advanced and facilitated the spread of information, ADM and its competitors sought to diversify their business. Cargill entered the meat processing business and ADM expanded into nutrition, increasing its focus on providing customers with products to help them change the formulation of processed food, such as reducing sugar content while preserving sweetness, or alter its appearance. Currently, ADM's historical business is also facing the threat of increased competition for soybeans processing in the United States, as well as declining margins for soybean crushing and ethanol, for which ADM is the third-largest United States producer. As a result, successful diversification and growth of the Nutrition segment would continue to benefit ADM's revenue and stability.

23. Prior to the start of the Class Period, ADM began ramping up growth in the Nutrition segment, beginning with the $3 billion acquisition of WILD Flavors in 2014, which remains the Company's largest acquisition to date. ADM also completed a $1.8 billion acquisition of Neovia, an animal feed maker, in February 2019. In a press release announcing the recent acquisition of Revela Foods in December 2023, ADM stated that, "[o]ur flavors business is an important pillar of our Nutrition growth strategy, and we are continuing to add to our flavors pantry to ensure we remain the partner of choice for customers around the globe." ADM touted the growth to its flavors portfolio through acquisitions, "including savory via Eatem Foods; citrus via Florida Chemical Company and Erich Ziegler Citrus; and vanilla via Rodelle" and stated that it "expanded its flavors capabilities globally" with acquisitions including Flavor Infusion South America, organic investments including facilities in China and Germany, and a "growing network of innovation centers spanning Europe, Asia, Latin America and North America."

24. In February 2020, ADM reported that Nutrition operating profit increased 23%, compared to a 9% increase the previous year. One month later, in March 2020, ADM disclosed changes to the short-term and long-term incentive compensation plans for performance periods beginning in 2020 that were "designed to emphasize our focus on the Nutrition segment of our business." In January 2021, Defendant Luciano advertised that ADM's Nutrition business was expected to enter a period in which annual operating profit growth would average 15%, and operating earnings for the Nutrition segment indeed rose more than 20% that year. Yet despite Defendants' representations to the contrary, that growth was not sustainable. In 2022, Nutrition operating profit was only 7%, and earnings shrank by approximately one fifth in 2023.

25. Despite these results, Defendant Luthar reported that he expected continued growth in the Nutrition revenue opportunity pipeline in October 2023, "with significant conversions

continuing as ADM moves past some near-term demand weakness." ADM also continued to push forward with its aggressive M&A strategy, announcing two additional acquisitions for the Nutrition segment in December 2023, Revela Foods and FDL. In a press release announcing the Revela Foods acquisition on December 18, 2023, ADM touted its prior flavors investments, stating, "ADM is continuing to add to its broad portfolio of flavor ingredients and solutions as it builds a global leader in nutrition."

26. In reality, Defendants were not in a position to make such statements about ADM's prospects in the Nutrition segment. As a result of Defendants' misleading statements and omissions, investors were unaware that ADM's accounting practices were obscuring the true performance and growth of the Nutrition segment and impacting the accuracy and reliability of ADM's financial statements.

DEFENDANTS' MATERIALLY FALSE AND MISLEADING STATEMENTS AND OMISSIONS

27. The Class Period starts on April 30, 2020. On that date, ADM held an earnings call regarding its financial results for the first quarter of 2020. During the call, Defendant Young stated:

> ***Nutrition continued its growth trajectory with record results. Our Human Nutrition business, formerly known as WFSI, delivered strong performance and growth across the broad portfolio, including Flavors, Specialty Ingredients and Health & Wellness. Increased sales revenue in North America and EMEA flavors, continued sales growth in alternative proteins and additional bioactives income helped drive improved results***. As Juan mentioned earlier, we did see higher demand in some Human Nutrition areas as a result of new wins as well as some pantry loading effects. Animal Nutrition's improved year-over-year results were driven by a strong performance from Neovia, good volumes and margins in feed additives and solid sales in pet care. The prior year quarter also had been negatively impacted by about $10 million in upfront purchase price adjustments related to Neovia. Amino acids were negatively impacted by a year-over-year decline in the global pricing environment, though prices were directionally improved over Q4 of 2019. We are also very pleased that we met our Neovia synergy targets more than 2 years early.

28. Defendant Young further stated: "***For Nutrition, we feel confident that the business will continue to advance to another calendar year of 20%-plus growth***." In response to an analyst's question about the growth of the Nutrition business, Defendant Luciano stated:

> When talking about Nutrition, I said to all our investors over the last 1.5 years that they've been supporting us through all the investment phase in Nutrition. And Nutrition have not been showing that in the P&L because this was organic growth, and we have some growing pains into some of these assets as you build them and you have to finance them. But when you see now what's starting to happen is what we predicted before, is all those wins, all that innovation, we always said, we have our value proposition is resonating with our customers. We had that. That line was a little bit masked by all this organic growth that was coming. ***Now all that organic growth is hitting the P&Ls because these investments are maturing. And you're going to see that, and we grew 23% profit last year. We are growing – we're going to grow another north of 20% this year.*** You see WFSI during this. So take Neovia and Animal Nutrition out for a minute since the first quarter is a little bit of a strange comparison because we acquired this last first quarter. So -- but if you take WFSI, WFSI has grown earnings at 28% in the first quarter. So we continue a little bit the rhythm of 23% that we delivered last year. And flavors are growing at revenue at 7.8%. So we feel very good about that business. It's a very diversified business. And if anything, we're experiencing COVID with people that come back from this pandemic, like we've seen in Asia, is that people come back with the more -- with an enhanced focus on health and the importance of quality nutrition for their well-being. So we've seen the probiotics.
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> ***Our Health & Wellness segment is up, like, 24% in terms of revenue***, because the sales of those products are -- for humans is, has been probably reemphasized by all this COVID. ***So we think that we are in the right segments. We think we have the right product mix. So we feel very bullish about continuing this performance for the Nutrition business.***

29. In an earnings call on July 30, 2020, Defendant Young stated:

> ***Our Nutrition business continued to deliver significant growth, with 35% year-over-year profit improvement for the quarter.*** Over the first half of the year, adjusted profit for Nutrition is up more than 50%. And despite some COVID-19 impacts, revenue is up about 8% on a constant currency basis, with growth spread across the entire broad portfolio. Human Nutrition results were substantially higher in the second quarter of 2020 versus the second quarter of 2019.

30. On the same call, in response to an analyst's question about Nutrition's role "as a contributor to the overall company over the long run[,]" Defendant Luciano stated:

> Yes. Strategically, Eric, I always have -- we always have 2 north, if you will. One is we want to get to the 10% ROIC. And the second is we saw the opportunity to bring growth into the company with extending our value chain into Nutrition. ***And we always say, you heard me saying, we think that that's a business that could get easily to 25%, 30% of our profits, and it continues to move into that. And to be honest, it's moving probably accelerated -- has accelerated into that number.*** So we might revisit that number. So we don't have a specific number. But all I wanted to express at that point in time is it will be a meaningful contributor because we saw the opportunity. We saw the potential for that business. And now I think that everybody else is realizing.
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> ***At the beginning, we were in an investment phase. So to a certain degree, some of that performance was masked. But now we're looking at what we are doing in -- look at WFSI. WFSI grew 27%. Of course, Animal Nutrition grew much more than that. And when we look at all the microbiome potential there, that's an incredible accelerator that is still very small.*** So I think I answered all before to Ken. You have to remember, this is at the beginnings of what we can uncover in terms of profitability. We are just delivering while we are building the business. But there is much more that will come from Nutrition. And I think that if our track record serves us in giving you confidence, trust us, much more is coming from Nutrition.

31. On February 18, 2021, ADM filed its Form 10-K for the fiscal year ended December 31, 2020 (the "2020 10-K"). In the 2020 10-K, Defendants ADM, Luciano, and Young stated, "Nutrition revenues increased 2% to $5.8 billion due to higher sales prices ($0.1 billion)." Defendants ADM, Luciano, and Young further stated:

> ***Nutrition operating profit increased 37%. Human Nutrition delivered strong performance and growth across its broad portfolio***. Strong execution to meet rising customer demand for plant-based proteins and edible beans drove higher results in Specialty Ingredients. Additional income from fermentation and strong sales for probiotics and fiber drove higher performance in Health & Wellness. Flavors continued to deliver strong results. ***Animal Nutrition results improved year-over-year driven by strong performance from Neovia, good margins in commercial and livestock premix, and improved margins in amino acids.***

32. In an earnings call on October 26, 2021, Defendant Young stated that "the Nutrition business remains on its solid growth trajectory with 17% higher revenues and 15% on a constant currency basis and 20% higher profits year-over-year and continued strong EBITDA margins." Defendant Young further stated that: "Looking ahead, ***we expect Nutrition to continue on its***

impressive growth path, with strength across the Human and Animal Nutrition leading to strong year-over-year earnings expansion in the fourth quarter and a 20% full year growth versus 2020." Defendant Luciano affirmed Nutrition's growth, stating: "Nutrition will continue on its strong growth trajectory, in line with our 15% per annum trend rate goals and on its way to $1 billion in operating profit in the coming years."

33. On February 17, 2022, ADM filed its Form 10-K for the fiscal year ended December 31, 2021 (the "2021 10-K"). In the 2021 10-K, Defendants ADM, Luciano, and Young stated, "Nutrition revenues increased 16% to $6.7 billion due to higher sales prices ($1.0 billion), partially offset by lower sales volumes of ($0.1 billion)." They further represented:

> ***Nutrition operating profit increased 20%. Human Nutrition results were higher than the prior year. Flavors results were up, driven by strong sales across various market segments. In North America and EMEAI, the flavors business delivered strong volumes and improved product mix, particularly in the beverage segment. Specialty Ingredients delivered sales growth in specialty proteins and improved pricing and product mix***, though results were negatively impacted by the effects of higher production costs, normalization of prices in the wholesale ingredients business, and COVID-related shifts in demand across the portfolio. ***Health and Wellness results were strong, with robust demand driving strong results in probiotics and fibers. Animal Nutrition results were higher on favorable results in amino acids, driven by improved margins and product mix, partially offset by lower demand and higher input costs as a result of pandemic effects in South America and Asia.***

34. During an earnings call on October 25, 2022, Defendant Luthar stated "we expect the fourth quarter for Nutrition this year to be higher than the fourth quarter of 2021, ***with continued strong demand in Human Nutrition more than offsetting adverse currency effects. We expect Nutrition's full year OP growth to be between 15% and 20% on a constant currency basis***." In response to an analyst's question about ongoing momentum for 2023, Defendant Luciano stated:

> We see, as Vikram expressed before, a positive outlook for starches and sweeteners. We have finished some of our contracting, and we see the volume and we see the margins holding or slightly expanding there. ***And we see a continuation of our***

> ***growth trajectory in Nutrition. When I talk about the pipeline, that's the business in which we have the biggest visibility into the future because these are projects that -- barring any supply issues, we will bring to the P&L***. So I would say, that is what's -- give us some positive momentum or positive expectations for '23.
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> And as I explained in the Nutrition question, we have new capacity coming on stream. We have -- we are expanding Biopolis probiotics capacity by a factor of 5. We are bringing a new line for plant-based proteins in Sojaprotein. We are expanding our PetDine capacity***. So we are bringing a lot of new capacity to bear because we have the pipeline to actually transfer them into profits***. So from what we can see here, and again in a very uncertain world, is we have good -- very good momentum going into 2023.

35. On February 14, 2023, ADM filed its Form 10-K for the fiscal year ended December 31, 2022 (the "2022 10-K"). In the 2022 10-K, Defendants ADM, Luciano, and Luthar stated, "Nutrition revenues increased 14% to $7.6 billion due to higher sales prices ($0.2 billion) and higher sales volumes ($0.7 billion)." They further stated:

> ***Nutrition operating profit increased 7%. Human Nutrition delivered higher year-over-year results.*** Flavors results were lower driven by demand fulfillment challenges, the impact of the strong U.S. dollar in EMEA, softer demand in Asia Pacific, and higher costs in North America. Strong sales growth in alternative proteins, including contribution from the Sojaprotein acquisition, and good demand for texturants offset some higher operating costs to help deliver better year-over-year results in Specialty Ingredients. Health and Wellness was also higher year-over-year, powered by probiotics, including the contribution from the November 2021 Deerland Probiotics and Enzymes acquisition, and robust demand for fiber and Vitamin E. ***Animal Nutrition profits were higher than the prior year due primarily to strength in amino acids.***

36. During an earnings call on January 26, 2023, Defendant Luciano represented that: "Our Nutrition business continued to outpace the industry, with 18% constant currency revenue growth for the full year. We delivered an impressive 26% year-over-year revenue growth in BioSolutions. ***The portfolio of acquisitions we made in the prior year continued to deliver OP above our financial projections***."

37. On the same call, in response to an analyst's question about OP growth, Defendant Luciano stated:

> [Y]ou've been witnessing how we built this Nutrition business over the years***. This is a business that, if I take out the last 3 years, it has been growing OP by 20%,*** CAGR, if you will. So it's a business that we continue to add layers of capabilities so we can continue to win at the customer front, whether it's we go from individual ingredients to systems, where we bring functionality to those systems through bioactives, whether we bring sustainability benefits to that through our decarbonization or Regen Ag.
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> So we continue to add layers to continue to help customers excel at the consumer level. And we see that in our win rates, and we see that in our pipeline. So we have visibility into that. As Vikram said, maybe some of the categories soften a little bit, ***but our ability to gain share, to win faster than those categories has been demonstrated. I think this year, we grew revenue significantly higher than the market. So when we look forward, as I said in my -- I think one of the earlier answers, we continue to expect bolt-on and M&A -- bolt-on M&A and organic growth.*** We had 4 companies in 2021. ***We're building capabilities and new capacity in 2022 that we're going to see onstream in '23, and we're going to continue to grow that.***

38. In an earnings call on April 25, 2023, Defendant Luciano continued to tout ADM's growth in Nutrition, stating that, "***Nutrition's growth trajectory for the year remains on course with a double-digit increase in our human Nutrition pipeline compared to this point in 2022***." In response to an analyst's question about Nutrition's profits for the year, Defendant Luthar stated: "***In Human Nutrition, as we mentioned, we've got a strong pipeline***." He attributed an expected slowdown in the first half of the year to Animal Nutrition, but assured investors that "we feel good about Animal Nutrition from a turnaround perspective…we feel strong and good about the 10% plus constant currency OP growth in Nutrition for 2023."

39. In an earnings call on July 25, 2023, Defendant Luciano stated: ***In Nutrition, our unique go-to-market strategy continues to drive a larger sales pipeline and deliver double-digit growth in the Flavors business***[.]" Defendant Luthar reaffirmed the growth of Nutrition, stating:

> ***When looking at Nutrition as a whole, we now expect 2023 results to be similar to the prior years as we expect growth in Human Nutrition to be offset by lower results in Animal Nutrition.*** However, given the increase in customer innovation we've seen in our Flavors business and our recent wins in pipeline growth across Human Nutrition, as well as the actions we are taking in Animal Nutrition, we remain confident about the future outlook and growth prospects for Nutrition.

40. Defendant Luthar also touted ADM's progress in Flavors in response to an analyst question about the Nutrition segment, stating:

> Flavors. Strong pipeline and win rates. We talked about the largest ever pipeline we've had. Flavors actually grew profits in the first half 9%, 20% in Q2. So that's a very good sign of the recovery we are seeing in parts of the Human Nutrition business. ***The other thing that's important to note, Flavors actually contributed almost 50% of the overall operating profit for Nutrition in the first half. So that's an important signal as you think about the future growth of Nutrition***. Yes, that was primarily driven in the beverage category, but we see green shoots of opportunity in the food category as well.

41. In response to an analyst question about "the pathway '24, '25 and kind of the achievability of the prior 2025 target, I believe, $1.2 billion of OP in that [Nutrition] segment[,]" Defendant Luciano stated in pertinent part:

> ***In the Human Nutrition, margins are much higher and is [sic] continue to make it better and more stickier to customers as we develop better solutions. In Animal Nutrition was a margin up story since they were coming from lower margins. So when you think about our numbers are a combination of applying our growing faster than market and our EBITDA margin on sales to a market number.*** Of course, this industry, as you can see by ourselves and our competitors is having through tough times, whether it is because customers are either not innovating fast enough or destocking at this point in time and making sure they have their supply chains in order.
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> ***So to the extent that those projections are going to be reduced, our percentages of applied to those numbers will be a smaller number. So we haven't gone through that because, to be honest, we are looking at how do we address our current challenges. So we're not that worried about 2025 right now, we want to make sure we make all the adjustments that we need to make.*** And maybe as we talk about the adjustment, let me talk a little bit about Animal Nutrition. Animal Nutrition, as we become more into the business, if you will. We know there is a commodity part, and there is a specialty part. The specialty part matches very well with the -- what the playbook that we have in the human side. And that part is growing and we will continue to accelerate. And Vikram said before, we are repurposing resources to add more of that.

42. In an earnings call on October 23, 2023, Defendant Luthar stated:

> The plant-based protein market has been experiencing destocking and consumer demand softness over the course of the year that will likely persist into next year. Given these recent market dynamics, we have re-scoped our Decatur protein modernization investment project to better match the expected lower growth

> demand environment. Also, we are leveraging our expertise in creation, design and development to differentiate our product offerings to serve evolving consumer needs. ***These adjustments will enable a faster pivot to higher growth and more resilient categories such as specialized nutrition, which have synergies across the Nutrition portfolio, and we are rapidly building this revenue pipeline.***
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> Health and Wellness results were higher year-over-year due to double-digit biotech sales and a favorable impact related to the revised commercial agreement with Spiber. ***During the quarter, we realized a significant expansion in our revenue pipeline reinforcing the demand for evidence-based solutions.***
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> In Animal Nutrition, we are beginning to see the cost optimization actions and the expansion of offerings in the specialty feed and ingredient space from earlier this year, driving improved performance. However, the recovery in the base business was more than offset by normalized year-over-year amino acids margins as well as lower profit contribution from the Pet Solutions business.
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> Looking forward, we anticipate Flavors to finish the year strong driven by growth in EMEA and North America. Health and Wellness operating profit is expected to finish similar to last year. Animal Nutrition operating profit is expected to continue to recover sequentially quarter-over-quarter. Specialty Ingredients operating profit is expected to be down significantly, impacted by the recent Decatur East incident and demand softness.
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> ***All in, we now expect full year 2023 operating profit for Nutrition to be around $600 million. While our results in 2023 have been below our expectations, we expect Nutrition to return to growth in 2024.***
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> ***We will continue to build on the Flavors momentum from 2023. Health and Wellness should maintain its steady performance. The cost actions in the shopper pivot to higher-margin products will enable Animal Nutrition to drive growth, further reinforced by improved go-to-market capabilities.***

43. Defendant Luthar then announced a raised 2023 earnings outlook, stating: "Even with the softness in Nutrition, and lower-than-expected profit contributions from Wilmar, we are raising our 2023 earnings outlook again and now anticipate full year EPS in excess of $7 per share." Defendant Luciano affirmed:

> ***For Nutrition, we expect continued growth in our revenue opportunity pipeline with significant conversions continuing as we move past some near-term demand weakness.*** Our expanding results in Flavors continue to signal acceleration across our broader portfolio. We expect the positive revenue growth trends in Health and Wellness to drive into next year, and we're already pivoting Specialty Ingredients towards high potential areas like alternative daily and specialized nutrition.

44. The statements referenced above in ¶¶27-43 were materially false and/or misleading when made because they failed to disclose the following adverse facts pertaining to ADM's Nutrition segment and accounting practices, which were known to Defendants or recklessly disregarded by them as follows:

a) that the Nutrition segment's financial reporting and accounting practices did not provide investors with an accurate impression of ADM's performance and future prospects, including reported operating profits;

b) that the Nutrition segment's accounting practices created a heightened risk of regulatory scrutiny and adverse impacts to ADM's business; and

c) that, based on the foregoing, Defendants lacked a reasonable basis for their positive statements about ADM's Nutrition segment and related financial results, growth, and prospects.

45. On January 21, 2024, ADM announced that it had placed its CFO Vikram Luther on leave effective immediately. The company said that Luther's "leave is pending an ongoing investigation being conducted by outside counsel for ADM and the Board's Audit Committee regarding certain accounting practices and procedures with respect to ADM's Nutrition segment, including as related to certain intersegment transactions." The Company also revealed that its investigation was initiated in response to its receipt of a voluntary document request by the SEC. As a result, ADM delayed its Q4 and FY 2023 earnings release and withdrew its outlook for the Nutrition segment.

46. On this news, the price of ADM common stock declined by $16.23 per share, or approximately 24%, from $68.19 per share to close at $51.69 on January 22, 2024.

ADDITIONAL SCIENTER ALLEGATIONS

47. As alleged herein, Defendants acted with scienter in that they knew the public documents and statements issued or disseminated in the name of the Company were materially false and misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents and in actions intended to manipulate the market price of ADM's common stock as primary violations of the federal securities laws. As set forth elsewhere herein in detail, Defendants, by virtue of their receipt of information reflecting the true facts regarding ADM, their control over, and/or receipt or modification of, ADM's allegedly materially misleading misstatements, and/or their associations with the Company that made them privy to confidential proprietary information concerning ADM, participated in the fraudulent scheme alleged herein. The adverse developments at issue also involved the performance of the Company's Nutrition segment, which was one of ADM's fastest growing and most profitable segments, as well as the accuracy of ADM's core accounting practices.

48. Moreover, ADM's Proxy statement dated March 25, 2020 explained that the "Compensation/Succession Committee made changes to the short-term and long-term incentive compensation plans for performance periods beginning in 2020. ***Some of these changes were designed to emphasize our focus on the Nutrition segment of our business.***" The "changes to the 2020 PSU includes increasing the Adjusted ROIC metric to 50%, ***introducing a new 50% metric of operating profit growth in the Nutrition segment***, and using Relative TSR modifier as a +/- 10%."

49. ADM's Proxy statement dated March 14, 2023 revealed that:

> In 2020, ADM granted PSUs to our then-NEOs with a three-year performance period (2020-2022). The performance metrics for the 2020 PSU awards were:

- Average adjusted ROIC7 over the three-year performance period,
- ***Average Nutrition operating profit ("OP") growth over the three-year performance period***, and
- Relative TSR as compared to a defined peer group over the three-year performance period.

50. The statement further specified that 20% growth in "Average Nutrition OP Growth" would result in a 200% payout. The Compensation and Succession Committee determined that the "***Average Nutrition OP growth was 21.4%, and therefore, the resulting payout factor was 200%***." The Committee further found that "Average adjusted ROIC was 10.4%, and therefore the resulting payout factor was 200%." Based on these determinations, the Committee approved the following number of PSUs: Defendant Luciano earned 349,488 2020 PSUs, Defendant Luthar earned 22,136 2020 PSUs, and Defendant Young earned 128,146 2020 PSUs.

51. As a result, the Individual Defendants knew or were reckless in not knowing of the undisclosed facts detailed herein.

LOSS CAUSATION/ECONOMIC LOSS

52. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss, *i.e.*, damages, suffered by Plaintiff and the Class.

53. On January 21, 2024, ADM announced that it had placed its CFO Vikram Luther on leave pending an ongoing investigation "regarding certain accounting practices and procedures with respect to ADM's Nutrition segment, including as related to certain intersegment transactions" which was prompted by a document request by the SEC. ADM withdrew its outlook for the Nutrition segment and further revealed that its Q4 and FY 2023 earnings release would be delayed. On this news, the price of ADM common stock declined by $16.23 per share, or approximately 24%, from $68.19 per share to close at $51.69 on January 22, 2024.

54. The decline in ADM's stock price is directly attributable to the announcements related to the Company's accounting practices and Nutrition segment.

APPLICABILITY OF PRESUMPTION OF RELIANCE:
FRAUD-ON-THE-MARKET DOCTRINE

55. Plaintiff will rely upon the presumption of reliance established by the fraud-on-the-market doctrine that, among other things:

a) Defendants made public misrepresentations or failed to disclose material facts during the Class Period;

b) The omissions and misrepresentations were material;

c) The Company's common stock traded in efficient markets;

d) The misrepresentations alleged herein would tend to induce a reasonable investor to misjudge the value of the Company's common stock; and

e) Plaintiff and other members of the class purchased the Company's common stock between the time Defendants misrepresented or failed to disclose material facts and the time that the true facts were disclosed, without knowledge of the misrepresented or omitted facts.

56. At all relevant times, the markets for the Company's stock were efficient for the following reasons, among others: (i) the Company filed periodic public reports with the SEC; and (ii) the Company regularly communicated with public investors via established market communication mechanisms, including through regular disseminations of press releases on the major news ire services and through other wide-ranging public disclosures such as communications with the financial press, securities analysts, and other similar reporting services. Plaintiff and the Class relied on the price of the Company's common stock, which reflected all information in the market, including the misstatements by Defendants.

NO SAFE HARBOR

57. The statutory safe harbor provided for forward-looking statements under certain conditions does not apply to any of the allegedly false statements pleaded in this Complaint. The specific statements pleaded herein were not identified as forward-looking statements when made.

58. To the extent there were any forward-looking statements, there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements.

CLASS ACTION ALLEGATIONS

59. Plaintiff brings this action as a class action pursuant to Rule 23 of the Federal Rules of Civil Procedure on behalf of a class of all persons and entities who purchased or otherwise acquired ADM common stock between April 30, 2020 through January 22, 2024, inclusive. Excluded from the Class are Defendants and their families, the officers and directors of the Company, at all relevant times, members of their immediate families, and their legal representatives, heirs, successors or assigns and any entity in which defendants have or had a controlling interest.

60. The members of the Class are so numerous that joinder of all members is impracticable. The disposition of their claims in a class action will provide substantial benefits to the parties and the Court.

61. There is a well-defined community of interest in the questions of law and fact involved in this case. Questions of law and fact common to the members of the Class which predominate over questions which may affect individual Class members include:

a) Whether Defendants violated the Exchange Act;

b) Whether Defendants omitted and/or misrepresented material facts;

c) Whether Defendants' statements omitted material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading;

d) Whether Defendants knew or recklessly disregarded that their statements were false and misleading;

e) Whether the price of the Company's stock was artificially inflated; and

f) The extent of damage sustained by Class members and the appropriate measure of damages.

62. Plaintiff's claims are typical of those of the Class because Plaintiff and the Class sustained damages from Defendants' wrongful conduct alleged herein.

63. Plaintiff will adequately protect the interests of the Class and has retained counsel who are experienced in class action securities litigation. Plaintiff has no interests that conflict with those of the Class.

64. A class action is superior to other available methods for the fair and efficient adjudication of this controversy.

COUNT I
For Violations of §10(b) of the Exchange Act and Rule 10b-5 Promulgated Thereunder
(Against All Defendants)

65. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

66. During the Class Period, Defendants disseminated or approved the false statements specified above, which they knew or deliberately disregarded were misleading in that they contained misrepresentations and failed to disclose material facts necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading.

67. Defendants violated §10(b) of the Exchange Act and Rule 10b-5 in that they (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon those who purchased or otherwise acquired the Company's securities during the class period.

68. Plaintiff and the Class have suffered damages in that, in reliance on the integrity of the market, they paid artificially inflated prices for the Company's common stock. Plaintiff and the Class would not have purchased the Company's common stock at the price paid, or at all, if they had been aware that the market prices had been artificially and falsely inflated by Defendants' misleading statements.

COUNT II
For Violation of §20(a) of the Exchange Act
(Against All Defendants)

69. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

70. Defendants acted as controlling persons of the Company within the meaning of §20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions at the Company, the Individual Defendants had the power and authority to cause or prevent the Company from engaging in the wrongful conduct complained of herein. The Individual Defendants were provided with or had unlimited access to the documents where false or misleading statements were made and other statements alleged by Plaintiff to be false or misleading both prior to and immediately after their publication, and had the ability to prevent the issuance of those materials or to cause them to be corrected so as not to be misleading. The Company controlled the Individual Defendants and all of its employees. By reason of such conduct, Defendants are liable pursuant to §20(a) of the Exchange Act.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

A. Determining that this action is a proper class action pursuant to Rule 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of the Class as defined herein, and a certification of Plaintiff as class representative pursuant to Rule 23 of the Federal Rules of Civil Procedure and appointment of Plaintiff's counsel as Lead Counsel;

B. Awarding compensatory and punitive damages in favor of Plaintiff and the other class members against all Defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including pre-judgment and post-judgment interest thereon.

C. Awarding Plaintiff and other members of the Class their reasonable costs and expenses in this litigation, including attorneys' fees, experts' fees and other reasonable costs and disbursements; and

D. Awarding Plaintiff and the other Class members such other relief as this Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff hereby demands a trial by jury.

DATED: January 24, 2024