Virtual | Corteva Investor Day 2026 | September 15, 2026

Rafa Soares:

Good afternoon and thank you for joining us. I'm Rafa Soares, head of investor relations for Corteva. It's great to have you here today. We have prepared presentation slides to supplement our remarks during this meeting, which are posted on the investor relations section of the Corteva website and through the link to our webcast. We'll open this afternoon with remarks from Luke Kissam, chief executive officer. Luke will be followed by Dr. Reza Rasoulpour, chief technology officer, and Brook Cunningham, chief commercial officer. After the short break, we'll hear from Ralph Ford, chief integrated operations officer, and finally, Jeff Rudolph, chief financial officer, who will outline our financial framework. We'll then conclude the day with a Q&A session with all the leaders. During this meeting, we'll make forward-looking statements, which are our expectations about the future. These statements are based on current expectations and assumptions that are subject to various risks and uncertainties. Our actual results could material differ from these statements due to these risks and uncertainties, including but not limited to those discussed at this meeting and in the risk factor section of reports filed with the SEC. We do not undertake any duty to update any forward-looking statement. Please note, in today's presentation, we'll be making reference to certain known gap financial measures. Reconciliations of known gap measures can be found at the end of this presentation or in other investor materials available in our investor relations website. Welcome to Corteva's 2026 Investor Day.

Speaker 1:

In the decades ahead, the world will need to feed two billion more people, yet farmland is finite, resources are constrained, and growing food is becoming increasingly complex. So how do we produce more with less? At Corteva, we believe the answer is innovation. Innovation that protects crops from weeds, insects, pests, and disease, innovation that helps farmers produce stronger, healthier harvests. From cornfields in Iowa to wheat fields in Alberta, from vineyards in France to citrus groves in Brazil, from rice fields in India, to cherry orchards in Michigan, wherever food is grown, Corteva is helping agriculture become more productive, more resilient, and more sustainable. And that is why what we do matters, because agriculture is essential and helping farmers succeed is essential. Today, we begin the next chapter of the Corteva story, a chapter that will be defined by innovation, execution, an unwavering commitment to our customers and a focus on safety in all that we do, and a future that we believe will result in lasting value for farmers, shareholders, employees, and society.

This is a new day for Corteva, a company built to solve one of the world's most important challenges, a company with momentum, a company with purpose, and a company whose greatest opportunities still lie ahead. Welcome to Corteva Investor Day.

Speaker 2:

Please welcome Chief Executive Officer Luke Kissam.

Luke Kissam:

All right. Some of y'all told me we needed to get excited, to have a little excitement this afternoon. After sitting through the longest lunch break in the history of New York, I hope everybody's excited. That song, we trying to do the best we could there, but good afternoon everybody. Thank all of you for coming. We really appreciate it. My name's Luke Kissam, and I'm honored to be here with you today as we begin the next chapter at Corteva. A chapter that we expect to be defined by innovation, improved execution, and an unwavering commitment to our stakeholders. I grew up around farming and I learned early on in my life that farming is synonymous with optimism. Farmers work really hard. They plant their seeds every year and they pray for rain. They make decisions with uncertainties like weather, commodity prices, pest and weed resistance and input costs circling all around them.

Yet every year at the end of that season, they harvest their crop and they feed the world. That's a noble profession. And we're honored to be able to help them toward that cause. Corteva's story doesn't begin today. The business has been around for years and it's always focused on improving its portfolio, expanding margins, and launching solutions to meet the needs of growers. What we're talking about today is how we build on that past success. In a little while, Reza's going to talk about our innovation pipeline. Brook and Ralph are going to talk about how we're going to execute effectively and turn that pipeline into sustainable and profitable growth. Jeff's then going to walk through what that means from a financial standpoint and how we think about capital deployment. My job's pretty easy, I'm just supposed to explain how all that fits together and why I believe that this business can create consistent long-term value for our stakeholders.

Let me start with the messages I want you to take away from today. First, Corteva's a pure play crop protection company with a history of successful execution. Second, innovation provides the opportunity for our sustained growth. The problems that farmers face today are getting harder and harder to solve. Corteva can deliver solutions that have better economics for the farmer and for Corteva, and that capability is a huge competitive advantage. Third, customer focus turns innovation into adoption and value capture. We have to understand the needs of the grower and solve those problems in a way that works in the real world. Fourth, execution turns innovative solutions into results, and disciplined capital allocation drives future growth and increasing returns for our stakeholders. That's the Corteva system. We innovate, we execute, we allocate capital with discipline, and we do it over again and again and again, always with a focus on our growers and our stakeholders.

Now, look, competitive pressure's real, farm economics matter, channel inventory and routes to market matter, regulations always change. We understand all that, but Corteva has the ability to innovate, execute, and allocate capital effectively enough to grow in that environment. The purpose of today is for us to tell you why.

We're a team of approximately 9,000 colleagues in 110 countries who wake up every day thinking about agriculture. They're supported by 25 R&D facilities and more than 8,000 patents. As you can see from these charts, Corteva has a balanced portfolio. We're not a one trick pony. We're not dependent on any one geography, one crop, one segment or one active ingredient. And that balance is critical because products evolve and grower needs change over time. Our goal will be to keep that portfolio balanced, relevant, differentiated, and aligned with the needs of growers. Now, since 2020, this has been a tough market, but the business has delivered good results. Driven by new products, revenue has increased by over $1 billion, while EBITDA margins expanded by approximately 250 basis points on a segment basis. During that same period, Corteva improved the quality of its portfolio as well. We exited approximately a half a billion dollars of low margin products and replaced them with new solutions that demanded higher margins.

We invested in an industry-leading biologicals platform, which helped increase the percentage of our portfolio that is differentiated from 45 to approximately 65% of revenue. And finally, we increased our investment in R&D. And shown on slide 10, as you can see, we must continue to get better because farming is getting harder and harder. The world needs more agricultural output, but the land base is fixed or shrinking. Weather and climate stress are putting pressure on yield. You have resistance and pest shifts require product replacement and new modes of action. And regulations continue to tighten all over the world. Farmers need better solutions to these increasingly complex challenges, and Corteva has always excelled in an environment like that.

We've had a history of innovation success. Corteva launched seven new actives in the past 10 years. That's more than anybody else in the industry. And those actives are contributing approximately $1.4 billion of revenue in 2026 at average margin 10 to 15 percentage points higher than the overall portfolio average. Going forward, we have 12 new solutions poised to launch over the next decade, five of which are biologicals. These 12 novel solutions have the potential to create approximately $4 billion of peak revenue while meeting our margin and profit expectations for differentiated products. So let's take a high level look at this portfolio on page 12. Every crop protection company eventually faces some combination of product maturity, competitive pressure, resistance or regulatory change. An innovative organization replaces older products with newer and better solutions. To be successful, that pipeline has the launch solutions to problems that the growers are facing, and the grower has to see an economic benefit in that solution versus the alternative.

And the grower has to be willing to pay a price consistent with the producer's profit and return expectations. And that's exactly what this pipeline represents. The pipeline's balanced. It's not one product, one crop or one geography. It's a multi-year, multi-segment innovation strategy, and it's focused on some of the toughest problems that growers face. It's important to note that this innovation is not all invented by Corteva. Strong innovation companies are intentional about where they invent, where they partner and where they acquire capabilities. We're agnostic as to where the idea came from. For example, our acquisition of Biotelliga strengthened our capabilities in fungal biology, biocontrol, as well as natural product discovery. Our collaboration on rimisoxafen will expand our ability to provide growers with advanced weed control solutions with effectiveness against some of the most difficult herbicide resistant weeds out there. And our recently announced joint venture with Globachem will combine each company's complimentary strengths to accelerate innovations in crop protection.

Our goal is to access the best means of innovation, to provide value for our farmers and our stakeholders, whether that comes from our own R&D, partnerships or targeted acquisitions. As you can see on slide 13, our approach has been and will continue to be to focus resources where differentiated solutions matter and where the value we create justifies the investment. That gets back to the grower being able to calculate the benefit of Corteva's solution versus the alternative and being willing to pay for that solution. Our objective will be to sell value-based solutions, not products. We'll combine that focus on differentiated solutions with an enterprise-wide focus on low costs and productivity improvements. That type of focus on executions leads to structural cost savings that compound over time. Ralph's going to share some really good examples of that in his presentation. This operating system has allowed Corteva to lead the industry in margin expansion through the ag cycle.

As I mentioned earlier, Corteva expanded EBITDA margins by about 250 basis points since 2020, and we reinvested those additional profits into further portfolio and productivity improvements. We know how to do what needs to be done. We've proven that this playbook works. The opportunity is to make it work better, make it work faster and make it work more consistently. The question that I think about often is if I had $1, where would I put it? Here's what I know, we're going to continue to invest to operate this business safely and reliably. We're going to continue to invest in projects that enable us to improve productivity and operate more efficiently and effectively. We must continue to fund innovation that drives organic growth. And we will return cash to shareholders via dividends and targeted stock buybacks. And finally, we'll pursue accretive acquisitions and partnerships that accelerate or de-risk our strategy. And we're going to do all of that while maintaining an investment grade balance sheet.

We're going to allocate every dollar in a way that'll strengthen the business, improve returns, and create value for our stakeholders. Now, strategy is only good as a team that execute it and the culture that they helped create. The management team that you see on slide 15 is built for the opportunities that lie ahead. Each one is talented and brings relevant and diverse experiences across chemicals, agriculture, and industrials. We are all aligned on our strategy and the culture that we need to cultivate in order to win in any market condition. We also have a very talented board that understands its role in governance and takes that role very seriously. Their expertise and experience dovetail perfectly with our strategy. Good governance creates clarity, accountability and discipline, and that's exactly what we have at Corteva.

As you can see on slide 16, our strategy's pretty clear, innovation creates the opportunity, execution turns opportunity into profitable growth, and discipline capital allocation turns profitable growth into sustainable value. We start by understanding what farmers need, higher yields, better economics, resistance management, sustainability and simplicity. Innovation provides those solutions. But innovation only creates value when it solves a real problem and a grower can readily see the benefit in that solution over the alternative. That means focusing on markets where farmers can pay a price for that differentiated solution that is consistent with our profit and return expectations. We do that by bringing chemistry, biologicals, and seed applied technologies together into solutions that deliver better outcomes for that grower. That translates into more profit per acre for that grower and for Corteva. Then we must seek continuous improvement in the execution across our enterprise. That mindset has to be embedded in our DNA. It means getting products registered quickly, launching successfully, manufacturing reliably, servicing customers well, and relentlessly pursuing productivity improvements.

Then we've got to be great stewards of our capital. So the strategy's pretty simple, solve the hardest growing problems, commercialize differentiated solutions, operate with discipline and efficiency, and allocate capital like owners. Investors have many choices in where they can invest. Let me close by telling you what they can expect of an investment in Corteva. Corteva is a global crop protection company with a balanced portfolio and a history of top tier performance through the cycle. We have a proven track record and a playbook that works. Second, we have a robust pipeline of solutions to some of the toughest issues farmers are facing, and Reza's going to share those with you in a second. Third, cost discipline and productivity are part of our DNA. We have a continuous improvement mindset and a list of opportunities for productivity and margin gains. We're committed to an investment grade balance sheet and strong cash flow generation that should provide financial flexibility.

And fifth, we will be disciplined and intentional with our capital deployment. Jeff's going to review the market assumptions with you that we included in the forecast in his presentation, but let me address pricing for a second. Since 2023, this business has experienced sustained pricing headwinds, essentially wiping out the pricing gains achieved during the COVID years. Recently, a manufacturer announced a price reduction in North America on an older herbicide used in corn and soybeans. I tell you both those points so that you realize this, pricing pressure is real, but it's not new. Producers have always managed product life cycles in a way that they think is best for them. How we anticipate and react to those actions has always been critical and will always be critical in how we manage our business and deliver value to our stakeholders. That's why I focus so much today on innovation and productivity.

Our playbook allows us to outperform in any pricing environment. Innovation will lead to differentiated solutions that low cost producers can't legally copy or technically replicate. A focus on productivity across the enterprise drives structural cost savings. That allows us to match a lower price if we choose to do so. And we might do that if we don't yet have a differentiated solution for an application but still want to provide options for the grower or if we want to protect shelf space with the distribution. My point is that we don't need pricing tailwinds to deliver the three-year plan that we're sharing today. We're assuming an annual pricing headwind of roughly 1% in our assumptions. In spite of that, at the midpoint, we expect to deliver approximately 6% compounded annual EBITDA growth by 2029 with around 150 basis points of margin improvement and around 2.4 billion of cumulative cash flow from operations.

Now, our job is to take the opportunity that innovation provides, sprinkle in excellence in execution, and add a little disciplined capital allocation and turn these opportunities into outsize returns for our shareholders. Thank you for joining us here today. Thanks for listening. And I look forward to your questions later on.

Speaker 3:

Innovation matters now more than ever. Around the world, farmers are being asked to do more with less, more food on less land, with a shrinking toolbox of available solutions, all while facing increasing pest pressure, resistance and extreme weather events. The bottom line, the challenges of tomorrow will not be solved with yesterday's solutions. That's why innovation is at the heart of everything we do at Corteva. Across our global R&D organization, our scientists are advancing a broad portfolio of solutions from nature derived innovations to breakthrough chemistries and next generation crop protection technologies. Over the past decade, we've introduced seven new crop protection actives, creating value for farmers today and building a significant platform for future growth.

But what excites us most is what comes next. Our world-class pipeline enabled by the talent and expertise of our people is designed to keep pace with the evolving needs of agriculture and deliver differentiated solutions that help farmers succeed in an increasingly complex world. Because at Corteva, innovation isn't just what we do, it's how we create value for farmers, for society, and for the future of agriculture. It's a new day, a new Corteva, and our greatest opportunities still lie ahead.

Speaker 2:

Please welcome Chief Technology Officer Reza Rasoulpour.

Reza Rasoulpour:

Good afternoon. My name is Reza, I'm CTO for Corteva, and I'm really excited to be here with you to share how Corteva's R&D engine creates value. At the end of the day, standing here in New York City, I want you to appreciate that farming is hard. Farmers have huge complexities facing them, and today I'm going to share with you some examples of how the challenges of the future cannot be solved with yesterday's solutions. Our strategy is a simple one, deliver the innovation that solves a problem for a grower that they cannot solve in any other way, because when we create value for that grower that they can see and are willing to pay for, then we share in that value. So let me start with a case study to exemplify this point, and we're going to go to Asia where 90% of global rice production occurs, and I'm going to introduce you to this little insect here, the brown planthopper.

Due to macro trends of pest pressure evolving, resistance developing, weather changes, this pest can cause significant damage, up to $2 billion of losses in India alone. And if you look at the picture at the top right, you can see how significant of an issue this would be on a rice field. It's a productivity problem, but it's also a grower livelihood problem and a food security problem. This is the sweet spot where Corteva R&D delivers with unique solutions like Pyraxalt. It breaks resistance, provides superior control that you can see, and gives farmers a truly new solution for a problem that existing chemistry simply cannot solve. And that's the broader message I want you to take away today. Generic products have their place, but they're limited because they replicate tools that already exist. They do not provide the new modes of action needed to overcome resistance and address evolving pest pressures.

This is where we focus. As nature creates these greater grower challenges through these macro trends, we provide a new solution to these emerging problems. The more these foundational challenges in agriculture compound, there's an increased need for innovation, and these unmet needs are where we focus. So if you look at these four different areas, our R&D engine is aligned to these areas of disease control, insect control, weed control, and plant performance, more than $100 billion of opportunity, addressable market opportunities on this slide. Note that you don't see biologicals or seed treatment called out separately, because for R&D it's integrated into how we deliver solutions to our farmer customers. Within these four areas, we focus on that intersection between the unmet grower need and our ability to deliver a differentiated solution. That's how we stay laser focused and keep the customer at the center of our R&D engine.

We transform innovation into customer value by solving problems no one else can in those four areas. We do this through internal and external innovation. Some key capabilities that make us different from the competition, our microbial discovery platform, our integrated development platform, and our predictive safety platforms. So today I'm going to cover five things. The first one, I'm going to share with you our track record. Secondly, I'm going to talk about these differentiated technologies and how they provide value. Then we're going to go and I'm going to share with you some case studies from around the world to show you how our solution is better than the next alternative that a grower has. And then finally we're going to end with our pipeline and the value created. Look, R&D is hard. This isn't just about discovering things.

It's about taking candidates through a decade of testing and regulatory to bring them to the market. Therefore, a key performance indicator of any R&D organization is how many actives have you launched. We've launched seven in the last decade, that's more than the competition. And we do this and deliver value to the growers. So if you move to the middle, these aren't just launches for their own sake. We've translated those actives into $1.4 billion of 2026 estimated revenue. And importantly, we've taken those actives and the other actives within our portfolio, mixed them together to come up with our new formulations. We've launched over 1,000 new products since 2020. That is also translated into 3,200 regulatory approvals from our global teams and 3,800 new patents in order to protect our innovation. Now, what we're poised to do in the future, it's even more impressive. We're sitting on an $ 11 billion pipeline. That's up two billion since 2023. And that's coming from pipeline advancements, expansion into new markets, new opportunities.

We're poised to launch 12 new actives in the next decade, seven conventionals and five biologicals, and our R&D efficiency, which we're measuring as the pipeline value over our R&D spend, is 2X the competitor average. So this is not just science for science sakes. This is not a science fair, folks. This is about creating value time and time again. So how do we do it? What's our secret sauce? I'm going to share with you three key platforms that we use to discover, develop, and deliver our actives and turn them into solutions. Let's start on the left with discovery. Finding a new active is not like looking for one grain of sand in an hourglass. It's like finding one grain of sand on the entire planet. So how does anyone do that?

Well, they modify existing actives, maybe they take a protein and they do a lot of hit on it, maybe they look at pharma data. Well, the way that we do it is a very unique way. We use our proprietary microbial discovery library. These are 700,000 strains unique to us. It's a unique source of inspiration. Think of it as our own private beach. No one else has access. So through this we discover natural products. We use that inspiration to inspire us for our conventional chemistry. And I want you to appreciate that without a novel source of inspiration, it is difficult to discover something truly new, something that creates differentiated value instead of just another me too. That's one reason why we have a clear advantage against the competition, regardless of if they're based in the Americas, in Europe, or in China. Because of the size and scale of this library, AI is so critical, and it allows us to go faster.

Proprietary AI tools help us sift through this sand a thousand times faster than we could a few years ago. That's taking us from weeks to clicks. And we do this at 3X higher success rate. Now, discovery is only the first part of the process. We need to move on to development. That's the platform in the middle. Our development scales from fermentation to formulation, to global field characterization, identifying the crops, the markets, the formulations where our products can provide the most value. This is a highly automated and integrated platform within Corteva. Again, AI helps, allows us to go two times faster in formulation development from 12 to six months, and two and a half times faster with our proprietary fermentation capabilities. That enables biologicals like the Spinosyn franchise, Utrisha, Inatreq. Now, moving on to our third platform, look, we have to deliver the products. So safety expectations for human health, environmental stewardship, regulatory standards, societal expectations, these are all increasing. That is why predictive safety is baked in to the earliest stages of our process. It's designing, developing the additives. And that's important because you do regulatory right, you can get products on market faster and you can stay on market longer. AI again helps us. We go 12 times faster in safety assessment than before from six years to six months, and five times more actionable safety insights. That helps us pivot, de-phase or de-risk our pipeline. So together these platforms work in a really integrated way which segments us from the industry. Now, I want to show you the results of this R&D engine in practice. I'm going to go through an example from each one of our four segments and we're going to start on the top left corner of our R&D engine with disease control. So this is Haviza. Haviza is going to set the new standard in Asian soybean rust control. Brazil is the largest soybean producer in the world with over 49 million hectares, that's about 120 million acres dedicated to soybean production.

Asian soybean rust has decimated these crops with losses of up to 80 and 90%. So virtually every hectare in Brazil is treated to protect against this disease. On the left, you see untreated soybeans and significant damage related to that. In the middle is the best current competitor standard. And Haviza is over on the right. Haviza delivers superior control compared to anything else on the market and provides a consistent and durable yield bump of more than 2%. We expect to launch this product in the next few years and it has the peak revenue potential of over 500 million. Haviza is important because it solves a problem and it strengthens our disease control franchise building off of Inatreq and Adavelt. We're now going to move on to our next segment and I'm going to introduce you to Varpelgo. Varpelgo is our next generation insecticide blockbuster. Building on the foundations of our natural product Spinosyn franchise, this nature inspired active is a broad spectrum product and it could only have been crafted from within our R&D engine.

On the top left you see untreated tomatoes with a lot of chewing pest damage from the tomato leafminer, Tuta absoluta. Hopefully you learned something today, Tuta absoluta, it's a great pest. In the middle is our best competitor product. Now, that one, it's better than untreated, certainly better than generics, but there still is quite a lot of damage, and that will reduce tomato quality and yield. On the right is Varpelgo. We're launching this in early 2030s and it's a dual use product for both foliar application and seed treatment. It's really a broad spectrum targeting over 70 crops in over 40 countries. And you can see some examples of that in the bottom, the breadth of this active on lots of different pests in cabbage in the US, rice in Vietnam, and seed treatment in corn and wheat. At over 700 million peak revenue, Varpelgo is going to have industry leading performance against generics and competitor actives due to its novel mode of action, and it also has an excellent bee and pollinator safety profile.

In our next segment, we're going to talk about weed control. This is a discovery active we're going to launch sometime in the next decade, but it's another really good example of how we're using nature to solve problems created by nature with resistant weeds. On the left is waterhemp, it's in North

Reza Rasoulpour:

... North America, and it's developed resistance to all generic modes of action. In the middle is a high rate of a competitor standard chemistry. You see that it knocks down some of those weeds, but many of those are still standing. And that's going to compete for the natural resources that whatever grower wants to grow in that field will have. So it's going to hinder the yield of whatever crop the grower wants.

On the right is Corteva's nature inspired solution. And you can see how clean that field is, controlling those resistant weeds very effectively. This came from our microbial discovery platform. It helped us identify something truly new to solve future challenges. New modes of action come from novel sources of inspiration.

Our last segment is plant performance. And I'm going to tell you about a product that's launched, but it's ramping up, Utrisha N. This is a nature derived product that's a microbe that helps plants use resources more efficiently. The top, you see potatoes that are grown in Germany under a standard fertilizer program. In the middle, we added 25% extra fertilizer just for the experiment. And on the right is that standard fertilizer program with Utrisha. Utrisha gave us three tons more potatoes per hectare. It even beat that middle panel of 25% extra fertilizer by 2X, helping the growers get more from the resources they're already using.

In the bottom are some examples of yield improvement across a wide range of other crops, over four tons per hectare in onions, almost three bags per hectare improvement in soybeans, two and a half tons per hectare yield in grapes, and over 460 kilograms per hectare more in coffee. And I really appreciate that because I love coffee.

This is the type of solution that's targeted towards our megatrends, helping growers get more out of less with an integrated field program. It's expected to be more than 300 million as it ramps up.

So across disease, insect, weed control, and plant performance, these four examples help illustrate how we translate differentiated science into grower value. And the common thread across this is very simple. When the challenge is new, the answer is not generics, it's differentiated innovation. And these are just four examples from our broader Corteva pipeline.

Here's our Corteva pipeline. This is the most detailed version of the pipeline that we've shared in a long time. And you can see $11 billion of value across disease, insect, weed control, and plant performance. We're poised to launch 12 actives from this pipeline over the next decade. And I want you to take a step back and appreciate the breadth and depth of the pipeline, vertically across discovery, development, launch, ramp-up, life cycle management, and horizontally across our indication areas and also our crops, our geographies, our technology types. Integrated in this pipeline are our nature derived. Those are the leaf actives, our nature inspired, those are the hand holding the leaf actives, and they work together with conventional actives to solve grower problems.

Looking over to the right, lifecycle management is really important. It's how any crop protection R&D company operates. It's how we extend the life and value of launched actives by combining them together through additional crops, geographies, formulations, and applications. The bottom line message here is we have a rich pipeline, with many opportunities across multiple crops and time horizons to consistently deliver value for Corteva.

Now, this pipeline also includes external innovation and Luke talked about that. So let's double click into a couple of those.

We think about external innovation in three ways. The first is Corteva Catalyst. Through Catalyst, we target investments with critical startups and companies working in novel, potentially disruptive spaces. Biotelliga that Luke mentioned is a great example. If I was giving this presentation a few months ago, Biotelliga would have been part of Catalyst. But since June, we acquired Biotelliga, bringing both the people and the technology into Corteva.

The second is out-licensing. Some technologies may not fit within our internal efforts, but they could create value to other markets. So for example, we have two actives that didn't hit our investment hurdle rates and we monetize them to another company for them to develop. And then two other actives were actually better fits in the adjacent spaces of animal health. The first one is a collaborative R&D effort we've engaged with, Merck Animal Health, and the second is a partnership with a global animal health company that resulted in a product we launched a few years ago.

Now, the third place of external innovation is in licensing. Not every great idea originates from inside Corteva. Bringing external actives or technologies in, combining them with our development and formulation capabilities, we create broader value for everyone and provide growers with a lot of choice.

Together, Catalyst, out-licensing, in-licensing, they give us flexibility, ways to maximize the value of our innovation wherever it originates. And the bottom line is we leverage this external innovation in our R&D engine to maximize the value for Corteva, which requires disciplined innovation management. And you see the result of that discipline in the efficiency of our R&D engine. Our R&D engine has led to an $11 billion pipeline. And if you look on the left, compared externally to shared competitor values, our pipeline is one third larger than the competitor average. Now, it's not the biggest, but what's critically important is our R&D spend is one third lower than competitor average. That leads to R&D efficiency, that pipeline value over R&D spend, and we're over 2X better than average at 22X.

So the bottom line message is this, this comes from thoughtful and disciplined choices. This does not come from the products of silos or bureaucracy. These are our fantastic R&D scientists from around the world working together in intentional collaboration. And that unified R&D organization is laser focused on one thing, creating differentiated solutions to solve significant problems for growers around the world and create value for them because when we create value for our farmer customers, we know we can share in that value.

In closing, Corteva's positioned to lead the next generation of crop health innovation. We have a proven ability to translate innovation into value. Our R&D platforms give us a real edge to enable and accelerate this pipeline, and it fuels us to get to that next stage of growth for our company.

The challenges that growers face, these are not temporary challenges. These are systemic and structural. The macro trends of pest pressure evolving, these are going to require new solutions that generic tools of the past simply cannot solve. These are really hard problems, but we're up to the challenge.

That's why I'm so optimistic about our future. We've built the systems and the pipeline to deliver the products to solve these hard problems, and that's our sweet spot. That's why we're so excited to serve our grower customers and the next generation of technology from our Corteva R&D engine. Thank you very much.

Speaker 4:

Please welcome Chief Commercial Officer Brook Cunningham.

Brook Cunningham:

Music they're going to play when you walk up here. It's kind of an adventure. Good afternoon everyone. I'm Brook Cunningham. It is a genuine pleasure to be with you all here today.

You've just heard Reza talk about the science, why our innovation engine is the best in the industry, incredibly difficult to build and even harder to replicate. My job as chief commercial officer is to talk about what happens next because great science only creates value when it solves a real problem for a customer and that customer sees enough value to pay a premium for it season after season. That's what our commercial organization does. We translate innovation into customer value into financial results.

And here's what I want you all to take away today. Our commercial model is built to drive growth and margin expansion through the cycle in a way that is structurally advantaged over our peers, not by predicting them, but by building an engine that performs in all of them. Good markets and difficult ones, changing weather, competitive pressure, shifting farmer economics, we can't control any of those things. What we can control is where we compete, how we compete, and how effectively we turn that innovation into value. And as the only standalone R&D crop protection company of global scale, we can see market movement sooner, make choices faster and reallocate resources more aggressively because crop protection is our entire business, not one unit inside a much larger company.

Over the next 20 minutes, I'll show you why these factors differentiate Corteva today and how we're evolving it to extend that leadership into tomorrow. Today I'm going to cover five key things. First of all, we operate in a structurally growing market that needs innovation. The world keeps asking agriculture to produce more, food, feed, and fuel while producing it's getting harder. That creates sustained demand for differentiated technology, as we heard from Reza earlier. Second, as you heard Luke mention, our portfolio is deliberately balanced across crops and geographies and it's increasingly differentiated. Together, those two things position us to grow above the market and expand margins through the cycle.

Third, we're disciplined about where we compete and how we win. We segment intentionally. We concentrate resources on the crops, the customers, and the markets where we can create the most value. And we tailor our route to market country by country. And then we generate demand where it actually matters, at the farmgate.

Fourth, we're getting faster and more deliberate about how we manage innovation across that entire life cycle Reza talked about earlier, reaching peak revenue sooner, sustaining it longer and capturing more of each technology's lifetime value.

And finally, the idea that connects everything. Commercial insight powers our innovation flywheel, farmer needs shape our R&D priorities, R&D creates differentiated technology, commercial turns that technology into cash, and then we reinvest that cash into the next wave of innovation.

Let's start with the market because I want to be really clear about something. Demand for new crop protection innovation is structural and four forces are driving it. The first is population growth. As we saw in the video earlier, the world is on track to add another two billion people over the next two plus decades, and we have to feed all of them using roughly the same amount of arable land.

Second, pest and disease pressure's increasing. Climate change is moving pests into new regions. They're reproducing faster, they're evolving faster, and resistance continues to build. As Reza explained, that creates sustained demand for new modes of action in conventional chemistry and in biologicals.

The third is regulation. The requirements and costs of bringing new chemistry to market continues to rise, and at the same time, demand is increasing for biologicals and naturally derived chemistry with greener profiles and lower use rates.

And fourth, consumer preferences are constantly changing, from higher protein diets to biofuels to food produced with more natural plant health solutions.

But those forces don't create demand for just any product. They create demand for innovative solutions. And the ability to serve that demand exists across our entire portfolio, conventional chemistry, biologicals, and seed-applied technology, all working together as a complimentary system.

Take a look at where the value's growing. Biologicals, six to 8%, seed-applied technology, three to 5%, and conventional crop protection continues to grow off of a very large base. Within that market, we've made an intentional choice around where we want to compete. That's novel chemistry, differentiated formulations and technologies that solve important problems for growers and therefore command premium value. The large off-patent molecules that generics chase, that's not our target market. We choose the geographies, the crops, and the customer segments where our innovation gives us the right to win.

This next chart gets to the heart of why we grow through the cycle. Let's start with the sales mix on the left. As Luke mentioned, no single crop, geography, or technology carries this company. We're globally diversified across both key crop and non-crop markets where we hold global leadership positions, including in land and pasture. So when one crop or geography softens, another's often accelerating.

But balance alone doesn't create market leadership. Differentiation and deep customer and crop segmentation do, and we make hard choices around where we compete. We play where we can win and when market dynamics shift, we move faster than our peers. When a market becomes generic dominated and we can't create differentiated value, we redeploy those resources to somewhere they can earn more.

As proof, from 2022 to 2024, we were the first amongst our peers to exit roughly $500 million of lower margin genericized products, and at the same time, we kept investing in innovation. In 2020, differentiated products represented about 45% of our mix. Today, it's 65%, and we expect to sustain roughly that level through the back half of the decade. In 2025 alone, we registered more than 144 new crop protection products.

Now, look at the right-hand side of the chart. That's where you can see the strategy working. That's our price and volume growth against the average of our crop protection peers, and importantly, it spans the entire cycle we've just lived through, the scarcity and boom of '21 and '22, the de-stocking that followed, and the stabilization since. Through that cycle, we performed better than the peer average, not just when conditions were good, we outgrew through the de-stocking downturn as well. That's the difference between a business that rides the cycle and one that's built to outperform it. Differentiation creates durable growth and margin resilience. That creates the capacity to reinvest. That flywheel is starting to turn.

Now, once we've chosen where to compete, then comes how we win. In a market defined by change, scale matters, but so do people, culture, speed, and the ability to make choices ahead of our competition. Corteva has all of them. First, and I might be biased here, but I believe we have the best people and culture in the agriculture industry. Our commercial teams are highly respected for their technical expertise, long-term customer relationships, and a reputation for always doing what's right for farmers.

Second, we bring that integrated solution, conventional chemistry, seed-applied technology, and biologicals focused on solving farmers' biggest pain points to drive their ROI. That includes both our proprietary technology and those of third-party innovators who are increasingly seeking out partnerships with Corteva for our global reach, our regulatory capabilities, and the ability to work together to get new innovation into the hands of farmers faster. And we combine these technologies with agronomic expertise across the season. The result is a solution built to optimize the grower's ROI. That's what creates loyalty.

Next, we tailor the route to market by country based on the reality of what works best, both for our customers and for our channel partners. And increasingly, we're using new tools like AI to strengthen our model and make us even more efficient. Things like removing the low value sales and marketing activity that consumes our people's time so they can spend it more where they create value out in the field with customers, and putting AI-driven intelligence and digital tools into the hands of our field teams will enable sharper competitive intelligence, customer targeting, pricing, and agronomic decisions at the acre. You combine that with our ability to move faster than our peers as a standalone CP company, and it'll translate into better growth, stronger mix, more resilient margins, and better returns on innovation.

And all of that ultimately has to show up at one place, at the farmgate. This is where our commercial model creates real value and where I believe it becomes particularly difficult to replicate. Our demand generation engine has three parts. First, integrated sales and agronomy teams focus on one outcome, grower ROI. Second, we have that differentiated and integrated portfolio. And third, prescriptive full season crop health programs supported by digital tools and financing. You put those together and you create demand that repeats because it's based on demonstrated economic value to a farmer, not a promotion or a price cut.

Let me bring that to life with a few examples from our recent customer excellent pilots in Asia. In blueberries, high-touch grower engagement pulled our integrated chemistry plus biologicals portfolio through in new ways. Sales grew 26% year over year, with biologicals up 41% in that customer group. In potatoes, sharper segmentation by farmer crop and geography drove 8% sales growth. And in rice, whole acre solution selling, combining nutritionals, plant growth regulators, and chemistry, grew sales 13% and expanded our large grower professional base by 66%. Three different crops, three different pilots, one commercial discipline, understand the customer deeply, solve a significant problem, improve the ROI. And when you do that well, growers come back. On-farm demand generation in collaboration with our channel partners is a model that works for all parties and that we're working to scale across the globe.

Of course, having great technology isn't enough. You have to extract its full value, and that requires accelerating our launch capabilities and managing innovation across its entire life cycle. Think about the value curve of any technology. At launch, we have patent protection, so the objective is simple. Go broad, go hard, go fast, secure broad use labels across crops and geographies, launch more differentiated formulations earlier, and use licensing and co-marketing to maximize our reach. The goal is to reach peak revenue faster and sustain it longer. As the patent matures, we defend that premium through new formulations, mixtures, and claims that extend the value of the active ingredient.

And eventually, every molecule reaches commoditization. That's the moment that generics are waiting for, but we don't wait for them. We move ahead of the curve. By then, we've already been managing the asset toward that moment for years. This includes reducing our cost position per unit to be increasingly competitive via continuous productivity. Ralph is going to take us through that a bit later.

We continue bringing differentiated mixtures to market. We license where it creates value and we harvest the remaining economics. And when the returns no longer justify the resources, we exit cleanly. That is our answer to generic pressure. Extract more value earlier and for longer and then redeploy that capital to the next wave of innovation. Same asset, deliberately managed at every stage. That's how you turn a successful product into compounding value rather than a spike followed by a decline.

You can see that same engine here applied to our medium term pipeline. Launches ramp, peak, and overlap. Each new wave builds on the last while post-patent formulations continue defending the value underneath. The result is roughly $800 million of incremental top-line growth in 2029 versus 2026, a 16% average CAGR through 2029, and RLX and RIN score together exceeding $1 billion in annual sales by '29, not one launch, wave after overlapping wave.

Now let me take that commercial model around the world and show you how differently we apply it market by market. We'll start here at home in the US, a roughly $15 billion addressable market where we generate about $2 billion, two and a half billion dollars in revenue. Here, we serve two very different customer bases, large broad-acre farms producing storable commodities like corn, soybeans, and cereals, primarily through a three-step channel, and land and pasture and high value specialty operations primarily through a two-step channel.

What's changing following the separation from Vylor is really important. First, we have greater commercial freedom. We can build deeper, higher value channel relationships without the perceived conflict of Pioneer. We can simplify sales roles and increase the amount of time my people spend directly with customers. I expect our call frequency per customer to roughly double, now focused exclusively on crop protection.

Pioneer remains exclusive with our Nexta Biologicals brand, but beyond that relationship, separation creates new opportunities to accelerate, including a larger presence with channel partners responding to increasing grower demand for plant performance solutions. We also gain greater freedom to operate in seed apply technology to work with new seed companies and other new partners while remaining Vylor's preferred supplier. And we'll continue to grow in our non-crop businesses as well. That includes land and pasture, where we're a global leader, and environmental solutions, a specialty business which provides attractive growth outside of the ag cycle. The principle's the same, deep customer relationships plus premium technology creates the opportunity for additional share.

Now Brazil, a roughly $14 billion addressable market, about eight billion in the north and six in the south where we generate approximately $1.7 billion in revenue today. But North and South Brazil are fundamentally different markets, so we don't treat them the same and we continue to proactively evolve our model in response to a rapidly changing competitive landscape.

In the north, mega-scale broad acre growers produce soy, corn, and cotton, often double cropping in a single season. There, we go direct. Our direct sales access program gives strategically segmented large and mega growers a tailored experience focused on customers who value technology and are willing to pay for it. In 2025, our differentiated mega grower model achieved a 61% year-over-year increase in sales while our personality model delivered a 40% increase in sales. Innovative credit and barter deepened our customer engagement and now support roughly one third of our total Brazil revenue. In the south, the structure is completely different, smaller farms, higher value crops, and perennial production. So there, we built a distribution network that effectively operates as an arm's length extension of Corteva. And Emblemas are our preferred regional distributors, Escalas are our selected cooperative partners, both highly value differentiated technology. This partnership structure enabled us to achieve a 57% increase in sales with our Emblemas in 2025. Those are choices turned into actions and segmentation turned into growth. And beneath both models is a fit for purpose portfolio, new innovation like Haviza, expanded biologicals led by Utrisha, and selective post-patent formulations that bridge us to the next generation of active ingredients. Same country, very different customers and very different routes to market, but one principle, understand where value's created and you build the commercial model around it.

The same principle applies across the rest of the world. Where one playbook would fail, we don't use one. In EMEA, regulation and market structure shape the opportunity. In Northern Europe, we're growing in cereals with new lower use rate technologies as incumbent products face regulatory pressure. In Central and Eastern Europe, dedicated on-farm teams generate demand at the farmgate and lock in purchase commitments ahead of the season.

In Asia Pacific, we've continued to evolve our routes to market ahead of peers. In China, we reduced our sales territory by 60% in 2026 and redeployed those resources against fewer higher value crops where we saw greater opportunity for penetration and value creation. We took steps out of the channel, we began co-marketing with dealer partners in non-core markets, and we in-licensed local Chinese technologies to close important portfolio gaps by crop.

India required a completely different answer. There, we moved ahead of peers away from super distributors and built our own on-farm demand generation organization for greater control over our own growth. That paid off as our competitors struggled and some had to exit India entirely. Different countries, different channels, different customer structures, but one common commercial discipline, make deliberate choices around where to play and then build the model required to win there.

Which brings me back to where I started, the flywheel. If you remember one thing from my presentation, remember this loop. Our commercial teams work shoulder to shoulder with growers. They see the problems today's technology doesn't solve. Those insights help determine where R&D places its bets, and then R&D creates new active ingredients, formulations, and mixtures. Commercial takes those technologies to market to maximize their value across the life cycle and the cash that generates funds the next wave, both our own R&D and third-party innovation we're bringing into our portfolio. That is how the returns compound, and it's why I don't think of the commercial organization as the last step in the innovation process. It really sits at the center of the flywheel with the grower.

We help determine what customers need, we translate it into value, and that value funds what comes next. That's the difference between selling products and building a solutions driven growth engine. We choose where to compete, we win through integrated solutions, we manage the full life cycle of every asset, and we reinvest in the next wave. That's how we grow through cycles, not by predicting them, but by building a system that performs in all of them. Thank you.

Speaker 4:

Please welcome Chief Integrated Operations Officer Ralph Ford.

Ralph Ford:

Good afternoon and thank you for joining us. Innovation is the foundation of Corteva's growth, but innovation only creates value where it can be manufactured competitively, scaled reliably, protected from disruption, and continuously optimized throughout its life cycle. That is the role of integrated operations.

Our objective is to safely build the industry's most competitive, reliable, and resilient system for bringing innovation to farmers around the world. Achieving that requires deliberate choices across our footprint, sourcing strategy, technology, operating model, and ways of working, while continuously balancing cost, resilience, and lifecycle value creation. Over time, those choices have strengthened productivity, improved resilience, and enhanced our ability to make better, faster decisions across the enterprise.

As molecules evolve from launch to maturity, we adapt our operating strategy optimized performance, profitability, and cash generation. This is why we view integrated operations not as a support function, but as a strategic capability and a durable competitive advantage.

Built on a foundation of operational excellence, our platform protects innovation, supports growth, strengthens margins, improves cash generation, and ultimately converts innovation into sustainable shareholder value. Today, I'll show how this platform has evolved, how it creates value across the lifecycle of a molecule, and why it positions Corteva for long-term competitive advantage.

This slide summarizes the four ideas that define our integrated operations platform. First, integrated operations brings together all facets of operations into one agile platform. Procurement, manufacturing, supply chain, logistics, technology, and our external partners operate as an integrated system to maintain resilience.

Second, we have transitioned from heritage setups to world-class systems and processes. We did not simply optimize the structures we inherited. We challenged them, we re-looked at the network and the way work gets done and built a platform designed around the needs of the enterprise.

Third, we drive strategic planning for every molecule throughout its life cycle. We continuously evaluate technology, sourcing, footprint, capacity, cost, and supply choices to create value and build resilience.

And fourth, flawless execution and productivity are embedded in our DNA. They are not standalone programs. They shape how we operate every day. Together, these four elements allow operational excellence to convert innovation into shareholder value.

This journey has been intentional and it has touched every part of our operating system. We began with sub-optimized active ingredient and formulation and packaging footprint, including multiple uncompetitive sites. We exited high-cost facilities and optimized the balance of our internal and external network. We also moved from independent functions that were not optimized to support our business, to unified functions operating toward common goals and objectives. This shift created clearer enterprise priorities and faster, more coordinated decisions removing duplication of work.

Our sourcing model evolved from molecule-based sourcing and complex supplier relationship management to a more robust and balanced program, designed to maximize value and sustain a competitive cost position, leveraging our total buy across the enterprise. At the same time, we moved from segment specific molecule improvement initiatives to value-driven prioritization based on business impact. We replaced siloed work processes with value-based processes optimized across the platform. The result is lower cost, greater resilience, and a competitive advantage that lasts. This is more than a set of projects and initiatives. It is a fundamentally different way of operating that creates sustained results and value.

Let's talk about what this looks like today. Our platform combines a structural foundation with a proven execution model. The structural foundation is our network and operational excellence. We use an optimized internal and external network aligned with strategic priorities and we execute efficiently while advancing technology to drive down cost.

Network optimization and operational excellence gives us the flexibility and capability that creates options. The execution model is built on optimized systems and processes. It partners with our structural foundation to protect margin and supply through disruption, tariffs, and generic competition. It also creates a leaner model that generates recurring cost savings

Ralph Ford:

... savings and less margin over time. These elements reinforce one another. The network enables supply resilience. The operating system powers the productivity engine. Resiliency and productivity are not competing objectives. Managed together they drive stronger margin and cash flow performance. The platform gets stronger over time, not because market conditions improve, but because we continuously improve the way we operate. The platform is anchored by two complimentary networks. Our active ingredient network is optimized to safeguard intellectual property, create resiliency, and ensure cost competitiveness across Corteva manufacturing sites and strategic partners. It protects the technology and process knowledge that differentiate our innovation while giving us the flexibility to choose the right internal or external route. It supplies us globally with the right flexibility and cost position.

Our formulation and packaging network is designed to be close to end markets and customers. That proximity creates efficient, reliable supply chains, which allows us to respond quickly to changing farmer demand in the regions and reduce our logistics cost and complexity. Across both networks, the priorities are consistent. Protect IP and cost competitiveness through strategic partnerships, build resilience through diversified supply, unlock value through strategic sourcing excellence, capture competitive input cost, and drive productivity through value-based operational excellence. Two networks, one integrated platform, and supply that stays low cost and resilient while moving quickly when demand shifts.

Now let's turn to the results these changes to our platform have been delivering. At our 2024 Investor Day, we committed to approximately $300 million of run rate EBITDA improvement through cost actions by 2027. We are on track to deliver that commitment. More importantly, the platform continues to identify additional opportunities. We now see another $200 million of recurring savings by 2029, bringing the total run rate opportunity from 2024 through 2029 to approximately $500 million. These results are enabled by strategic sourcing, footprint optimization, lifecycle cost reduction, operational excellence, and disciplined value-based decision making. The additional $200 million requires no new capital and reflects permanent productivity gains embedded in our sourcing, technology, operations, and operating model, creating lasting shareholder value.

Looking forward, we'll continue deploying value-driven supply strategies across the lifecycle and benchmarking our operating model in ways of working. The strongest proof point is that the capability itself is becoming more productive over time. One of the biggest advantages of our platform is the ability to manage the economics of every molecule throughout its full life cycle. We have a consistent playbook that has proven to work for both new and mature molecules. We drive value in three connected areas. Technology continuously improves molecule and formulation and packaging processes. The supply network places components in the right locations to protect intellectual property and cost competitiveness. Strategic sourcing leverages scale across active ingredients, raw materials, formulations, and packaging.

The way we drive value changes with the needs of the molecule. At launch, we establish a cost advantage and design the optimal state. As the molecule scales, we improve yields, reduce cycle times and waste and continuously improve the process. We align the footprint with strategic priorities, run operations at peak efficiency, unlock value through category management, and build strategic supplier partnerships. This is not a one-time intervention. It is a repeatable operating discipline designed to sustain a structurally advantaged cost position. Our cultural foundation is operational excellence, and that culture helps us maximize the value of every molecule.

Now let's see how the playbook works to drive results with a real life example based upon one of our new molecules. We begin at launch with a clear view of the desired cost position. As volume ramps, technology, operational excellence and strategic sourcing work together to drive the unit cost down while revenue grows towards peak. In this real life example, unit cost reduces by more than 80%. The primary reduction comes from technology and operational excellence, including chemistry route advancements that protect intellectual property, higher yields, shorter cycle times, and fewer all spec batches. The remaining savings comes from strategic sourcing, including multi-sourcing of intermediates and raw materials. As a molecule grows, category management leverages scale to drive value. The business impact goes beyond margin. Lower cost allows us to serve a broader customer base within existing markets and can support additional applications. That increases the revenue opportunity and less peak value. That is why productivity is not separate from growth. By improving the economics from launch through peak, the productivity engine helps unlock growth and extends the value created by innovation.

The same philosophy applies to a post-patent molecule, but the value creation focus areas change. After patent expiration, the productivity engine helps keep the product profitable as revenue changes and generic competition increases. In this real life example, unit cost declines by more than 40% since the playbook was applied. The primary reduction comes from strategic sourcing. We increase multi-sourcing, resource the qualified suppliers and extend beyond the molecule itself to the formulation level. The remaining savings come from network optimization. We consolidate volume into the lowest cost, highest capability sites and optimize the balance between internal and external production. These actions are enabled by capabilities built over many years, supplier relationships, sourcing knowledge, network flexibility, and a clear understanding of where value is created. That experience allows us to continue improving the economics of a molecule even after patents expire. It is how mature products remain attractive businesses and continue creating value for shareholders.

Let me close by bringing the pieces together. What does the integrated operations platform do? It protects innovation and intellectual property after commercialization. It creates resiliency through footprint and strategic sourcing, and it drives costs down throughout every phase of the product life cycle. Why is that valuable? Because the process is repeatable and continuous. It builds revenue and margin potential even in down markets. It broadens customer reach through cost efficiency and helps ensure local supply for farmers. The new molecules that Reza talked about will be able to be placed in the same playbook to optimize the value from the innovation. And why is it unique? We use a proactive model to reach a structurally advantaged cost position. Our sole focus on crop protection gives us the freedom to optimize for one business and our speed of decision making is designed to meet the pace required to compete in this market.

This advantage did not happen because markets improved or because of one initiative. It was built through deliberate choices about footprint, sourcing, technology, productivity, where to invest and where not to invest. Integrated operations protects and extends innovation throughout the life cycle. It is an operating capability that has been built, strengthened through intentional actions, proven through results, and positioned to create value for Corteva, our partners and farmers for years to come. That is a powerful combination and is one of the reasons I am confident in the future of Corteva. Thank you. Now I'll turn it over to Jeff.

Announcer:

Please welcome Chief Financial Officer Jeff Rudolph.

Jeff Rudolph:

Okay, let's bring this home. Well, good afternoon everyone. It's an honor to be with you and it's really great to see some familiar faces. So over the course of today's presentation, you've heard why Corteva is well positioned for the future. You've heard about the strength of our portfolio, the depth of innovation pipeline and the opportunities we see ahead. My goal, it's straightforward. To explain how those strengths translate in earnings growth, cash generation, and long-term shareholder value. The investment case for Corteva is not only that we become more focused business following the separation. Focus absolutely matters. It sharpens accountability, speeds decisions, and allows us to direct resources towards the areas that we believe generate the highest returns, but focus by itself is not our end goal. Our ultimate goal is superior long-term value creation. So when I step back and look at Corteva as a standalone company, I believe we have a unique combination of differentiators. We are the industry's only scaled pure play crop protection company with an innovation engine capable of driving growth, an operating model that creates self-help, margin expansion, and a disciplined approach to capital allocation. The financial framework I'll walk through today is really the economic output of those strengths. At the center of our financial framework is a clear model. Innovation drives growth, commercial and operational excellence, convert that growth into earnings, margin improvement and cash flow, and disciplined capital allocation compounds those returns over time. In simple financial terms, our responsibility is not to simply generate more revenue. It is to ensure that more of each incremental dollar of revenue drops to the bottom line and converts to cash. So let me touch on a few key messages that I want you to take away from this section.

First, we begin with a strong track record. We have a demonstrated model built on innovation, portfolio choices and operating discipline that can deliver advantaged financial performance even in a challenging market environment. Second, our differentiated portfolio and pipeline provide diversity and balance and support profitable growth. We are not relying on a single product, region, or even market recovery to deliver our framework. Third, operating discipline is what turns innovation into margin expansion and cash flow. Mix improvement, productivity and a fit for purpose cost structure are embedded in how we plan to run the company. And fourth, an investment grade balance sheet and discipline capital allocation give us the flexibility to invest for growth while also returning capital to shareholders. Those four elements connect the strategy you've heard today from Luke and the team to the financial outcomes we expect through 2029 and ultimately underpin our ability to deliver value creation. Now before discussing where we're going, it's important to understand what we have already accomplished. Since 2020, net sales have grown by more than $1 billion to just shy of $8 billion in total revenue for 2026 on a historical reported segment basis. Operating EBITDA has increased from roughly $1 billion to approximately $1.4 billion and EBITDA margin is improved by approximately 250 basis points. And these results did not come from an easy operating environment. We navigated inflation, supply chain disruption, regulatory changes and competitive pressure across the industry, yet we continue to grow earnings and improve the quality of the portfolio, which we believe is a real differentiator versus industry peers and provides credibility to the model we believe can work in varying market conditions. Several choices got us here and all of them were deliberate.

New product sales have increased by around $1 billion since 2020 as a result of the continued penetration of products like Arylex, Rinskor, and Zorvec. Prior acquisitions have established us as a market leader in biologicals, which have annual sales of more than $500 million for 2026. And at the same time, we made deliberate choices to exit approximately $500 million of low margin products where differentiation and returns were limited. Those exits reduced reported sales over this time period, but more importantly, they improved portfolio quality, margins and economic return. We also maintained a disciplined focus on cost and productivity with approximately $200 million of expected savings in 2026 versus 2024 levels. About $100 million per year has been our rhythm and we aren't done, as you just heard from Ralph. The important point is not simply that we grew, it is how we grew. Innovation improved portfolio quality, portfolio actions concentrated resources on more attractive opportunities, productivity improved cost competitiveness. Together, those choices drove stronger margins and a more durable earnings base.

And when we compare our performance with the broader industry, the same pattern is evident, which you'll see on this next slide here. We captured reported revenue growth largely in line with peer average and this was accomplished despite the strategic portfolio exits. And at the same time, we expanded the exposure we said to biologicals and more differentiated technologies, but we supported margin improvement through discipline cost actions and productivity, will continue to invest in the future with meaningful increases in annual R&D investment since 2020. That combination produced substantial margin outperformance relative to peers over the period shown, approximately 600 basis points to be specific. Again, largely due to our intentional and proactive approach to taking the necessary actions to enhance our portfolio with more differentiated solutions and ultimately drive profitability. Continuous improvement actions define who we are at Corteva. These are not one-time programs. They're embedded in our culture and how we plan to execute on our commitments.

Markets will continue to fluctuate. Crop prices will move up and down. Weather, channel conditions and regulatory environments will change. Our objective is to build a business where an increasing share of value creation comes from the factors within our control. Scaling innovation, portfolio quality, commercial and operational execution and capital discipline. That is why the track record matters. It gives us evidence and confidence that our model works through the cycle and not only when market conditions are favorable. Another important strength of Corteva is the balance and diversification of our portfolio. As a standalone pure play crop protection company with nearly $8 billion in revenue, we have meaningful positions across herbicides, insecticides, fungicides, biologicals, and other innovative solutions including seed treatment. We are balanced across geographies and we serve a broad range of crops and production systems. That balance reduces our exposure to any single crop, region, indication, regulatory outcome or product life cycle while also providing necessary scale.

As an example, approximately 60% of our current revenue comes from crops outside of corn and soybeans. This provides multiple avenues for growth and supports a more durable earnings profile. We're not underwriting the future of Corteva to one molecule or one market outcome. We are building from a base of a broad portfolio with multiple sources of value creation potential. Touching now on the high level summary of our assumptions regarding the market outlook.

Now you've heard from Luke and Brook, but to reiterate, we assume that the crop protection industry returns to a more historical growth norm with expected future growth at a low single digit rate annually for the all- in crop protection market. Within that, biologicals and seed apply technologies are expected to grow faster than conventional crop protection, which clearly benefits Corteva given the advantage and growing positions we have in those parts of our portfolio. We assume on-farm demand remains steady, pricing largely stabilizes over the planning period, and currency remains constant versus our preliminary 2027 outlook rates. In other words, the framework does not require a cyclical recovery or an improved market. It largely reflects a continuation of the current backdrop where we have proven we can execute and drive earnings and margin growth. Now as a leadership team, we spend considerable time pressure testing these assumptions. We examine the factors that matter most to achieving the framework, and what became clear is that the biggest drivers of revenue and profit growth remain largely what is within our control, innovation, portfolio quality, productivity, and execution. Those are the areas where we believe we can create the greatest value.

Let's now turn to the financial framework through 2029 on a standalone basis. So before diving in, let me just do some quick math for you. Let me summarize how we go from a segment level result in 2026 to standalone for Corteva, which you likely saw in an earlier slide of mine. For revenue, standalone adds approximately $100 million in annual top line as a result of seed treatment sales to Vylor that are now treated as third-party sales, given we will remain a preferred supplier. On EBITDA, segment level EBITDA is reduced by approximately $100 million due to our share of the heritage corporate segment within historical Corteva reporting. In addition, there are modest dis-synergies impacting Corteva's prospective results.

And so with that, let's dive into the '29 framework. We expect net sales to increase from approximately $7.8 billion in 2026 to a range of approximately $8.4 billion to $8.7 billion by 2029. At the midpoint, that represents a compound annual growth rate of approximately 3%. We expect standalone operating EBITDA to increase from approximately $1.3 billion in 2026 to a range of $1.45 billion to $1.65 billion by 2029. At the midpoint, that represents a compound annual growth rate of 6% with EBITDA margins surpassing 18% on a standalone basis by 2029.

Now what should stand out is that EBITDA is expected to grow roughly twice as fast as revenue. That is a result of our differentiated portfolio supported by new product growth complimented by productivity and disciplined cost management. In other words, we're not just growing, we're improving the quality of growth. Importantly, these outcomes are the result of choices. Choices about where to invest, where to compete, how to allocate capital, and where we believe we can create the highest returns. New products and biological support revenue growth and improve mix, cost of goods sold productivity expands gross profit. SG&A discipline provides operating leverage and ability to reinvest in R&D. Together, those drivers allow a mid-single digit EBITDA growth rate to emerge from a lower top line growth rate.

So let's unpack the revenue growth assumptions a bit more on the next slide. The largest positive contributor is new products with approximately $800 million in top line improvement during the planning period. Recent launches will continue to expand globally while additional technologies enter the market through 2029. Notably, we expect to launch Haviza in 2028, which will result in new product growth to be more weighted toward the latter part of our planning period. Biologicals provide the second major growth lever. We expect double-digit volume growth across regions for this part of our portfolio, led by continued expansion in Brazil with products like Utrisha, a novel biological solution powered by a patented bacterium to drive yield across many crops. As these two platforms become a larger share of our total company sales, they improve both the growth profile and margin profile of the company.

The base business column reflects the normal realities of crop protection and how we manage our portfolio. For instance, the impact reflects cannibalization from new product launches and normal lifecycle fade. This is not new, it is planned for. And while we are expecting pricing to largely stabilize across the globe, we are being realistic and expecting some lingering price pressure in pockets of the market. In our framework, we're assuming total price is down about 1% per year through 2029. We are not minimizing those headwinds. We have incorporated them into the framework. Our confidence comes from the fact that growth from new products and biologicals is expected to more than offset those pressures and produce positive overall growth. That is what a healthy innovation-driven portfolio should do. It should replenish the base, improve the mix, and create a longer runway for profitable growth.

Turning now to EBITDA. Similar to revenue, new products and biologicals are a significant driver with approximately $450 million of combined incremental profit expected through 2029. Biologicals growth will support EBITDA improvement given they are not only growing faster, but they also carry attractive incremental economics. As they become a larger share of the portfolio, they have a disproportionate positive impact on EBITDA growth. We also expect more than $200 million of net cost of goods sold improvement from productivity initiatives across manufacturing, sourcing, and supply chain, which also takes into consideration the net impact of remaining headwinds from inflation and tariffs, which will mostly impact 2027. Those positive contributors are partially offset by the base business pressure that I previously explained, including new product cannibalization and lingering price headwinds. SG&A and R&D expenses expected to increase over the planning period as a result of intentional investments in commercial enablement and R&D. Despite the increases in SG&A, we do expect SG&A as a percentage of sales to improve over the planning period as we continue to drive a fit for purpose cost infrastructure.

Now specific to R&D, we estimate annual spend to be in the range of 6% to 7% of sales to support pipeline advancement and launch activities. That reinvestment in the business is important. We intend to fund the capabilities required to sustain innovation and commercialize the pipeline while still expanding margins. The EBITDA bridge therefore reflects a model we have already demonstrated can be successful. Growth platforms improve mix, productivity, lower structural costs, and a portion of those benefits gets reinvested to support the next wave of growth and enable our commercial and R&D teams to continue to deliver.

Strong EBITDA growth and operating discipline matters because it ultimately supports cash generation, and we believe Corteva is well positioned to do just that. By 2029, we expect to generate approximately $2.2 billion to $2.6 billion of cumulative cash flow from operations. That cash generation gives us meaningful financial flexibility. Our first priority is to reinvest in the business and sustain the assets and capabilities required to compete. We expect approximately 25% of the cash shown to support sustaining capital expenditures. This amounts to approximately 2% to 3% of revenue per year invested in CapEx, which is likely lower than the typical industry average as a result of the proactive and intentional actions we have taken as part of our integrated operation strategy that Ralph just covered. On our dividend, it doesn't define us, but it is an attractive element of our valuation and we are committed to growing it over time.

The remaining cash flows after CapEx and dividend is significant, approximately $1.2 billion to $1.4 billion on a cumulative basis through 2029, which provides significant headroom for targeted M&A and share repurchases. Our approach to M&A will be disciplined. We will focus on strategic fit and clear returns that are accretive to our hurdle rates, including opportunities that strengthen innovation, add differentiated capabilities, or accelerate access to attractive markets where differentiation is ultimately rewarded. Equally important are the opportunities we choose not to pursue. The objective is not doing M&A for the sake of M&A. The objective is creating value and returns that exceed our hurdle rates. We will allocate capital to the opportunities that offer the highest returns, whether that's investing in the business, pursuing strategic M&A, or repurchasing our own shares, and when excess capital exists beyond those needs, we remain committed to returning it to shareholders.

Now, all of this is underpinned by a very strong balance sheet that we firmly believe is a strategic asset and a competitive advantage of the company, and we remain committed to an investment grade rating. Initial low leverage gives us flexibility to act with swiftness on growth opportunities, and the de-risking of the heritage pension liability further strengthens the financial foundation of the company. We will still be a seasonal business, so access to commercial paper remains important to fund working capital levels throughout the year. Okay, so let's wrap up on this last slide. If there's one thing we want you to take away from today's discussion, it's that Corteva enters this next chapter from a position of strength. And what gives us confidence is not simply our position of strength today, but the momentum we see in customer-centric innovation, portfolio quality, earnings growth, and cash generation. As we look ahead, we believe there are three reasons to be confident in this opportunity.

First, we have a differentiated innovation engine that is creating meaningful runway for growth backed by an industry-leading pipeline, R&D capabilities and commercial value capture. The portfolio is becoming more differentiated, more technology-driven, and increasingly weighted towards the areas of the market where we can help solve some of the toughest challenges farmers face. Second, we have a disciplined operating model. Our expectation for margin expansion and cash generation is not based on optimism. It is based on the same operating principles that have driven our leading performance over the last several years. And third, we have significant financial flexibility. A strong balance sheet and robust cash generation give us the ability to invest for growth, pursue creative opportunities, and return capital to shareholders, all while maintaining a position of financial strength. We believe the strategy is clear, the financial framework is credible, and the priorities are well understood by the organization. Now, it's our job to execute.

Thank you for your time. We appreciate your interest in Corteva and we look forward to Q&A. I think with that, Hafa, I'm handing it back to you for Q&A instructions.

Announcer:

Please welcome back Luke Kissam, Reza Rasoulpour, Brook Cunningham, and Ralph Ford.

Moderator:

Thank you. We'll now begin our Q&A session. We'll be taking Questions for the next 30 minutes. For those in the room, we have two mic runners. Simply raise your hands and we'll come to you. Please introduce yourself and limit to one question. If you're joining us online, feel free to submit the questions through the platform and we'll try to get to as many as we can. With that, let's begin. Chris?

Chris Parkinson:

I can yell.

Jeff Rudolph:

Mic's coming.

Chris Parkinson:

I'll spare you. Chris Parkinson, Wolfe Research. Just out of curiosity, the negative 1% pricing embedded in the three-year outlook, is that a functionality of just what's been going on in the market the last couple years and perhaps underpinning some conservatism? Does that embed the fact that you do have rising transportation logistics costs, energy costs, you name it, in terms of some of the people that have been causing those pricing pressures? Luke, you've been back at this now for a couple months. I'd just love to hear your actual thought process underpinning those assumptions. Thank you.

Luke Kissam:

Yeah. A couple months from an expert, right? I'll take it and I'll let Brook add some color. I think we built that in. If you really look over the last three years, you've seen much more significant price increase. And so I wouldn't say we're calling the bottom, but we're calling a moderating of the price reduction that we've seen. If you look at some molecules around, it's been in pockets. Pricing's been in pockets as opposed to what we're seeing today. And we expect those pockets to continue a little bit, but things that we think we can control. Brook?

Brook Cunningham:

No, well said. I mean, we track where the pricing indexes are for some of those key competitors. We've seen the declines moderating over the course of the last several quarters. We're just being realistic about the fact that we've still got pretty intense competition in a number of our key markets. We've seen pricing pressure in North America, as Luke mentioned earlier, on one particular molecule. Brazil remains an intensely competitive market. So I think we're just trying to be realistic about what we're facing, but really stay focused on that lifecycle management to make sure we're continuing to replenish with new innovation that's coming in that drives a 10% to 15% margin benefit for us above the average of our portfolio and circling out or cycling out those lower margin products.

Moderator:

Kevin, please.

Kevin McCarthy:

Yes. Kevin McCarthy with Vertical Research Partners. Maybe for Reza, can you comment on what percentage of your R&D budget is dedicated to molecules with new modes of action? And more broadly, I'd just be interested to hear anyone's thoughts here about percentage of the current portfolio that's on patent and off patent and how that's expected to evolve over time.

Reza Rasoulpour:

Yeah. So from a pipeline standpoint, everything that we look at, if it's not a brand new mode of action, it's an underutilized mode of action or it may be underutilized for our particular segments. So 100% of it is either a new mode of action, an underutilized mode of action, or something that we think is attractive for our particular portfolio. We did some math actually just last week to think of how many new modes of action do we have within our pipeline, because there's a lot in that early stage that is confidential and we have 28 new modes of action within our pipeline.

Luke Kissam:

Luke, you want to comment on the percent that is patented or not patented on revenue?

Reza Rasoulpour:

Yeah. So 65% of our portfolio is patented or differentiated and the remaining is off patent.

Kevin McCarthy:

Thanks.

Moderator:

Dave?

Dave Beglad:

Thank you, Dave Beglad, Deutsche Bank. Luke, one of your primary US competitors has had some challenges the last few years. The stock's down 90% the last three years.

Luke Kissam:

I didn't hear what you said.

Dave Beglad:

I'm sorry. One of your primary US competitors has some major challenges. So what are the primary differentiating factors between you and that competitor that will differentiate your performance versus theirs going forward?

Luke Kissam:

So I think it's a lot of things we talked about today. Number one, our pipeline has been better and is better, number one. Number two, from a commercial standpoint, Brook's group has flexed that muscle on going to the... You saw how she talked about going to the various segments and how she sold differently around the world. They know how to do that. That's not a new muscle for us. We know how to do that. So they've done a good job there. And then I think more importantly, or just as important, is the productivity improvement where we've really been focusing on that productivity improvement. And I want to be clear about that. That wasn't productivity to get to a number, that was productivity to get better. And so that journey never ends. In 2029, we're going to come back

Luke Kissam:

We're going to be looking at more productivity improvement. That's what we have to do to compete in this business, so, I think, if you look, it's the pipeline. And it's also the portfolio as a balanced portfolio. We're not a one-trick pony. And so we've got a balanced portfolio. We've got the commercial muscle that we flex on a regular basis, a great pipeline that we've proven in the past, that we have going forward, and the productivity improvements that I think is embedded in this company's DNA.

Jeff Rudolph:

And, Luke, if I could just add, Dave, I think the balance sheet is the other one, right? I mean, you just heard our comments. I mean, it's a real strategic asset of the company. We're benefiting from the heritage quarter type organization and the position and strength that we're coming into. So that gives us a lot of capacity to go out and act decisively when we need to from a growth opportunity standpoint.

Dave:

Thank you. Next question?

Edlain Rodriguez:

Edlain Rodriguez, Mizuho. So, as you become a pure-play crop protection company, no longer attached to a seed company, can you talk about what you think you lose and as well as what you think you gain from being a standalone company?

Luke Kissam:

Yeah. Well, what I think we gain is we gain a focus. We gain a focus on crop protection. That capital dollar is not competitive for the seed. We're able to grow our crop protection, productivity improvements. Brook has turned loose her team into the market to sell only crop protection without worrying about how that may or may not impact seed or that seed portfolio. So I think that focus in capital allocation, in people development and how we go to the market is a very positive change for us.

I was talking to somebody earlier, somebody asked me a question. We lose that bundle that you can sell with seed and crops. And we've been training the market since 1995 that the bundle is a good thing. So we're the first really to lead to make that change. I believe the thesis is correct that it'll enable us to do it, but the proof's going to be in the pudding, so we got to be able to execute this strategy. We've got to drive our costs down. We got to bring those products out to the market, and we got to focus 100% on the crop protection needs of those growers. And, if we do that, we're going to be successful. And I think we're going to prove that thesis to be correct.

Brook Cunningham:

I can add just a couple of things to that, too. An example, from a focus perspective, our seed applied technology portfolio, that's a huge market, really good margins for us. And we have an opportunity to materially grow in that space beyond just selling to Vylor now, which will continue to be a preferred partner for us. But we have much more opportunity and freedom to operate in that space.

That perceived conflict with Pioneer when it comes to channel partners was also very real. There's a Coke-Pepsi situation that can exist with a lot of these channel partners, so that gives us a lot more freedom to operate, to go out, and broaden and deepen our relationships with the channel as well as some of our competitors are making other decisions to go different directions. So we really do think that there is benefit to that fit and focus that he's talking about.

Dave:

Next question?

Kristen Owen:

Hi. Kristen Owen from Oppenheimer. I did want to follow up on that seed applied technology business because, the growth rates there, I would expect it to be maybe a little bit conservative from what you've presented today, meaning, higher than what you've presented today. So if you could follow up on that?

And then, Brook, my actual question is also for you. Just given the complexity of the commercial organization, maybe help us understand how you keep cost of that under control, because I look at that and I think, gee, that's a lot of people, that's a lot of differentiated strategy. Where do we see the synergies in the commercial market?

Brook Cunningham:

Yeah. No. It's a good question. It's something we have to look at continuously where we have to look at our cost to serve. It's a process that we're going through again right now, where you have to look market by market to understand whether you still have the right operating model. There are some places like in Brazil where, for example, in the north, 30% or 35% of our business is direct to grower. That makes sense there. There are other markets where it wouldn't make sense at all for us to go direct because it would be way too expensive. You think about a market like India or China, for example, where you have millions and millions of farmers where it would be impossible to do, so we have to calibrate every couple of years on whether or not we've got that correct model in each market. And there are benchmarks that we can look at from a cost-to-serve perspective that we do look at, but it's a constantly evolving process.

Luke Kissam:

And I think one of the opportunities going forward is going to be that we take what we've done in the integrated operations and apply that across our sales and marketing organization and think about the different tools that we have to use. That may not reduce the cost as much as it will increase the effectiveness of what we're spending, if that makes sense. So I'm really anxious about the opportunities we have there and really, really, really equipping Brook and her team with those type of tools because I think you'll see some significant improvements.

Dave:

Okay. Next question?

Josh Spector:

Thank you. Josh Spector with UBS. I wanted to ask about the overall guidance. And, I mean, this was asked earlier in Vylor as well. I mean, if you add together the Vylor and new Corteva targets, you're at 4.1 billion. The guidance for Corteva, whole, is 4.2 billion. A big message with earnings was that there's no dyssynergies anymore. It's like 25 million. What's the disconnect? Are you guys changing anything with your outlook for crop chems within Corteva for this year or is this all rounding? How would you explain it?

Jeff Rudolph:

Yeah, Josh, great question. And trust that we looked at this 10 different ways when we were pulling the materials together for the two companies, so there's no changing guide for the company. The 4/2 is still the guide. I think what you're seeing, Josh, is just the mechanism of presentation. There's some rounding in there. If we're 1/3, Tilda and Vylor, if they're somewhere around their number, it's all on the rounding, so I don't think anything that we're walking back from the combined guidance of the company. And we still stand by that there's relatively neutral dyssynergies on a combined basis.

Now, Corteva, going forward, we have residual modest dyssynergies that we think are quite modest and manageable. And we're going to work to reduce those over time. Now, that's not incorporated in our framework, but we think there's an opportunity to do that once we get going and evaluate the future cost structure in some of those areas where we have duplication. But, unequivocally, there's no change in that 4/2. It's just, I think, how things have come together from the presentation purposes.

Dave:

Next question? We'll move to Frank here.

Frank Mitsch:

Hello. Frank Mitsch, Fermium Research. A follow-up and then an actual question, which is a great way to actually get two questions in, but that's fine. So the comment was made that the crop protection salesperson was cognizant walking into an account that they might not sell a product because it would conflict on the seed side and so forth. I'm curious as to how pervasive was it?

Luke Kissam:

Yeah, I think it was different. Sometimes, it's easier to sell seed than it is to sell crop protection. And you've got one's going to make X amount of money and one's going to make Y amount of money for you. What are you going to sell? You're going to sell the one that creates the biggest profit and that's where your focus is going to be. That's what turns that focus on, okay? And that's really what I'm talking about. It's the focus of that salesperson in the field and what they're selling 100%.

Frank Mitsch:

All right. The district manager wasn't slapping somebody's-

Luke Kissam:

No.

Frank Mitsch:

... hand saying, hey-

Luke Kissam:

Nobody's slapping everybody. We're a great, happy family. We love everybody. They're our biggest customer, man. I want them to be hugely successful. We're good.

Frank Mitsch:

Love it. And then I though it was very striking, the slide that showed the R&D efficacy relative to the peers, I mean, very striking. Now, you mentioned you guys had seven actives over the last decade. I think the next leading one had five or something like that. What are they doing wrong? I mean, what are they doing wrong if they're that much more inefficient on the R&D side?

Reza Rasoulpour:

Well, I don't know what they're doing wrong, but what I would say is what we're doing right because I don't work with them, I don't work for them. I'd say some of the things that we do really well is we have teams that are really focused globally on driving for what is the highest quality opportunity in front. So you see an organization of folks who have grown up trying to work as hard as they can to keep that customer problem at the center of the table. So it's not a question of lots of layers of organization, not a question of bureaucracy or hierarchy. That's the way that we operate and then operate in a way of continuous improvement. I think our size and our agility, honestly, does help us in this regard. And as we continue to help grow the organization and create those solutions to grow the overall company, we need to make sure that we hang on to that.

Luke Kissam:

And necessity is the mother of invention. Okay? We've got to be more agile to be successful. And we've got to be more intentional about the bets we're making to be successful. That's why AI that Reza talked to you about, we're going to have to expand that and be more successful on that because... And, look, there are going to be times, if you look in the next decade, in 2030 and beyond, we've got some big launches coming up. And we're going to have to find ways to have more formulation work done in the '28-'29 period to be ready for those launches. So we got to find money to do that and be even more intentional. So that is going to be a focus for ours going forward.

Dave:

Next question? Yeah, you on the side.

Arun Viswanathan :

Hi. Arun Viswanathan, RBC. My question is around a point you made, that channel inventories matter. Your primary competitor did have low visibility or limited visibility into their channel. I think that was one of the reasons that they were not able to foresee some of the destocking. Could you describe maybe your own communication with your channel partners? How do you get a really good look into the channel inventory situation? And then, going forward, as you bring on these new molecules arguably, is your exposure to, maybe, distribution especially in Latin America going to increase and maybe exacerbate that problem? Maybe you can just elaborate on how you get the visibility into the channel. Thanks.

Brook Cunningham:

Yeah, so it's different by market. The level of visibility and true data that we have is different by market. But we're talking to our channel partners every single day, and so, between Ralph's team, my team, we're keeping a really close pulse on where things are. There's also something that's just embedded in our culture that's different than some of our competitors where we make very intentional choices not to jam the channel particularly when it comes to year-end in order to make numbers. We want to make sure that we have a healthy channel level. It's good for our channel partners who are getting a lot better themselves at managing their own inventory levels because cost of capital is where it is. But it's also really important for us to make sure that we don't have one year be successful at the expense of another.

So, again, there's different data sources that we use. They're different by market. But it's that constant conversations that we're having with the partners to make sure that we're comfortable with where our levels are on a molecule by molecule basis. But a lot of it really does come down to culture as well. It's just not something that we believe in doing. It doesn't work out.

Luke Kissam:

We're tracking the volume that we're selling. We're tracking the volume that our customers may be importing into that country. We're tracking information for pounds on the ground that we do to triangulate all that. AI is going to be a real positive tool and a powerful tool to help us do that. The channel doesn't want to have a lot of inventory. They don't want to buy.

Brook, I think I'm right in saying this. We're seeing the channel make later and later more in-time purchases than maybe they did two or three years ago. That helps some as well. But the stocking of the channel is something that keep... The level of supply in the channel and the clarity of that is something that causes me to lose sleep at night sometimes. That is one of the biggest worries that I see, because you saw on there what happened at COVID. You saw that the supply went up. It was false and then, all of a sudden, you got to destock and then you live through that price. We can't do that. We need to operate more efficiently and more effectively, and that's what our plan is.

Dave:

Next question?

Ben Theurer:

Yeah. Ben Theurer, Barclays. Thanks. Just coming back on like the drivers of growth and the offsets, so we talk about and look at the new products that come in, biologicals. It seems like you expect at least on the top line and outperformance on the new products, what is basically eaten away by base products coming down. What gives you confidence that to be the case? Or are you seeing any risks that the base products that you're currently having as the runoff patents maybe decline faster and, with that, the impact on EBITDA would be obviously exacerbated?

Brook Cunningham:

So, when it comes to the base decline, it's something that we have been doing for years and years. So this life cycle management process isn't something that's new, and so we have pretty good calibration in terms of what our cannibalization rates are when we have new products coming out into the market and what that typically takes up of our existing base. It's something that, as we mentioned, we need to accelerate and do even better with our lifecycle management.

The more we prepare in advance for a molecule coming off patent with new formulations, new mixtures, broadening of labels, going back to what Ralph was talking about in terms of getting that unit cost down, that opens up new markets where we can go and take a look at it with a fresh lens to say, okay, we can enter Vietnam now or we can go into Japan because we weren't able to before as a result of our cost position. We have a lot of years of data on it, which is what gives us confidence in the cannibalization rates that Jeff put forward. But we also have, I think, an opportunity to do that even better with our lifecycle management process.

Luke Kissam:

Yeah. One thing I want to add, I'm going to ask Reza to talk about this for a second, is that this is not like the pharma industry. So when you have a patent cliff in pharma, that active ingredient goes, bam, it's gone because the pharma company is selling the active ingredient to the consumer. We're not selling the active ingredient or the mode of action. We are selling a mixture of many of them.

So, Reza, can you talk about that just a little bit because I think that helps explain your question?

Reza Rasoulpour:

Yeah. And I think that's exactly the situation. So if you think about we've launched seven actives in the last 10 years, but we've launched just since we've been together in 2020 over a thousand new products. So a lot of that is the fact that pharma is different than the way that we work. We don't sell our actives to customers. They're formulations, and so we see those patent opportunities coming. We have a playbook for which we play out, and it's a playbook that's based on new formulations. What is the market? What is our cost situation? Have we done everything within Ralph's shop to drive the active ingredient cost down? And then can we deliver something novel to a formulation that can get us a formulation patent? And that's really critical because that gets a lot more gas in the tank with products that are actives that have already gone off market because you're making new formulations and new solutions. And that's really what we sell.

Dave:

For the next question, let's try to get to the middle over here maybe. Matt?

Matthew DeYoe:

Yeah. I'm Matthew DeYoe with Bank of America. Haviza, very important launch for you, but you already have an agreement with a peer for Asian soybean rust. And it's kind of already a pretty competitive market, right? Everybody's kind of got an Asian soybean rust product, so how do you frame 500 million? And what happens to your existing agreement on fluindapyr? How does that translate into an... Is that a lack of a cost now or is it just going to be a new strategy where you have Haviza in certain markets, you have a fluindapyr agreement with different markets? Like how do you navigate that?

Reza Rasoulpour:

Yeah. So, as we think about the value of Haviza, again, we are not selling the active, we're selling the formulation. So we have two primary formulations that are coming out, one for the north and one for the south. And they have very different issues. And I want to talk about the one-

Luke Kissam:

In Brazil.

Reza Rasoulpour:

In Brazil, yeah. Sorry. North Brazil and South Brazil, yeah. Thank you. And so, in North Brazil, we have a product, Vicroya Pro. And what's really key about this is it doesn't only control Asian soybean rust. It's a combination of actives that also controls a lot of late cycle diseases. So it's that combination of Asian soybean rust and control of late cycle diseases like anthracnose and other things that creates that additional value because, a grower in Brazil, they're going to apply fungicide over four times in a particular season on soybeans. This allows them to simplify their portfolio. And that's the benefit that we're going to get from it.

One really exciting thing about Vicroya Pro is it's a totally novel formulation. It's actually two granules that are extruded that could never have been mixed together because they don't have shelf stability. We package it together by putting these granules together and makes it simple for the grower. They just dump it in the tank for their tank mix, but it creates an opportunity for value that wouldn't have been created any other way. So it's really differentiated based upon the other products on the market, not just for ASR, but also for this late cycle disease.

Dave:

Next question?

Joel Jackson:

It's a two-part question. It's really the same question. You talked about how you're generating a lot of cash, strong balance sheet, talked about M&A versus buybacks. What's your view on the industry? Is it going to be an issue that's going to consolidate, something you're expecting, something that's going to be an important part of the industry? And then, thinking about that, to generate excitement, do you really want to lean more towards a lot of buybacks out of the gate or do you want to house and dry powder for M&A later? How are you thinking about it?

Luke Kissam:

Yeah. So we're looking at whatever we think at this time can create the best shareholder value for our stakeholders. That's what we're looking at. What can we do to create highest value? I think, first of all, we've always got to invest to run our assets safely and efficiently, number one. We got to be a reliable supplier to all of our customers. If we do that, we got to take care of them. We can't have an outage, so, one, we got to be reliable and we got to be flexible. Two, we're going to continue to invest in innovation. That's what we're going to do. We've talked this entire presentation about innovation. If we don't invest in innovation, all of y'all ought to walk up here and just beat me. Okay? We're going to invest in new products and drive new solutions.

The third thing is we're going to have a dividend. I think it's important to have a dividend, and so does our board, because we believe that shows a discipline to our shareholders. And so then what's left is the flexibility to buy back stock or buy a business to de-risk or buy an asset or buy a technology or buy something that's got to de-risk, but it's got to fit within our strategy. Okay? We're not going to do M&A for M&A's sake.

And, also, just because we have a good balance sheet, it doesn't mean we need to run out and spend money like drunk sailors. We need to be focused and intentional with that balance sheet to ensure that it maintains the value of the asset that it is for us today. That's the balance we're going to try to play, Joel. I know that's not the perfect answer for you, but we're going to return cash to shareholders where that's appropriate, and we're going to invest in the business where it's appropriate as well.

Joel Jackson:

Just as a follow-up... By the way, this is Joel Jackson from BMO for the transcript writers. Do you have an urgency to maybe want to do a strong buyback like October 2nd to get going? That's one of the main things that we want to get at.

Luke Kissam:

Yeah. Yeah. So, if you look, the fact of the matter is we'll going to be in a close period in October 2nd. We're going to report sometime in November, so we'll see where we go from there. And we've got a board meeting in late October, so we'll have a plan coming out there after we announce our earnings for the third quarter. Fair? Thanks, man.

Dave:

Jeff?

Jeff Zekauskas:

Jeff Zekauskas, JPMorgan. A two-part question, when you talk about the 200 million that you might be able to save in the future, is that really from the outsourcing of actives to Asian manufacturer, either contract or maybe you have a different arrangement? And maybe if you can give us an idea of how much of your actives are made in Asia now and how much might be made three years from now?

And then the second part is really for Luke. There's such an emphasis on innovation in the future. And you've out-licensed molecules from FMC. And, when you think about the risks of industry fragmentation over time, is the general strategy of the company more in an out-licensing direction or more looking around for what businesses can be consolidated and bought?

Luke Kissam:

Okay. Ralph, you want to take that first piece?

Ralph Ford:

Yeah. So, for the 200 million, when you think about that, it's not just outsourcing that's driven it, right? We have a big focus on technology improvements, so working with Reza's team in R&D on how can we improve the chemistry route to drive more differentiation there. We have supply programs across every molecule looking at how to improve yield where we're currently manufacturing it, and so you see a carry-through through that. You also see, when we change a chemistry route, sometimes that means we have to do re-registration. So there's timing of that when it hits, and so we can predict the timing of when are we going to be able to shift to that lower cost. And so that's how we can look at that 200 million and be, with high certainty, "This is what we're going to be able to deliver in that timeframe."

Looking at the balance of where do we produce in Asia, it's about a third today. It's about a third today that we can go, but we also have multi-sourcing where we can shift to different locations, and so we do have that flexibility to be able to, from a geopolitical standpoint, manage risk. And we will be looking at... We have some external manufacturers within Europe that we're going to shift some supply to Asia to get better cost position there, but the 200 million is not really reliant on having changed a lot of our footprint balance.

Luke Kissam:

So the out-licensing or the in-licensing, Jeff, we really are agnostic. Okay? So, if there's an opportunity to partner with other multinational corporations that have innovation, we're open to do that. We will in-license products. You saw what we did with rimisoxafen. We'll have other products like that. I like those kind of deals. They provide us a little more surety and less cost so that Reza and his team can be looking at microbials and biologicals and other areas like that. So I like that aspect of it.

What we'll have to do when we have that new product, when we have that, we're going to launch. If there's a partner that can help us put it on more acres sooner and we make more money and hit maximum revenue in a shorter period of time, we'd welcome that opportunity. Okay? We're open for business, I guess, Jeff, is the best way for me to describe it. That's how we're looking at it. To me, it's what's going to drive the highest EBITDA growth for this company over time.

Dave:

One more question over there?

Salvator Tiano:

Thank you. Salvator Tiano from KeyBanc Capital Markets. Can you talk a little bit about how you see the outlook for the next few years as well as into the 2030s for some of your key products right now, so spinosyn as well as the Enlist herbicide? And, specifically, on the Varpelgo Active, you mentioned that was built on the spinosyn platform, so is it kind of a successor? And, when you're talking about 700 million sales, is a lot of it cannibalization of the billion-dollar franchise or is it 700 million pure addition?

Reza Rasoulpour:

Go ahead, Brook.

Brook Cunningham:

Do you want to talk about Varpelgo?

Reza Rasoulpour:

Yeah, we can start with Varpelgo. So Varpelgo is built off of the spinosyn franchise. It has a slightly different mode of action than spinosyn and has a slightly different profile, so there may be some opportunities as we get to launches with formulations where Varpelgo may be a better fit for us than spinosyn at that time, depending on where spinosyn sits. But there's also new markets and new opportunities and new crops that Varpelgo provides for itself, which is why it has such an upside. In addition to that, Varpelgo works excellently for seed treatment solutions as well, so, as you think about seed treatment, that's another major area of growth for Varpelgo.

Brook Cunningham:

In terms of just broader market outlook, we continue to see very strong demand for differentiated technology. We do have a number of different molecules that are coming off patent over the course of the next decade, of course. And it's nothing that's new for us. We have to constantly be managing the lifecycle of each one of those assets as they come off patent. And, as you saw, we have 12 new molecules that will be coming online, seven from a traditional chemistry and then five on the biological side as well over that time period.

It's something we're obviously very aware of, we're planning actively for. But, from a farmer perspective, from a channel partner perspective, we aren't seeing any decline. We're only seeing an increase in demand for technology because we've got climate change, because we have increasing resistance issues. And those resistance issues are just going to get worse, to be honest, over time with the proliferation of generics that we've seen come into certain markets. When you don't have the right stewardship around that particularly in markets like Brazil where you have seven, eight different iterations of insects that will come through in any given year, that resistance rate goes up really quickly.

Luke Kissam:

If I could just take it back at a high level, the question that some people have asked me and that you're really asking about is we got a bucket of water here, and that new innovation pours more water in the top of that bucket. But there's a leak in the bottom of that bucket, and water's coming out of that bucket. The question is how much volume or how much revenue is coming out of that bucket and how fast is it coming out? How much new innovation are we pouring in the top of that bucket to keep it good and level and keep it higher? And how many mixtures and new formulations are we able to use to plug the bottom of that so the water doesn't come out?

And I'm struggling on how to explain it because it's not something where we say, in 2028 we're going to lose X, so we got to replace it with X plus two. If it was that easy, we'd have had a slide up here on the presentation. We need to take that back and come up with a way to explain it to you in a way that you understand the model and understand what we're working with and give us some time on that. And I understand what everybody's asking. We're trying to explain it, but you want more definitive numbers, and that's hard to do.

Dave:

I think we have time to one last question. Okay.

Duffy:

Just two quick clarifications, Jeff, you talked about a hundred million dollar-plus up because of the sales to Vylor, but that seems like a very small number for your seed coating treatment sales to Vylor. I mean, if I just think about their acres of corn and soy, I mean, that's like under $2 an acre, so what is the actual? What are your, I guess, seed coating sales to Vylor? And what's the delta between the hundred and what the actual number is?

Jeff Rudolph:

Yeah, yeah, definitely a good question. So, I mean, today, our seed treatment business before the separation, it's roughly $400 million, so now we've got about a half a billion dollar portfolio, so good size. What we supplied to Vylor was more substantial on an intercompany basis, but some of the things that we had to do as part of the separation is realign who was the best party to serve that end customer. In North America, we have downstream business to at the farm level reps, what have you. And new Corteva in the future was not best positioned to do that, so there was some repositioning of who's supplying who through this, and the net number was 100. So think about the Vylor sales as a bigger number, but there's an offset that netted out to $100 million improvement all in for us.

Duffy:

Okay. And then just on your cost savings bumping from 300 to 500, what is actually going to run through the 26 numbers? So what incrementally from here going forward to 500 do we add for the next couple of years?

Jeff Rudolph:

Yeah, so the way we think about it is the productivity is pretty programmatic. Right? It's about 100 million dollars per year. Duffy, as you think about just the forward look, the one thing to keep in mind is 300 million gross productivity for '27, '28, '29 combined. We've got a slight offset to that, so it's a net, a little bit better than 200 million net cost improvement because we have some residual inflation and tariff impact which is mostly going to impact '27. So I think, '28 and ;29, you'll see more of that gross productivity fall to the bottom line where we'll see more acceleration towards that 6% growth rate on a planning-period basis.

Dave:

Okay. Thank you very much for the questions. So we'll now conclude the Q&A. And I will turn it over to Luke for final.

Luke Kissam:

Yeah. Hey, thank you. First of all, I want to thank everybody for coming. This has been a long day for y'all. And I appreciate everybody hanging in here with us through the day. We really appreciate your interest. I hope you saw the excitement that this team has for the opportunities that lie ahead. We appreciate all your questions. And we're looking forward to talking to you even more as we go through this '29 and get us off to a great space, so thank y'all very much. Good job.

Speaker 1:

Today, we begin the next chapter of the Corteva story, a chapter that will be defined by innovation, execution, an unwavering commitment to our customers and a focus on safety in all that we do, a future that we believe will result in lasting value for farmers, shareholders, employees and society. This is a new day for Corteva, a company built to solve one of the world's most important challenges, a company with momentum, a company with purpose and a company whose greatest opportunities still lie ahead.