

Virtual | Vylor Investor Day 2026 | September 15, 2026

Speaker 1:

Good morning, and thank you for joining us. I'm Kim Booth, head of investor relations for Vylor. It's great to have you here today. We have prepared presentation slides to supplement our remarks during this call, which are currently posted on the investor relations section of the Corteva website and through the link to our webcast.

We'll open up this morning hearing from Chuck Magro, Chief Executive Officer. Chuck will be followed by Sam Eathington, Chief Technology Officer, and Judd O'Connor, Chief Commercial and Operations Officer. After a short break, David Johnson, Chief Financial Officer, will speak to our financial framework before we proceed to a Q&A session with all the leaders.

During this call, we will 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 materially differ from these statements due to these risks and uncertainties, including but not limited to those discussed on this call and in the risk factor section of Vylor's Form 10 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 references to certain non-GAAP financial measures. Reconciliations of the non-GAAP measures can be found at the end of this presentation or in other investor materials available on our investor relations website. Welcome to Vylor's 2026 Investor Day.

Speaker 2:

A century ago, Henry Wallace built a company around a single idea, that innovation could help farmers grow more food on less land. That idea and that company changed the world. Today, from Iowa to Mato Grosso, from Punjab to Poltova, we are the inheritors of that vision. We embody the courage, the passion, the grit, the valor of generations of farmers, scientists, and agronomists who wield a vision of more abundant agriculture to life.

We didn't just dream of transforming agriculture, we did it. And we're about to do it again. Introducing Vylor. To take science further. Inspired by the promise of advanced genetics in row crops and beyond to create a world that can feed all its people. This isn't just a job, it's a calling. Vylor, vying for every opportunity. Driven by science. Built with valor.

Speaker 3:

Please welcome Chief Executive Officer Chuck Magro.

Chuck Magro:

Well, good morning everyone. Thanks for being here with us today. Welcome to Vylor's first Investor Day. It's been a year since we announced the separation and we're delighted to be here with you. I think it's truly a milestone for the company, but I also believe it's a milestone for the industry.

Vylor is a global advanced seed and genetics company built on more than a century of science and innovation. The name itself is derived from the word valor, acknowledging the generations of employees and farmers whose ingenuity and hard work have fed the world. Feeding and fueling the world is core to who we are. The most important message I want you to take away with today is that Vylor is not a

traditional seed company. It's a high margin growth platform with a proven track record, entering a new growth business with several new product and market launches and a deep competitive moat.

This should lead to a margin and cash profile that is set to grow for the next decade or more. Today, we plan to share with you a new three-year financial framework that is exciting and value enhancing by itself. But we're also going to share with you a decade plus growth algorithm that could add a couple billion dollars of bottom line growth from monetizing our proprietary next gen technology all starting next year.

This is a structural shift from product to platform, from seed seller to technology provider. But let's start from the beginning. For those new to our story, seed is arguably the most important and perhaps the most emotional decision a farmer makes every year. Why? Seed determines yield and yield determines profit on a farm. Seed is also different from every other crop input. It gets better every year because we breed better versions every year. In fact, approximately 300 new hybrids and varieties are introduced annually.

I can't think of too many other businesses where customers prepay to ensure they get the very best technology for the next year, and that's exactly what happens at Vylor. In fact, last year we collected about three billion in seed prepayment in the fall. That's about 60% of our spring sales. A few things to call out on this chart. Today, Vylor has about 10 billion in revenues and 27% EBITDA margins. Impressive numbers. But perhaps more impressive, it has market leading positions in almost all major regions around the world.

A \$19 billion technology pipeline, which Sam will unpack for you next, which is the deepest and strongest pipeline we have ever had. And twice as effective as anyone in the industry. All of this is backstop by more than 8,000 patents. So I think we're starting the Vylor journey today from a real position of strength. But if you look back at the results over the past five years, I think we've had a pretty good track record.

We launched over 1700 new products, more than doubling our annual operating EBITDA. That's a 17% CAGR. We've also grown our EBITDA margins by more than 1000 basis points since 2020, a remarkable feat for sure. Now, the drivers of this transformation, they are both cultural and structural. Culturally, we are focused on controlling our controllables. This is a mantra we have inside of the company, which is now firmly ingrained in our culture.

But what is perhaps even more important are the structural changes we made to the business over the past few years. We moved from being a net in-licenser of seed technology to a net out-licenser of seed technology. In fact, we approved our net royalty position by over 500 million in the five-year timeframe, and this year we will be net positive for the first time in our history. Truly transformational. And we believe we're just getting started.

And Vylor was built for this agricultural market where seed and genetics are critical to solving some of the world's toughest challenges. First, global food security. The world is adding nearly two billion people in the next 25 years, and it's getting more difficult to grow food, not easier. How do we increase production to feed all these people? We think the answer is science and technology. Changing weather patterns. Rising temperatures mean more droughts, more floods, new pests, weeds, and disease.

We are seeing stress in all regions around the world today. In fact, the top three hottest summers ever were all posted this decade. Again, we think the answer is science and technology. And finally, the energy transition away from fossil fuels. Biofuels need to be part of the solution here, and many governments around the world understand this. Global biofuel demand is on track to double in the next decade, creating significant opportunity for agriculture, for farmers, and for Vylor.

There are very few companies with the science and innovation capabilities to help solve these generational challenges. Vylor is one of them. I hope by now you're starting to see why Vylor is a special and unique company. But allow me to be more specific. Our competitive moat is both deep and durable. First and foremost, it starts with our genetic history and capability. Our proprietary genetic library is the foundation of all of it, built literally over a century.

Germplasm is the primary driver of yield performance, and ours is among the most elite in the world. And you just can't buy or build these advantages quickly. This is a simple biological fact, creating a significant barrier to entry. Finally, it's exceptionally difficult to replicate, at a global scale, particularly when you combine our data, our AI capabilities, breeding and production infrastructure, our farmer relationships, and routes to market.

Seed is a living thing, breeding better versions of it and then scaling it around the world literally takes years. Second, seed needs to be able to perform locally, so you need the global R&D infrastructure, breeding and production footprint to be able to sell seed around the world. Our global footprint is the product of more than a century of investment and optimization, including about 200 facilities around the world.

We've also built a network of assets, expertise, and partnerships that include over 19,000 contracted seed production growers, making us one of the largest contract farmers on the planet. Just a quick comment on AI. We've been deploying AI tools for years across the company. And as you might expect, we're seeing some of the biggest benefits in R&D with dramatically reduced discovery cycle times. Simply put, AI allows us to process more information, make faster decisions, and scale programs quicker, which is exactly what you want in a long cycle R&D process like agriculture.

But beyond R&D, we're using AI to optimize our assets at scale. We've deployed 14 digital twins across the operations and supply chain that have already generated more than a 100 million in cost savings. And commercially, last year we introduced you all to CARL. That's our GenAI tool for our pioneer reps. CARL has decades of data available and is getting better every day. We do plan to share more about CARL's progress in 2027 with you.

What sets Vylor apart is our ability to connect our data and AI from discovery all the way to the farmer acre, bringing value to farmers and sharpening our competitive edge along the way. And finally, I believe one of the biggest competitive advantages we have is the ability to bring our technology to farmers through multiple channels, including direct to farmers through the iconic Pioneer model, as well as through conventional distribution channels and now through our new licensing business.

But Pioneer isn't just a channel for us, it's one of the most important strategic assets we have. It's incredibly powerful, trusted relationships with farmers that makes us so unique. The relationship is not transactional, it's personal. Our net promoter scores are the highest in the industry. In fact, our North American customer retention rate is about 90%, which is pretty hard to beat.

Today, we have leading positions in almost all markets where we choose to play, with the exception of soybeans in Brazil. We're changing that by leveraging the success we had with soybeans in the US. We've recently launched Conkesta, which is gaining market share very quickly in Brazil. And we have line of sight to be a top two soybean player in that market by the end of the decade.

But please look at the right-hand side of this chart, which is one of the most important takeaways from today's discussion. This is a summary of our core portfolio pipeline. Sam will cover this in detail, but here are my takeaways. Starting next year, in addition to our hybrid wheat platform, which will launch in 2027, we will bring approximately 11 new corn and soybean technology platforms into the market over the next decade. These will be proprietary, first of their kind, next generation science in performance, which in several cases will literally redefine the market.

These platforms are essentially royalty-free and we will make many of them available for licensing. This is more than we've ever launched, and more importantly, more than any of our peer has planned. Let me give you one example of in the corn market, which we will bring very soon in 2028. We expect to launch the first of its kind, what we call yield and yield stability trait that has the potential to deliver a meaningful step change in yield performance.

It is the first biotech trait exclusively for yield. Nothing like it exists in commercial agriculture today, and we believe that this innovation can redefine the yield frontier, establishing a new benchmark for what top performing corn can achieve. We've gotten to this point after more than a decade of R&D and product testing, billions of investment, and we are literally testing the bounds of science. So with this as the foundation for Vylor's future, let's talk about growth, both the short-term growth and longer term.

Vylor has a clean growth algorithm, and it starts with doing the basics well. We bring better seed to farmers every year through continuous genetic gain and plant breeding with our customers getting the majority of that value through their yield benefit. We are also focusing on controlling our controllables, productivity, deploying AI and automation to ensure we have the most efficient seed selling business on the planet.

We also expect our corn and soybean portfolios to continue to lead the market with the technology pipeline I just summarized. But beyond our core business, we also have some very exciting growth prospects. It starts with licensing. This is our newest business, primarily corn and soybeans in the Americas, I'd say to start. We're expecting to cross half a billion in gross licensing income in 2027, over a billion by 2035, and approach two billion by 2040. More on that in just a minute.

Next year we will launch our proprietary hybrid wheat technology platform starting in the US, but then quickly moving around the world. Another \$1 billion revenue opportunity, most likely by the end of next decade. This could prove to be a conservative estimate and I'll explain more. Then there is the biofuel opportunity. There are lots of estimates about the potential size of the opportunity, but one thing to remember, the transportation and aviation fuel market is bigger than the entire corn and soybean market.

This could be an additional structural demand driver for agricultural crops, an important source of income for farmers, and a nice value add for Vylor. Finally, we are actively pursuing other crops that we do not participate in today to determine the long-term value potential. With the advent now of gene editing and our full range of capabilities in this area, some more traditional crops are poised to be disrupted. We plan to be the disruptor. We will pick our crops and our markets and we'll have more to talk about that in the months to come.

Okay, let's deep dive on licensing. As I said, the most important incremental short-term value driver for Vylor. As licensing scales, we see so many benefits, starting with more choices for farmers around the world. But also more support for the independent seed companies, higher returns for farmers as well as Vylor and lower capital intensity. In the Americas alone, across corn and soybeans, that's a \$4 billion market today consisting of over a 100 independent companies in the US alone. And we're one of only a few players positioned to take advantage of the market need.

And that market is expected to grow in the next decade. Historically, we've monetized innovation primarily through selling seed. Going forward, we will increasingly look to licensing our genetics and traits across the industry. And we will eventually include opportunities in hybrid wheat, gene editing, and adjacent crops.

We see licensing as incremental because it targets acres and customers we don't work with today. It allows us to gain attractive returns on our IP library across third-party channels, geographies, cropping systems without the full working capital investment of branded seed. And I'll repeat again. By 2035,

we're expecting to generate about a billion of licensing revenue, which could grow to two billion by 2040. The key point is this. Over time, we will look a lot less like a traditional ag company and more like a biotech or IP driven platform. Over time, this becomes a core earnings driver, a margin expander, and a valuation catalyst.

So if licensing is the new business for Vylor, hybrid wheat is essentially a new core crop for us. It represents a major new global technology platform. I consider this to be the third leg to our stool after corn and soybeans. Wheat is one of the largest crops in the world, nearly 550 million acres globally and 20% of the calories consumed. But historically it's lacked meaningful innovation. It's largely grown the way our grandparents grew it 50 years ago. You can see on this chart how it's lagged hybrid corn. It's quite shocking.

Our proprietary technology platform is about to change all of that. We believe we can improve the economics of growing wheat for farmers and very importantly, make a step change in global food security along with it. Our technology will provide a 10 to 20% yield improvement at launch with an increasing rate of performance thereafter, higher profit for farmers, a global solution, and as a non-GMO technology, regulatory reviews will not be as lengthy.

It's also important to note that hybrid wheat is not required to deliver our 2029 financials. This to us is slightly longer term growth platform and it extends the durability and the duration of our growth story, a billion dollar revenue opportunity for us by the second half of next decade. In fact, we're only targeting about 100 million in sales by the end of this decade. But then a nice ramp up to half a billion by 2035.

I should say Vylor and our predecessor companies have been working to develop this technology for about 15 years. So even though we are poised to disrupt the wheat market next year, we've been working on this for a very long time. Let's pivot from our products and markets to quickly discuss one of the most exciting scientific capabilities of our time, which will soon underpin much of what we do as a company. I've said it before and I'll say it again because I truly believe that we are at an inflection point in the evolution of seed technology. Gene editing is the most important advancement in agriculture in decades.

Gene editing is not GMO, they are very different. In gene editing, we adjust the genetics of the plants just as nature does over time in all living things. I call it the acceleration of nature. Gene editing is faster and more precise, which allows us to solve agricultural problems quicker, which the world needs today more than ever. One key point here. Even though we have one of the largest patent estates in crop gene editing, we expect the technology to become widely available.

But a critical nuance is you need something good to edit. We like to say you can't gene edit bad germplasm into good germplasm. My point is simple. Gene editing science is extremely powerful, but it's the germplasm that determines how much value you get from it.

We are planning to launch our first gene edited corn hybrid across multiple regions later this decade. It will be a multi-disease resistant corn. Look at this comparison on the left. Today, North American corn growers lose about a billion dollars in annual yield to disease. And they usually spend about \$35 an acre to get some level of protection. But it is expensive protection.

We think gene editing can protect yields and reduce costs for farmers in the near future. And finally, strategically we believe that our gene editing capability will allow us to enter new crop markets over time, and we are busy studying this right now. Let me give you one example, bananas. They're the world's most produced fruit globally, consumed by a billion people today. The global retail market size, \$125 billion. That's bigger than the US soybean market at about 50 billion. So bananas are big business.

You can imagine the value of preventing bananas from browning. It's a game changer. You can see in the picture on the right, a gene edited non-browning banana. We are involved with a small company called Tropic that is working to make that happen.

Let me wrap up with a few comments about capital allocation. Our thinking is relatively straightforward. We are a growth company with a long-term investment horizon. We also expect to have significant financial strength and flexibility. As such, we will have the ability to invest in growth and return capital consistently to shareholders.

When it comes to returning capital to shareholders, we plan to have a modest dividend that will grow with earnings over time. But I would say that the dividend doesn't define us. But it is an important part of the capital we will return to shareholders. Our more preferred method to return capital will be by its share buybacks. We're anticipating that our board will authorize a new three-year, \$3 billion share repurchase program in the weeks following the official separation. It confirms our longstanding commitment to returning cash to shareholders.

A couple of comments on M&A, if I may. As CEO, I always want the option to buy something instead of building it if that creates more value. We have a fantastic technology pipeline and the organic growth algorithm is very exciting, but I expect going forward we will use M&A in new target areas we are building out more than we have in the past. We will of course remain disciplined and very focused on our strategic plans. But we are seeing more opportunities than we have in the past and we are actively pursuing several.

Okay, let's quickly get to the financials. Today we're introducing a new financial framework through 2029. It's consistent with our past, it's simple, and it's already all in flight. And all of this is organic growth, meaning it excludes any potential M&A. Let me start with the targets. Three to 4% revenue growth. Seven to 8% EBITDA growth at the midpoint. EBITDA margins touching 30% by the end of the decade. And a free cash flow conversion of 60% or better.

The framework is a straightforward one, two, three. One, continue strong market performance of our core business by rolling out our next gen corn and soybean portfolios and bringing value to farmers along the way. Two, continued operational excellence and controlling our controllables. Our goal is to more than offset the rising cost of production, including inflation with productivity. And three, increase licensing in our corn and soybean business, especially North American corn and Brazil soybeans. Both are scaling now.

We also expect to invest about 10% of sales in research and development. And we are making the necessary investments in wheat licensing and gene editing in this three-year time period to set up the next decade of growth, which you can see on the right-hand side of this chart should be at least as strong as the short-term numbers through 2029. David will share more of this soon.

Finally, I'd be remiss if I didn't take a moment to acknowledge our proven and well-established leadership team. With the experience, alignment and execution capabilities to deliver on the opportunity set ahead with a demonstrated track record of delivering results. Collectively, this team has seen it all, and we are excited to start the next chapter of Vylor together.

So let me quickly summarize. Vylor is a unique growth platform and it lies at the intersection of agriculture, science, and intellectual property. We have multiple growth drivers, deep competitive moats, and a long-term innovation leadership. The combination of licensing a new business, hybrid wheat, a new crop, gene editing, a new science, and biofuels, a new market, creates a clear path to sustained value creation. We are all now focused on execution.

We're becoming something different at Vylor, a technology platform built on genetics powered by AI and monetized through IP. That's where the Vylor opportunity lies. Thank you very much, and I'll turn it over to Sam.

Speaker 4:

Vylor is founded upon the premise that science and innovation can transform our world. For more than a century, we've turned scientific discovery into new technologies and better crops for farmers. Today, our more than 3000 scientists are focused on tomorrow's breakthroughs, from our Enlist system to our proprietary hybrid wheat, to our multi-disease resistant corn, to winter canola for biofuels. Every technology that changed the market began with an idea and the determination to bring that idea to life. And our track record speaks for itself.

Today, we are number one in corn and soybeans across North America. Our hybrid wheat is set to enter the US market in 2027, unlocking productivity gains on a crop planted on more than 500 million acres around the world. In corn, we plan to launch seven significant new platforms over the next decade, including the world's first biotech trait designed to improve yield and yield stability and the first gene edited multi-disease resistant product, once again, revolutionizing the corn market. These and others make up 12 new technology platforms that Vylor will introduce in corn, soybeans, and wheat over the next decade.

Each of these illustrate Vylor's scientific leadership and why we believe we will continue to lead the market. Over the last century, Vylor innovations have helped farmers around the world. Today, our innovations are going to help farmers meet one of the most critical challenges of our lifetime, feeding and fueling our growing planet on the same amount of land.

Vylor exists to help farmers meet this challenge and to deliver the value farmers expect. Our next chapter awaits and our future is bright.

Speaker 3:

Please welcome Chief Technology Officer, Sam Eathington.

Sam Eathington:

Well, awesome. Good morning, everyone. And it's a real privilege and honor to be here talking to you about R&D at Vylor. So as you heard from Chuck, we have world-class innovation that will deliver both short-term and long-term growth, and we're committed to leading the new areas like gene editing. So let's take a look at how our R&D engine is poised to solve the agriculture's biggest problems and create new value for farmers and for our shareholders.

So for 100 years, we've led agriculture innovation from the first commercial hybrid corn to spearheading the use of computers and genomics information in our plant breeding programs. Our first mover advantage is the foundation of Vylor going forward. Now, our heritage has a strong track record of delivery. Since 2020, we've launched more than 1700 new products across our 10 crops, including five technology platforms in corn and soybeans, improved yield potential by more than 5%, and we've grown our IP estate to more than 8,000 patents and have the largest gene editing IP portfolio in agriculture.

This track record has allowed us to more than double our operating EBITDA and grown our EBITDA margins by more than 1000 basis points since 2020. As we look forward, the scientific discipline and track record that we have will continue to put us in a leadership position. So in addition to the 300 plus new products that we launch every year, we will deliver a decade of innovation, launching 12 new

technology platforms across corn, soybean, and wheat, the most in our history and more than any of our competitors.

Together, our germplasm performance and these new technology platforms drive our core business growth plus a \$2 billion licensing opportunity by 2020. And our leadership in gene editing sets Vylor up to grow in our current row crops and expand into new areas. So let's dig a little deeper into that.

So wherever they farm and whatever they grow, farmers face pressures from insect problems, weeds, disease, abiotic stress. There's almost \$3 billion of global crop production is lost annually to these factors. And at Vylor, we believe we have the pipeline of innovation that can solve these generational challenges using advanced genetics across breeding, biotechnology, and gene editing. And since we are a pure play advanced genetics company, every dollar invested, every one of our scientists is focused on these solutions and that focus is one of our key advantages. Our innovation pipeline has grown almost four billion

Sam Eathington:

... billion since 2023 has projected to deliver a record of almost 19 billion in estimated peak net trade revenue by the end of the next decade, with accretive value actually increasing over 55%.

Our growth is driven by new science that's bringing novel technology for insect disease and weed control. In addition, we're launching the first ever technology that helps farmers with extreme weather events while increasing the yield potential of their crops.

Over the next decade, Vylor will launch 12 new technology platforms in corn, soy, and wheat. This includes biotech traits that reset the genetic control for major insect pests like fall army worm and corn rootworm across the Americas. The industry's first yield and yield stability technology, the industry's first multi-disease resistant corn with gene-editing, which we'll call MDR, and our own proprietary hybrid wheat breeding system. All these products are in field-testing now. They're all in regulatory trials. They're all on track for commercial launch. None of this depends on us developing new science, and the technology already works. And finally, we'll continue to bring new innovation in our other crops also. Just as an example, we recently launched our pod shatter tolerant canola.

Now, central to our value is our commitment to be disciplined in our ongoing investment and innovation. At Corteva, our seed business made more than \$10 of revenue for every dollar we invested in R&D. That's almost twice the return on investment compared to the other major ag companies.

As we look forward, Vylor's innovation pipeline will continue this trend of having the highest return on investment as an advanced seed and genetics company with approximately \$19 of peak sales revenue for every dollar invested in R&D, two and a half times what the pure average is. And we've achieved this ROI leadership position by investing in the highest priority research, leveraging external innovation, launching products that make a difference, and a focus investment in automation and nearly 150 advanced decision making tools, including almost a hundred AI models running in our programs. And because we're focused exclusively on advanced genetics, every R&D dollar goes to these solutions.

We have the world's most elite germplasm pool. It consists of about 25,000 active corn inbreds. These inbreds have been selected from more than 20 million inbreds over a hundred years of corn breeding. And each year, our breeders create roughly one million new inbreds to identify a few hundred that are elite enough to be used in commercial products. Vylor's plant breeding program is powered by billions of genetic insights and hundreds of millions of field insights, all streamlined by large scale automation and AI models. Again, allowing us to consistently launch more than 300 new products every year.

Every new class of products that we launch has higher yield potential than the prior class. This delivers more value to our farmers. And at Vylor we capture about a-third of this new value and we do this every

year, every year. So here's a few examples. So Pioneer Corn Hybrid 13777, right? It's a blockbuster product we launched in 2025. It contains technology called PowerCore Enlist, and it yields about 32 bushels per acre more than Pioneer 1151, which was a blockbuster product we launched in 2015. So if you think about it, our plant breeding programs and our biotech traits over that 10 year period added about \$300 in increased value on a bag of corn seed. It's also kind of cool that 13777 is superior to a hybrid called 1197, and Pioneer 1197 was the first corn hybrid to break the 600 bushel per acre yield barrier.

And we have these yield improvements across all of our crops. In the case of soybeans in North America, we've increased yields by more than eight bushels per acre in the last 10 years, which translates to over \$90 of increased value on a bag of soybean seeds. Now every year we measure our improved yield performance and we see no sign of our annual yield increase in yield to be slowing down. So this means that the future products we launch will have increased yield, more value to farmers, more value to Vylor.

So now as we look back at the last seven years, our top corn and soybean products have had a sustained yield advantage over our competition. We've had over a six bushel per acre yield advantage in corn and nearly three bushels per acre more yield in soybeans. And this is across more than 175,000 cumulative head-to-head comparisons. Our top 40 corn products went about 64% of the time in those trials and our top 40 soybean products went about 70% of the time in head-to-head trials. And in both of these crops, we've actually seen our yield advantage increase in the last couple of years. Given the continual annual increase I talked about on the last slide, we expect this continued yield advantage versus our competition in our portfolio of top corn and soybean products.

Now what's exciting though as we look forward, I'm excited about two technologies that we're bringing to the market to increase that performance advantage. First, we're going to launch the industry's first ever yield and yield stability biotech gene and corn. It adds on average three bushels of corn per acre. We've tested this biotech trait for 11 years, over 300 locations in North America and South America in dozens of elite hybrid combinations. I can tell you this is a real step change in yield performance that we will add to all global corn hybrids where biotech is approved. It's essentially jumping our yield performance ahead by one to two years.

And then we get to add on our gene-editing platform, where field-testing the last two years has demonstrated multiple gene edits with four to eight bushels per acre yield improvement in our elite corn germplasm. This is again jumping our yield performance ahead by multiple years and we're already seeing this year's trials looks like they're going to deliver the same results again. And what's exciting about that is it's just the beginning of our large scale gene edited breeding program and we're already seeing these very positive results.

And with gene-editing offering a broader where to play opportunity in both crops and geographies, it's easy to see how Vylor's technology can increase agriculture productivity on a global scale. So backed by our strong genetics, our biotech traits, and our gene-editing platform, we will double our annual yield improvement, delivering more value to farmers and to Vylor.

So now let's switch over to wheat. We leveraged our genetic knowledge and the capabilities to build a better proprietary hybrid wheat system we call Xpedite. We've got three years of large scale field-testing across more than 60 locations, and we've seen a consistent 10% yield increase over the best varietal wheat products in the market. And in stress growing conditions, we see up to 20% yield improvement. And for a year like this where it's dry in the Western market, that's a real advantage for growers. And what's interesting is our hybrid wheat shows these yield advantages without changing agronomic practices. A farmer doesn't have to increase their fertilizer or water. They don't have to apply additional crop protection sprays or they don't have to change their seeding rates. Many have tried

hybrid wheat. Some continue to try using other sterility systems, even at Corteva we tried a lot of different systems in our programs, but really have been quite limited in their success. And so as a proof point, we've seen competitor hybrid wheat products that yield no more than elite varietal wheat.

So what we have, we have a leading North America wheat germplasm program. We've got a superior hybrid wheat breeding system that we can deploy across all wheat classes globally. It works in all the genetics and all the environments we've tested. It allows us to increase parent seed two times faster than competing technology. And it's scalable and it's reliable, which allows us to increase annual yield improvement in wheat via our plant breeding program.

So we're now preparing to launch. Our first North America launches will be hard red winter in 2027. We'll follow that by soft red winter in '29 and hard red spring in 2030. But at the same time, we're exploring global deployment of this technology, including in Europe and India where we already have breeding activities underway. And we really do see this as the beginning of a new era where technology will significantly improve global wheat production and wheat will become a-third core crop of our business.

Now while delivering yield is critically important to farmers, equally important is protecting this yield and simplifying the farming systems. Our biotech program is now delivering distinct, never before seen scientific solutions in corn and soybeans. Over the next decade, we will launch seven new technology platforms in corn, worth 6 to 7 billion in peak net trade revenue, giving us licensing opportunities and flexibility with our proprietary technology platforms in germplasm.

Now corn rootworm and fall army worm represent two of the biggest insect problems in corn. It causes billions of dollars of damage every year across the globe. And we're introducing novel technology to manage these pests that will reset the durability clock for farmers, providing them decades of sustained insect control and superior products in the marketplace. We'll start in North America where we're building off very successful platforms of power core, Qrome and Vorceed.

Our next generation insect control platforms will enable us to have broader licensing. We'll introduce two novel traits for corn rootworm control, both of which are non BT modes of action. And this non BT mode of action really matters because it gives farmers that durability of resistance that stacked BT products can no longer deliver.

In Latin America, we're moving towards the planned launch of Abranvo, which will offer farmers lepidopteran control through two new proprietary modes of action. We'll then build on this platform with additional proprietary traits, bringing four novel modes of action for fall army worm control to the market. And these platforms will provide farmers with best in class solutions, but they'll also include our yield and yield stability, our MDR, and our reduced stature corn technology, all of which bring additional value to growers.

In soybeans, we'll launch four new technology platforms worth three to three and a half billion in peak net trade revenue. In North America, we're building on the success of Enlist E3 soybeans. The system has reached trait penetration over 65% of the acres and we're seeing a clear three to three and a half bushel per acre yield advantage in our Elite Z series soybeans over our competition. This includes a yield lead and head-to-head trials against every competing soybean trait system on the market today. We're now focused on expanding weed control flexibility for farmers through additional modes of actions for herbicide tolerance, and we have multiple paths to bring different combinations to the market. In Brazil, our insect control soybean has grown a double-digit market share in just a few short years. We're building on the success of Conkesta E3 by accelerating the launch of our next generation insect control soybean technology due to some favorable regulatory progress we've made. Brazilian farmers will soon have access to the broadest soybean insect control solution ever introduced in the country, and that'll be combined with technology for weed control.

In addition, we're developing the industry's first Asian soybean rust resistant trait for Latin America. This innovation targets one of the region's most costly soybean diseases, which threatens billions of dollars in value through yield loss and disease management expenses. These solutions will all contain MDR technology, providing more disease resistance in Latin America for farmers. Essentially, Vylor will be launching the most effective insect and herbicide technology platforms in both North America and Latin American markets.

So now let's switch to gene-editing. This is a technology that will transform agriculture production at a scale larger than biotechnology. As regulatory policy advances around the world, we see an expanded where to play opportunity in both new markets and new crops. And our genalytics ecosystem has put us in a clear leadership position.

Our focus on AI has accelerated the scale, speed, and accuracy of our gene-editing program. We've already predicted over 20 million different gene edits in our elite germplasm. We've expanded our platform to 16 different crops. We've more than doubled the number of genes we are targeting. And our ability to transform hundreds of elite corn and soybean lines means we deliver these gene edits directly into industry-leading germplasm, which ultimately turns out to create more on-farm yield.

We actually have the best megaplexing system in the market. Recently, we disproved we could make a hundred changes at one time with our gene-editing platform. And combined with our proprietary CRISPR-Cas system, we can essentially edit any DNA sequence in any of our elite germplasm that we want to change.

We have a new external innovation investment program, we're going to call that Vylor Edge. This will continue to expand our collaboration with global scientific community. And today we've completed more than 40 external collaborations, all of which enhance our capabilities and the products we deliver. So now let's look at two examples of how we use this technology. So first, we've taken a pretty unique approach. We've actually integrated gene-editing directly into our industry-leading plant-breeding program. This way we're leveraging our elite global germplasm pool, our testing at scale, and our genomics capabilities. You combine that with our gene-editing system, we're now creating never before seeing genetic variation within elite breeding populations. And the power of this integration is our ability to edit hundreds of genes in the most elite corn inbreds in the world. This is all guided by the power of our AI tools, and gene-editing is already advancing through our plant-breeding pipeline.

This creates new products with higher yield improvements that we believe will expand our product advantage, and this complete integration gives us a real competitive advantage. With the results we've seen to date in both yield improvement along with other traits like standability, drought tolerance, geographic expansion of germplasm, we will double the annual rate of yield improvement in our products. And just like the opportunities in hybrid wheat and biofuels, we see the future opportunities being unlocked in other row crops and in other crops adjacent to what we work on today. And as I said, this is just the beginning of what this science will do.

The second example, we're using gene-editing to really simplify disease management. A farmer doesn't know what disease they'll have to deal with. It varies year to year, field to field, both in presence and intensity. Our MDR corn protects against three foliar diseases and improves tolerance to a major stock rot. There is no equivalent multi-disease resistance platform anywhere else in the industry. This really is a Vylor only product category and we do have products actually ready to launch.

In 2019, US corn farmers lost over a billion dollars in commodity value to the foliar diseases of great leaf spot, Northern Corn Leaf Blight, and southern rust all combined. While last year, US corn farmers lost almost \$2.5 billion in commodity value to southern rust alone. MDR offers that protection for what a farmer faces. As an example, in certain fields last year, that protection translated to 40 bushels per acre

more yield by protecting against southern rust. I can tell you this is one of the most exciting wide scale technologies I've seen since the introduction of biotech crops.

Again, we're building on our foundational advantages in scale, information, and disease screening. And we built a pipeline with 10 additional disease targets and more than 20 additional genes already identified. These new resistance genes will be added, providing a broader management of more disease and expand the global deployment of this technology. In the future, farmers won't be forced to select among products for what potential disease they might see in their field. They will have that yield protection built into the bag of seed, giving farmers peace of mind that their yield is protected regardless of what disease the season brings.

As we've proven this success in corn, we're now extending this concept to other crops. We're already building our first generation MDR system in soybeans and we're conducting early testing in other crops. I believe this management platform holds tremendous potential across not only our core portfolio, but adjacent crops.

So let me wrap up why we're the clear leaders in both seeds and advanced genetics. We're a pure play advanced genetics company well positioned to deliver near term and long-term growth by solving global agriculture problems. Over the next decade, we'll launch 12 new technology platforms that bring unique and proprietary solutions to farmers around the world, from enhanced insect control to higher yield, to built in disease management, to our new wheat hybrid breeding system. These platforms already exist in our field-testing program and we will launch the first hybrid wheat product next year. Our \$19 billion pipeline is backed by industry-leading germplasm and our proprietary biotech solutions, in many cases, never before seeing solutions.

Finally, our discipline approach to innovation continues to translate into an increased valuation of our pipeline and the industry's best ROI on every dollar invested in R&D. And so our commitment to solving global agricultural problems, coupled with our strong legacy of innovation, gives us the confidence we will extend our current leadership and we'll shape the future of gene-editing. Thank you very much, and now let me turn it over to Judd.

Operator:

Please welcome Chief Commercial and Operations Officer, Judd O'Connor.

Judd O'Connor:

Well, good morning. I'm Judd O'Connor and I'm excited to take you through a little closer look at our seed business. Today I'll focus on how Vylor combines leading innovation, scaled operations, trusted brands, and expanding licensing opportunities to create durable value.

The story's simple. This is a proven core, a larger addressable market ahead, and multiple paths to compound growth over time. The seed market is already an attractive and resilient value pool supported by continued demand for crop outputs and consistent planted area. Farmers continue to prioritize seed performance because seed is one of the most important decisions they make each season. Better genetics and technologies can translate directly into better economics.

Today, the traditional row crop seed market represents roughly a \$60 billion grower level opportunity, and we see that expanding roughly 75 billion by 2035. We expect to achieve above market growth, primarily through new technologies, new geographies and licensing, which I'll cover in more detail over the next 20 minutes or so. And as Sam and Chuck talked about, we see expanding opportunities to drive additional growth through hybrid wheat, gene-editing, and adjacent genetic opportunities that were not captured in this figure. This expanded opportunity is why we're focused on building an advanced

genetics business that can scale innovation across crops, geographies, routes to market and partners. Let me briefly highlight our full operating model from R&D through production and commercialization, internally what we call One Seed, and why it's such a strong driver of performance at Vylor. It starts with R&D, where more than a hundred years of breeding expertise, superior germplasm, and proprietary traits help deliver year over year yield and productivity gains.

Equally important, we design products with scalability in mind, ensuring strong performance, not only in research plots, but also in real world production environments. Our pipeline flows into our global production network where we operate at significant scale. Our total production capacity is over 100 million units, and 85% of that is internally owned and operated by Vylor. And we have the ability to leverage parent lines across geographies. This network gives us reliable, high quality supply while allowing us to move seed efficiently around the world to support our global footprint.

On the commercial side, our direct and trusted farmer relationships give us a stronger demand signal and help us align inventory more precisely to market needs. The result is a system that creates value for farmers through innovation, yield improvement, and dependable seed quality while creating value for Vylor through pricing power, recurring revenue, high returns on capital and attractive margins.

Unlike commodity grain production where farmers make planning decisions based on current market conditions, seed production requires years of advanced planning. First, we need to produce parent seed, then use that parent seed to produce commercial seed that we treat and condition, put in a bag to be sold to farmers. That means we forecast demand well before the crop is ultimately sold. This long planning cycle requires a highly coordinated supply chain designed to ensure farmers have access to the right products when they're ready to plant in specific seasons and geographies around the world. In short, our end-to-end One Seed approach connects innovation to execution. It's our integrated model that enables us to consistently create value, helping us to drive more than 500 million in productivity gains in the last five years.

Sam discussed our R&D capabilities and strategy at length, so I'm going to talk a little bit more about our GlobalWatch seed operations and commercial strategy. At the core, Vylor is a seed operations network that is deeply embedded, highly scaled, and very difficult to replicate. Seed production starts in the field where we plant, grow, and harvest seed with an intense focus on quality and productivity per acre. We use data capture to enable decision insights for fields as well as our supply chain and plant processes. Because seed is a biological product, we contract with growers to produce it and we operate in an environment influenced by input costs, weather, and commodity markets.

Field costs are our largest expense. We compensate growers based on the market value of grain plus a contracted premium for participating in an extremely intensive program to produce high quality seed. That means driving yield and productivity per acre is one of the most important ways we manage costs, improve reliability, and create value for customers and for Vylor. We do this through a global grower network built over a century with strong local relationships, top tier producers who understand the precision required in seed production. We currently have about 19,000 contract growers farming over one and a half million acres, making us one of the largest farmers in the world.

Our field teams work closely with growers to use data and AI to drive decisions on planting, field management, and harvest derive yield, quality and supply reliability. From there, we transition into plant operations where we condition, treat, package, and distribute seed with a focus on scale, efficiency and consistent delivery. What differentiates us is how tightly integrated field and plant systems are, and they're increasingly connected through AI, precision, and automation.

We leverage our R&D capabilities through our One Seed operating model for intelligent design to ensure scalability and to match products to specific production growers in targeted environments, optimizing

production allocation, improving yield and reliability. It's these technologies that have driven significant productivity gains, primarily field level improvements where we see the greatest opportunity.

Looking ahead, our very intentional investment in AI and automation, yield optimization, and more precise demand planning should make this system even stronger. This is not just a strong network today. It's a durable, competitive moat with 200 R&D production and commercial locations around the world, plus the largest grower network all working together to serve as a core driver of long term growth and value creation.

Our route to market strategy has been built around one principle. We want to meet customers where they are with the right offering for how they prefer to buy. This strategy is enabled by an industry-leading brand portfolio that lets us serve different customer segments without forcing a one size fits all model. While the specifics of each route to market vary by geography, this slide reflects our overall strategy. We offer choices in our own brands, the three sections shown on the left as well as offering our technology through licensing. Let me start with our own brands. Our flagship pioneer brand is global, high touch, performance-led, it's back by deep agronomic support and a century of innovation. This route to market represents about a-third of the US seed market and about 80% of our global revenue today.

Pioneer remains a powerful advantage, representing more than 75% of Vylor's corn and soybeans sold globally and holding leading positions across major corn markets. In North America, Pioneer is the number one corn and soybean brand. And more than half of customers have been with us for more than eight years. In the US specifically, we have grown five points a share in corn and 12 points a share in soybeans versus our primary competitor over the past five years. As we look ahead, our target is a whole market share and volume growing primarily through technology mix.

Next, another third of the market prefers to purchase through retail. We serve this market by complimenting Pioneer with Brevant, our full service retail brand in roughly a dozen countries. Brevant offers premium products, technology, and broad access through a traditional retail model. Brevant has rapidly grown, representing about 10% of our global seed revenue today. We launched Bravant globally in 2019, in the US in 2020, where we have consistently grown our share of shelf and we're already at over 10% of corn retail position. We expect to continue to grow our share in volume through 2030, as well as technology mix.

And the last third portion of the market for our branded business are those farmers who prefer to buy a local regional brand. At the regional level, we maintain a strong portfolio of local and distribution brands that combine global capability with local knowledge, relationships, and very tailored service. This represents about 10% of our global seed revenue today. Includes brands like Hoegemeyer, PhytoGen Cottonseed, Pannar, and more. As agriculture evolves, we continue to evolve our family of brands to improve efficiency and customer focus. On the right, we also extend our reach through trait in germplasm licensing available through our new Vylor One licensing business. Here we give access to our technology through a large network of third party seed companies. We're on target to reach two billion in out licensing revenue by 2040. I'll speak more about that here shortly. Across these pathways, the model is complimentary rather than competing, maximizing customer choice while expanding our reach. The outcome is a differentiated customer experience backed by strong brands, targeted segmentation, deep relationships and product performance. The model supports strong margin and aligns closely with our direct route to market strategy.

Together, these brands allow us to serve customers through the channel that best fits their brand preference while continuing to deliver technology, service, and performance. The broader point is that adoption is not driven by product alone. It's driven by the combination of product performance, brand trust, channel fit, and consistent customer success.

Moving to our corn business, because this is one of the areas I'm absolutely most excited about, today we hold the number one brand position in corn in both the US and globally. As we've shared, that leadership is built on decades of investments in germplasm, world-class breeding capabilities, strong commercial execution in a portfolio of products like Qrome, Vorceed, and power core that consistently delivers value for farmers across diverse environments. Our corn lineup continues to perform at a high level, providing farmers with industry-leading yield potential, agronomic performance, and proven protection against key production challenges. This current success gives us a clear path toward trade

Judd O'Connor:

... independence and a strong foundation for what comes next. Over the next decade, we will introduce seven new corn platforms across approximately 90% of the America's corn market, beginning with our next gen above for North America and Abranvo, which was built specifically for the challenges that Latin America farmers face. Our pipeline is the strongest in our history. It includes solutions to help growers protect against insects, weed pressure, manage increasingly variable weather condition and provides new approaches to disease protection that bring more value directly into the seed. Together, these technologies are intended to extend the performance of our germplasm and create differentiated solutions for farmers across major corn producing regions. The market opportunity is substantial.

These platforms create opportunities not only to improve farmer outcomes, but also to strengthen our competitive position across both our branded and licensed seed markets. As we introduce new generations of products, we'll continue to layer additional innovations into the portfolio, expanding the value proposition for customers while improving the durability and longevity of our technologies.

Importantly, this strategy is not about launching individual products, it's about building a connected portfolio of technology platforms. We will execute a disciplined commercialization approach beginning with validation, demonstration activities followed by targeted market introductions and broader expansion across the Americas.

This phased approach allows us to build confidence, generate strong farmer experiences, and capture the full value of these innovations at scale. Each new platform strengthens our branded business, expands licensing opportunities, enhances royalty potential and supports our expectation of generating more than \$2 billion in incremental value by 2035. The pipeline is more than our next wave of innovation. It is the foundation for the next decade of growth, value creation and leadership in corn, enabling us to shift from a trait purchaser to a trait provider.

Turning to soybeans, we're on track, executing the plan we shared at our last investor day. The Enlist E3 system has been one of the most impactful seed technologies of this decade. Since launching in the US in 2019, Enlist E3 has seen rapid farmer adoption because the value proposition is clear, it's practical and it's farmer preferred. Today, Enlist E3 is the number one herbicide tolerant soybean trait in the US with roughly 65% penetration. Farmers value the system because it's easy to use, it provides near zero volatility, reduces drift for potential and offers a wider application window. It fits real world conditions. But what really sets us apart is our superior record setting germplasm developed over decades and delivering over three bushels per acre yield advantage, which just translates into higher ROI for farmers.

We've shifted our offering to 100% Vylor germplasm, which will continue to give us a competitive advantage in the marketplace. This leadership is supported by a strong go-to-market model across Vylor-owned brands and more than 100 additional seed brands throughout licensing. More than 95% of our seed portfolio contains the trait, making North America a proven leader at scale and a consistent revenue generator. In Latin America, the opportunity is about unlocking growth in Vylor's largest expansion market. Farmers there face increasing insect pressure and more complex weed challenges, which play directly to the strength of Enlist E3 and Conkesta E3. Together, these technologies bring

multiple modes of action for insect control and strong weed management, creating a compelling performance advantage.

Coupled with elite germplasm, we expect penetration in Brazil to grow from less than 5% to more than 30% at peak. We're already making excellent progress and we will achieve double-digit penetration in this 2026 market year. Our go-to-market approach is tailored to the region where the majority of farmers purchase through multiplier networks, so brought out licensing to leading genetic suppliers is critical. When you step back, we have a proven US market leader and a large Latin America growth opportunity. Both are supported by strong technology, flexible access and continued innovation. And today, as Sam explained, we're laying the foundation to maintain and expand that leadership.

We will leverage our market leading Enlist E3 platform with herbicide innovations that cement our leadership in North America and through our elite germplasm and an early launch of our effective broad spectrum insect control package in Latin America, we will accelerate growth both through direct sales and through licensing. Beyond corn and soybeans, Vylor can extend its R&D, biotech, digital and commercial capabilities into high value regional crops. The strategy is very selective. We focus where we already have strong positions, where farmers' needs are clear and where innovation can create attractive returns.

Across wheat, sunflower, mustard, canola and cotton, we see more than 100 million acres of opportunity in key geographies. Looking at wheat, we have great experience with breeding and producing wheat. We've established market leadership where we have chosen to participate and we see tremendous opportunity to expand segments, leverage our proprietary expedite hybrid wheat breeding system. We'll be launching hybrids in Hard Red Winter wheat next year in 2027, Soft Red Winter in 2029, and Hard Red Spring in 2030, bringing farmers up to 10% to 20% yield gains in these new segments. Our hybrid wheat will be first available to growers through our pioneer brand, first in the US, and then we expect to expand geographies as well as offer through our licensing business.

In Sunflower, we're strengthening our hybrid performance and farmer ROI in Europe and the Black Sea region while using differentiated defensive traits to protect yield. In Mustard, a leading oil seed crop in India, we launched the first herbicide tolerant mustard in 2026 and continue to bring and evaluate biofuel opportunities. In canola, we're capturing biofuel growth through breeding leadership while advancing next generation traits such as pod shatter resistance to improve yield and reduce harvest risk. In cotton, our PhytoGen germplasm and breeding engine support a strong number two position in the US with advanced traits improving competitiveness and market share.

We see tremendous opportunity for some of these crops to produce renewable feedstock to meet the 80 billion gallon renewable fuel demand expected by 2050. We're leveraging our leading positions in crops we know well to create additional value, and we already have well established partnerships in the biofuel space with BP through our Atlas joint venture, which launched earlier this year and winter canola in the US through our partnership with Bunge Chevron Ag Renewables. The broader point is that Vylor can leverage the strength of its corn and soybean platforms to deepen farmer relationships and capture additional value in more crops and in more geographies.

Licensing is a critical part of how we improve returns on our investments and accelerate growth. We start from powerful foundation, more than 100 years of seed experience and the most complete and competitive pipeline of genetics, traits and technologies in our history. That pipeline is increasingly commercial ready with finished products that can be deployed through our own brands and through licensing partners. Our strategy is very deliberate and tailored by market. In the Core Americas, licensing compliments our branded business by expanding reach, increasing penetration and capturing value beyond the customers that we serve directly. Across Europe, Africa and Asia Pacific, we are more

targeted, tailoring the model by crop and market dynamics across corn, oil seed, soybean, hybrid wheat and other opportunities.

A key enabler is our growing network of independent seed company licensees supported by dedicated management teams that help partners succeed locally. This is not a one size fits all model. We customize by crop, technology and geography to align the right products and traits with the needs of each market. Over time, the licensing pipeline evolves from technology access in the late '20s to mix evolution into the early 2030s to broader global expansion by 2035 and beyond. We should hit \$500 million in gross licensing income by next year. By 2035, we are targeting over \$1 billion in licensing income position, and by 2040, we expect annual license revenue of approximately \$2 billion. Overall, licensing extends the reach of our technology, improves our R&D ROI and creates a higher margin growth stream through royalties and licensing income.

To summarize quickly, Vylor's a proven seed and genetics engine with multiple paths to value creation, leveraging our proven core, larger addressable market ahead and multiple paths to compound growth over time. First, innovation driven products and solutions, world-class R&D and proprietary germplasm give us a deep pipeline of technology. Second, our global production network, scale and operational excellence allow us to deliver reliable, high quality seed to farmers. Third, commercial execution excellence, trusted relationships, superior insights help drive and create value through our established brands. And fourth, licensing and partnerships expand royalty and licensing opportunities and unlock additional growth beyond our own channels. Together, these four value drivers reinforce one another through our one seed approach, creating a resilient business today and a larger growth opportunity ahead. Thanks, and I think we're getting ready for break.

Speaker 5:

Please welcome Chief Financial Officer David Johnson.

David Johnson:

All right, good morning, everyone. You've heard Vylor is one of the strongest technology portfolios in agriculture, an advantage commercial model and meaningful opportunities to create value over the coming decade. I'll bring these pieces together in the financial framework for sustainable growth, expanding profitability and strong cash generation. Pro forma 2026 net sales are expected to be approximately \$10 billion with \$10 billion of that being product sales and \$400 million of that being licensing income. Product sales are anchored by our leadership position in corn and soybeans, supported by complimentary positions and other oil seeds and regional crops. Licensing extends that model by allowing Vylor to monetize intellectual property across the broader industry with attractive economics and limited incremental capital.

Our model creates multiple opportunities to capture value from every innovation Vylor develops. Geographically, approximately 80% of our sales are in the Americas, with our leading positions in North and South America with the remain 20% generated across the rest of the world. Our starting point is strong and the growth algorithm is meant to build on our foundation in a disciplined manner. Turning to the next slide, our financial framework through 2029 is grounded in realistic assumptions and is based on strategies already underway across the business. We're targeting net sales of approximately \$ 11.2 billion to \$11.9 billion by 2029, representing roughly 3% to 4% annual growth at the midpoint. Importantly, we expect that revenue growth to translate into even faster earnings growth.

We're targeting operating EBITDA approximately \$3.3 billion to \$3.7 billion by 2029, representing a 7% to 8% compound annual growth rate over the period at the midpoint. That operating leverage expands margins from 27% today to around 30% by 2029. That operating leverage expand... Oh, I'm sorry. It

expands margins from 27% to 30% by 2029, reflecting consistent price for value, growing licensing income, shared gains in attractive markets and approximately 60% free cash flow conversion. We have some assumptions on our three-year framework. The framework assumes seed plant area and crop commodity prices are stable, on-farm demand and competition remain steady and global trade policy and export access remain consistent. And importantly, we're not dependent on any regulatory approvals to execute on our framework.

Slide 51 bridges from approximately \$ 10.4 billion of pro forma 2026 net sales to approximately \$11.2 billion to \$11.9 billion in 2029. Growth comes from multiple sources. Price mix is supported by best-in-class germplasm, new trade introductions and expanding technology portfolio. The focus remains on capturing value tied to productivity gains for growers, not broad market price increases. Volume growth is supported by shared gains in attractive markets and the cadence of new product introductions. Licensing income adds another layer of growth as technology adoption, licensing agreements and next integration platforms expand. Currency is the only meaningful offset and we're not assuming a benefit from exchange rate movements. We have a modest headwind baked into 2027 and then we hold currency rates consistent through 2029.

Taken together, these drivers support a 2029 revenue range of approximately \$11.2 billion to \$11.9 billion, representing the 3% to 4% annual growth over the planning period. As revenue expands, we also expect meaningful operating leverage across the business. Let me walk through how that translates into our EBITDA outlook. Revenue growth is certainly important, but ultimately our objective is to translate that growth into expanding profitability and stronger returns for shareholders. Beginning with approximately \$2.8 billion of pro forma operating EBITDA in 2026, we see clear path forward, approximately \$3.3 billion to \$3.7 billion by 2029. This represents a 7% to 8% compound annual growth rate at the midpoint. Our outlook reflects both the increasing quality of our revenue mix and the continued discipline with which we manage the cost structure of our business. Continued value capture, disciplined commercial execution and new technology adoption all contribute to higher earnings from our core operations. While we expect to realize ongoing cost savings throughout the organization, we'll also continue investing in yield productivity, digital tools and operational improvements that strengthen the base business over the long term. Our objective is to grow revenue faster than our overhead base, creating operating leverage that can be reinvested into the next generation of innovation while maintaining a balanced SG&A and R&D profile as a percentage of sales. The result is an operating EBITDA margin improving from approximately 27% in 2026 to 30% by 2029. As we think about the long-term growth algorithm for Vylor, it's important to recognize that our business is fundamentally different from many other agricultural companies. The value created by better genetics, superior germplasm and differentiated trait technology has consistently allowed the seed industry to earn appropriate returns on innovation. Over the last decade, we've demonstrated approximately 2% to 3% annual price mix improvement, reflecting the value farmers place on technologies that improve yield potential, simplified weed control and enhance overall farm profitability. Looking forward, we believe that opportunity continues. It's important to emphasize what sits behind that assumption. It's price supported by measurable improvements in farm productivity.

You heard Sam reference a specific corn hybrid that delivered more than \$300 of incremental value per bag between 2015 and 2025. Over that same 10-year period, the price of the bag increased by approximately \$100, meaning growers retained roughly two thirds of the value created. Every year, our breeding programs continue delivering strong germplasm. Every product cycle introduces additional technology, better trade packages and improve agronomic performance. And together, those factors allow us to consistently deliver greater value to farmers. That's why we described this as our Price for Value strategy. We believe the most sustainable pricing power comes from helping customers generate

higher productivity and stronger returns on every acre they plant. Farmers continue to prioritize yield because it remains the single biggest driver of farm productivity and profitability.

Even during periods of commodity volatility, investing in superior genetics often remains one of the highest return decisions a farmer can make. Supporting that innovation engine is approximately \$1 billion of annual research and development investment. We view R&D not simply as an expense, but as one of our highest return capital allocation decisions, as you heard from Sam earlier today. So when we talk about Vylor as an innovation-led growth company, that is the core of the argument. The business creates value through science, has multiple ways to monetize that value.

Turning to slide 54, one of the most compelling aspects of Vylor's financial outlook is a structural transformation occurring within our licensing portfolio. Historically, our business operated much like the rest of the seed industry. We developed differentiated products, but we also paid significant royalties to access third-party technologies. In fact, as recently as 2020, we were a net in-licenser of approximately \$700 million annually. Since then, you've seen that headwind steadily improve. By 2025, we've reduced that net licensing expense to roughly \$120 million, and beginning in 2026, we expect to become a net licensing income business for the first time. More importantly, we believe this is just the beginning. By 2030, we expect that to be a net license income position of approximately \$300 million, and by 2035, we believe that number can approach \$1 billion annually.

This isn't simply a financial objective, it's a direct result of technologies that are already being adopted in the marketplace. Today, approximately 65% of US soybean acres utilize Enlist technology, demonstrating the strength of our trade portfolio and the value farmers continue to see from the platform. We're also making meaningful progress in Latin America. Brazil remains one of the largest long-term opportunities for soybean technology adoption. And in 2026, we expect more than 10% of Brazilian soybean acres to utilize Enlist technology. While still early relative to the US, we believe this represents the beginning of a multi-year adoption curve that can become an increasingly important contributor of future licensing income. Another important driver is a continued expansion of licensing network.

Today, we have more than 120 licensees globally, extending the reach of our technology well beyond our own branded seed business. Every additional licensee expands the acreage on which our intellectual property can generate returns, while requiring very little incremental commercial infrastructure. This is one of the defining characteristics of our business model. Looking ahead, innovation continues to expand the opportunity. Our triple stack corn licensing platform launching in the US beginning in 2027 is expected to contribute approximately \$40 million of incremental licensing income by 2029, with additional upside as adoption broadens over time. The strategic importance of this inflection is significant. Licensing improvement supports margin expansion, enhances the return on R&D and increases the scalability of the model. In short, licensing turns innovation to a broader capital light profit stream. Over time, that creates a more powerful earnings algorithm for Vylor.

Moving to slide 55, cash flow seasonality is an important feature of the business for investors to understand. Agriculture has always been a highly seasonal industry and Vylor is no exception. The majority of our sales occur during the Northern Hemisphere planting season while cash naturally follows the commercial cycle. As a result, working capital builds during the first half of the year as we produce inventory, distribute product and support our customers. That working capital is then converted into cash during the second half of the year as collections accelerate and we begin to receive orders and prepayments for the next growing season. It's a pattern investors are already familiar with across the seed industry and it is one we manage carefully through disciplined inventory planning and a strong balance sheet.

The key point is that seasonality is a normal feature of our business. This means liquidity and balance sheet flexibility are important. At the same time, our business has demonstrated strong collections and a predictable cash conversion pattern by year-end. Over a full year, we continue to expect approximately 60% of EBITDA to free cash flow conversion, reflecting the attractive economics of our business model. Slide 56 moves from earnings growth to cash generation to capital deployment. For 2027 through 2029, Vylor expects cash flow from operations of approximately \$7 billion to \$8 billion and cumulative free cash flow of approximately \$5.5 billion to \$6.5 billion.

As mentioned earlier, free cash flow is expected to be heavily weighed to the fourth quarter, consistent with the seasonal working capital profile of the business. On uses of cash, the company expects a balanced approach. Roughly 20% is expected to support capital expenditures, roughly 15% dividends and approximately 65% for M&A and share repurchases. First, the company will continue to invest in the business. That includes capital expenditures to support the operating model and a commitment to R&D at approximately 10% of sales. Second, Vylor expects to return capital through dividends with a commitment to grow the dividend over time. And third, Vylor expects to return excess cash through disciplined share repurchases while also maintaining the flexibility to pursue strategic M&A.

The company is committed to maintaining a healthy balance sheet with approximately 60% free cash flow conversion and a strong investment grade rating that supports flexibility and seasonal working capital needs. This framework is intended to be balanced. It supports innovation, preserves financial flexibility and provides a clear path for shareholder returns. The balance is particularly important for a long cycle innovation business such as ours. Let's just discuss what the M&A approach looks like for Vylor. Our objective is to enhance the innovation pipeline and growth potential of our business. The key areas of focus are wheat, adjacent crops and gene editing. Those priorities align directly with the company's innovation led strategy.

Wheat becomes the third leg of the stool and strengthens the core. Adjacent crops can expand the addressable market and gene editing can accelerate the pace of innovation and create new value for growers. The approach can include acquisitions and partnerships, but the criteria will remain consistent, targeted and capability driven, return focused and disciplined on valuation. Financially, opportunities need to support above market revenue growth and create value above the company's hurdle rate. So M&A is part of the framework, it is not the foundation of the framework. The base case is built on organic growth, licensing, productivity and disciplined execution. Strategic M&A is an additional lever when it strengthens the model and meets our financial criteria.

Let me wrap up. We believe Vylor enters the next chapter with a business model that combines attractive growth characteristics with disciplined financial execution. Our outlook calls for approximately 3% to 4% annual sales growth at the midpoint, supported by leading edge technology, continued value capture, expanding licensing income and steady market share gains across key geographies. Just as importantly, we expect that growth to translate into even faster earnings expansion. Through continued business mix improvement, growing licensing revenue and disciplined cost management, we're targeting 7% to 8% annual operating EBITDA growth at the midpoint, resulting in meaningful margin expansion over the planning period.

At the same time, the business is expected to generate strong cash flow, approximately 60% free cash flow conversion, providing the flexibility to continue investing in innovation while maintaining a balanced approach to capital allocation. One of the most important takeaways is that this framework is built on multiple complimentary drivers of value creation. Innovation remains at the center of the story. It drives yields benefits for our customers, expands our licensing opportunities, strengthens our competitive position and ultimately supports sustainable earnings and cash flow growth. Taken together, we believe these financial targets reflect a company with a clear strategy, a differentiated

portfolio and a disciplined operating model that positions Vylor to deliver attractive long-term returns for shareholders. With that, I'll turn it back to Kim.

Speaker 5:

Please welcome Vice President Investor Relations and FPNA, Kim Booth. And please welcome back to the stage, Chuck Magro, Sam Effington and Judd O'Connor.

Kim Booth:

All right, we made it to everyone's favorite, the question and answer section. We'll be doing this for about a half hour. We have two mic runners in the room, so just raise your hands, introduce yourselves and we'll try to get to as many people as possible. If I can do two things at the same time, I'm also going to be monitoring online questions. So if you're on the webcast and want to submit a question, we can do that as well. So we'll take the first question. Great, Edlain?

Edlain Rodriguez:

Well, first, Edlain Rodriguez, Mizuho Securities. Chuck, can you talk about the news from yesterday with California, the potential impact of that? So that's one. And then two, I think in the beginning you talk about how Vylor is going to be different from a normal ag company. How should we think about how we should value Vylor in terms of in what lenses? Not chemicals, not ag, what are you thinking where the value is?

Chuck Magro:

Okay, thanks, Edlain. I like the second question better than the first. Okay, so let's go back a year, right? When we first announced the separation, it was driven by an extensive review by the board of directors and the management team, and we believe that we're separating because it's going to make two very strong financially capable companies. We believe it's the right thing to do for all stakeholders and it was a strategic business set of decisions. So when you think about what happened yesterday, let me just cut to the chase so we can get onto the second question, we absolutely reject all the allegation by the State Attorney's General, and we do plan to defend the separation. And right now we're expecting to separate these two companies on October 1st.

Now, what I will say, because I don't want to cut you too short, is we issued a pretty extensive press release last night and then our brief as well, so I think that you should read that information. But for us right now, our planning hasn't changed. We're going to defend ourselves against the allegation and we plan to separate October 1st. Let's talk about your second question in terms of the valuation. Us as operators, we have to give you our perspective, our plans and the financial numbers. You have to decide how much that's worth. But when I look at it, and I've been asked this question for the last year, I've done a lot of thinking. There really is nothing like our company in the industry.

When you start thinking about a pure play advanced seed and genetics company, but you look at the future where I think there's going to be more value ascribed to genetic engineering, and we're seeing it in Sam's shop every day. And then this past summer, I spent a lot of time traveling through Southeast Asia, Latin America, through the United States. I've talked to our potential licensing customers, farmers, the channel partners. I'm more convinced today that the separation is the right business decision for both companies than even a year ago, so let's get to the final thought on my views on valuation. How much is a company worth that is going to grow bottom line,

Chuck Magro:

High single digits, margins approaching 30% and converting 60% at least minimum to cash. That fits in a pretty special class when I think about it. And then if you think what that's backstop by, we announced these, what I call the 11 plus one. So we're going to disrupt the wheat business, which is the largest planted area crop in the world. And we're going to maintain our global leadership with that pipeline Sam described so nicely today in corn and soybeans. And then with the gene editing capability we have, we could probably add new crops to that. But we're probably not going to be the seed seller for some of these things. Right?

So we're going to look, if you fast-forward over the next period of time, and it is going to take us time, we're going to be monetizing our IP at a faster rate. And so these new adjacent spaces that we've talked about, I think are going to be smart, small acquisitions, but it's really to advance the science. I don't really see us entering the seed because we won't need to if we do the IP right. So I'll leave you with those thoughts that this is a classic growth compounding company. I think backstoped by technology that is already proven around the world and the next level of our technology is even more exciting.

Kim Booth:

Great. Thanks, Chuck. Next question, Kristen.

Kristen Owen:

Hi, Kristen Owen from Oppenheimer. Two for me. First, we spent a lot of time talking about the competitive moat. So when you're thinking about the out licensing opportunity, whether it's through 2035 or 2040, can you give us a look under the hood? How much of that is a reflection of share shift, growth through the new platforms? Just help us understand how you're thinking about the competitive dynamics of existing traits available versus new traits from these platforms.

Chuck Magro:

And are you speaking in terms of the licensing opportunity? Yeah.

Kristen Owen:

Specifically around licensing. Thank you.

Chuck Magro:

Do you want me to start and?

David Johnson:

You can start and I'll finish with the numbers.

Chuck Magro:

Okay. So let's unpack this, right? We're very excited that we worked the last five or seven years to get to neutral.

David Johnson:

Yeah.

Chuck Magro:

But that still has about 400 million of out licensing revenue, but about 400 million of licensing expenses today. And what we're finding is we have more demand from these independent seed companies than we have supply. And recall the situation in early February where we finally have freedom to operate when it comes to corn. So the growth opportunity now is think about it as a billion dollars net between now and 2035.

So call it nine years. About a third of that is simply not paying somebody else royalties. So then you start thinking about, "Okay, if that's three or 400 million, you're talking six or 700 million of out licensing growth over that period of time." Over nine years, it's 65, \$70 million a year in a market that is four billion and still growing. So my view is that this is very doable. I think it's actually quite modest and a third of it is simply not paying somebody else royalty expenses. David, what did I miss?

David Johnson:

Yeah. So we, again, we did put out the number on the slides of \$300 million for the end of the decade. We have built in a \$200 million improvement into the three-year framework. So we've gone from zero to 200. And Chuck is absolutely right. A large portion of the improvement will be expense reduction, but in the near term three years, we will actually see a little bit higher expenses.

As we move to corn, we have to pay those licensing costs. And when we move to our technology, again, later in the decade, early next decade, that's where we see the acceleration of the improvement, I guess is the way I would describe it, between the 300 million, say 2030 to the billion dollars in 2035.

Kim Booth:

Great. We'll take another question. Dave?

Dave Begley:

Thank you. Dave Begley, Deutsche Bank. Chuck, the next three years is pretty well documented, but it looks like you have a higher view, higher forecast beyond 2029. So how's the inflection point look in your mind for that 2030 to 2034, next three or four years on a sales and EBITDA basis and get to double-digit plus EBITDA growth in that next tranche of a period of time? Thank you.

Chuck Magro:

Let's talk about that in two years, but you're right on the concept. So when we think about this three year plan, let's talk about what it doesn't include. Right?

Dave Begley:

Right.

Chuck Magro:

It doesn't include wheat. It doesn't include gene editing. And the MDR itself, how do you value something that can drive that sort of protection? So that's going to open up, I think, a lot of licensing opportunity. Even the YYS isn't coming in until later in the plan. So the next couple of years are sort of what we've had in its extension and in entering the licensing business. But then as we get this decade, early next decade, I do think there's an opportunity, and we're not prepared to make any commitments today or anything like that, where we see at least what we're saying is at least equivalent growth, but it could be higher.

And it's going to be based on, okay, can we really disrupt the wheat market and how quickly can we move that technology around the world? And then once we have full freedom to operate in gene editing, I think that resets genetic gain. Sam said it, right? Conceptually, if you can double genetic gain and you can drive that kind of value for farmers, there's going to be a value for Vylor. And so how we share that, we'll talk about in the future, but there is a world where the 2030s are more exciting than what we've seen as Corteva/Vylor in the last few years.

Kim Booth:

Great. Thank you. We'll take another question.

Ben Toro:

Yeah. Ben Toro from Barclays. Chuck, thanks for that. Actually coming back on the gene editing point, and you've talked about this being more of a 2030 period, tell us where you stand compared to your competitors today and how we should think about the ramp as we move forward, particularly with the opportunities in new markets where GMO might not be an opportunity, but gene editing could be an opportunity for growth.

Chuck Magro:

Let Sam talk about where we are in the pipeline and what we expect to launch, and then I can come back and give you sort of a perspective on the business value.

Sam Eathington:

Yeah. So as we've said, we spend about 10% of revenue in R&D, so roughly about a billion dollars. We've allocated that to not only our plant breeding germplasm program, but our biotech traits and then our gene editing program.

We haven't given numbers on how much we do on each one of those, but if you look at our genalytics platform numbers, I'd say those are clearly leadership positions in the industry when you look at the scale we're doing, the AI we're doing, the amount of stuff we're testing and pushing in the field.

And what's pretty cool is MDR is first wave of products, but we have a whole pipeline of improvements coming through our breeding program that are for yield, drought, standability. We're changing germplasm deployment strategies, you name it. So quite a bit more to come there as we get into that next early part of the next decade.

Chuck Magro:

And then let me, I'll just be very quick with this. So from a gene editing perspective, you can't talk about our launches until you talk about global policy, right? So Europe, Parliament made the right decision in our view. They're going to go all in when it comes to gene editing. It's a very positive framework. They're going to need a couple of years for each country to implement their laws within that framework. Our technology, Sam, tells me almost every day, the MDR, it's ready to go.

It's ready to go. So we conceptually could have MDR corn in Europe by 2028, 2029. Wouldn't that be interesting that that technology is in Europe before it's in the United States? Because we're an exporting country in the United States when it comes to corn. So these are the things we're trying to figure out now. We export a very small amount of corn today, and that's going to drive the decision that we have to make on, okay, can we do stewarded launches and control the technology?

But we are looking at every option possible to get this technology in the hands of global farmers, American farmers, European farmers, Latin American farmers, because I think once they see it resets the performance of next gen corn and it is that powerful. So I think we enter the market 2028, 2029. That's why it's not in David's numbers. But then as it scales, it could be very impactful.

Kim Booth:

Sam, just to dive a little bit deeper into the science for a second, we got a question online about the yield and yield stability trait and whether or not it was truly incremental or if it was somehow just cannibalizing what we normally see from an annual genetic gain perspective.

Sam Eathington:

No, it's truly incremental. We've tested it across, like I said, dozens of different genetic backgrounds. And so our plant breeders are giving us our annual one and a half percent yield increase. This just stacks right on top of it and we see that all of our trials.

Kim Booth:

Great. We'll take another question in the room. Kevin.

Judd O'Connor:

Thank you. Kevin McCarthy of Vertical Research Partners. Two questions. First one's on wheat. Chuck, can you just elaborate on the commercial opportunity there as you see it across value per acre and the acreage ramp? Also curious on the licensing opportunity in wheat. And then the second question is on gene editing. You talked a little bit about this in your prepared remarks, Chuck, but to the extent that gene editing is a force multiplier of sorts for quality germplasm, does it make sense for Vylor to acquire more germplasm perhaps in the fruits and vegetables arena?

Chuck Magro:

Okay. So on wheat, we're very excited about this technology. Just to cut to the chase, Kevin, we'd say at scale, and it's going to take us some time, this is going to look like a global high performing soybean business. And it's going to give farmers that option to plant whether they want as a double cropping system or as a summer crop, they're going to have real economic trade-offs now that they can make, which is super exciting for companies like us that are trying to bring farmers more options for their farming practices.

So that's how we see it. It's going to start in the US. I think Sam and Judd both covered 28, 27, 29, and then 30, the different varieties. At the same time, we're looking at other large markets. So LATAM is a large market. India is a massive market. Of course, Europe. A lot of the germplasm pools are readily available and there's no competitive difference. The elite varieties, there's not one major leader today because it didn't have the hybridization. So we think we can sort of access, acquire, partner to get the germplasm and we're doing that now.

We're scaling exceptionally quickly. And so more to come on the rest of the world rollout, but the germplasm will not be our restrictor. I think it will be the technology is so different and so powerful. We only want to bring it into markets where we can protect the IP. So that will be one of the key determining factors. Now in areas where we don't want to enter as Vylor, we may license the IP as well and just clip a coupon when it comes to the royalty. All of that, so we're doing a complete global look. So we'll have more to say next year on that. On the germplasm potential for M&A, yes.

So we think that if we're going to enter one of the areas, and I keep referring to fruits and vegetables, and my example was bananas, but there are other row crops that are low technology today. Think about rice, think about cotton, and we're really good at row crops. So it's not a foregone conclusion we're going to go all that way, but one way to enter it is to acquire a small company that has relatively elite germplasm that we can edit or partner with. It might not be full M&A. There's no reason why we have to actually acquire the whole company. I think in this world, cross licensing partnerships, Sam and Judd have been doing this for a very long time. We use the umbrella of M&A, but it might not be full acquisitions.

Kim Booth:

We're also being asked about wheat margins and with or without biotech, if there would be some equivalency with what we're seeing on corn and soybeans.

Chuck Magro:

I think soybean is a good proxy for today.

Kim Booth:

Great. We'll take another question. Jeff?

Jeff Zekauskas:

Thanks very much. Jeff Zekauskas at J.P. Morgan. Two questions. Your forecast for EBITDA growth of 2.8 billion in 2026, is that a diminished forecast internally or is that at the lower end of a range? And then secondly, what's the relationship in general between your EBITDA projections and grain prices? Do you see the EBITDA projections as independent or are you assuming flat grain prices or can you talk about those two variables?

David Johnson:

I'll handle the first one. Yeah. So on the 2.8 billion, that is full, includes corporate expenses. So it's not a segment reporting look. So it is actually apples to apples once you break out roughly half the corporate expenses that will accrue to each business.

Chuck Magro:

And then Jeff, the way we think about our EBITDA projections, it's a combination of healthy farm economics. So whatever you define that as, we're seeing share growth, and I think Judd covered that pretty well for corn and soybean. So we've seen some share growth and it's primarily in, I'd say the channels where we're underrepresented, right? So the retail distribution channel, our Brevant offering, and then licensing.

So I think our EBITDA is not directly related to the way you described it as grain pricing because we're using our technology and our access to different channels and we're growing volume in those channels. When we look at how grain pricing is related on a percentage of revenue is the best way we can look at it from a farmer economics. We have been flat for some time. A farmer has been flat for some time at around 15%. We probably would expect that to continue again as long as we're bringing genetic gain every year to the farm.

Kim Booth:

Great. I'll take another question. Joel.

Joel:

Hi, good morning. A couple questions. First on reduced stature corn, obviously one of your major competitors is really gung ho. It's a blockbuster, it's [inaudible 01:57:56]. I'm thinking about some of your comments on reduced stature corn a couple years ago. Seems that this is a smaller part of your deck.

Maybe talk about your views on that versus your competitor and the future of corn. And then the second question would be on the [inaudible 01:58:09]. It seems like, again, it's with your main competitor, it seems like they're a bit slower in rolling out some of their new soybean technologies. How do you think about that competitively and if there's more room for you to gain share in the next few years?

Chuck Magro:

Do you want to talk about how we're seeing reduced corn?

Sam Eathington:

Yeah. So no, great. Thanks, Joel. Reduced stature corn for us, I think Judd said it nicely. It's we kind of see that 10, 15 percent niche market at the end of the day. We've got a number of gene edits and conventional products in our pipeline that we've been looking at and we'll continue to look at them. But we do see a little bit of shift.

MDR actually changes one of the value propositions. Right? Because part of the whole story was in-season access, expand spray capabilities, and now all of a sudden you reduce the amount of spraying you need because you've built that into the seed. It fundamentally changes some of the value and acre opportunity for that concept. So we'll continue to move it forward. We'll bring it out with our technologies that are gen above and below with MDR when the timing's right.

Chuck Magro:

And then our view of soy. So look, if you step back and look at licensing, we think the major growth of the net one billion by 35 will be US corn and LATAM soy. Okay? So we're already at 65% total market penetration with Enlist E3, but that wasn't your question, but I just want to set the stage that the growth platforms are going to come I think from those two. So what do we do with US soybeans when we're already number one? Well, two years ago in anticipation of competitive products, we launched Z Series. Right?

So it's brand new. 2022 I think was the first season or 2023. And so now we've got three or four years of breeding for Z Series already and still no new competitive products. So by the time they come to the market, we're going to have six, seven years of breeding of Z Series, which is already the market leader. So we feel very good about our sort of chances to maintain US leadership when it comes to performance of the germplasm. So then let's talk about herbicide protection because it's also an important dimension.

I'm not sure exactly when they're going to come into the market and when they're going to reach penetration, but we still have one of the most competitive and I'd say the best herbicide platforms in the market today. And then our next gen herbicide technology will be available, let's just call it early 30s. So as the competitors are ramping, we're going to bring our next gen herbicide technology into the US.

So as long as we keep breeding Z Series properly, I think we're going to have a nice germplasm yield advantage. And then our next gen herbicide protection for the US will come in the early 30s.

Kim Booth:

Thanks. We'll take another question. Chris in the front.

Chris:

Sorry. Seems like MDR is ready to go in terms of the gene editing side. Chuck, you gave an interview or a partial interview talking about strawberries and you mentioned bananas today, but when you think about the rest of the tangible addressable market for gene editing, how large is it? How are you focusing the R&D dollars? I mean, over the last several decades, we've always heard this and that from people in your position. Is it value? Is it shelf life? It sounds like disease is a huge part of this. Could you just offer some insights in terms of how you're focusing those dollars on harnessing the market?

Chuck Magro:

Yeah. Sam would say not enough, and he's probably right, to be honest. Look, we're not going to walk away from our core corn and soybean portfolio. We're very proud of it. We've built it over a century and we think there's a lot of opportunity to continue to grow and scale it around the world. Then the next, I call it the third leg is wheat and we're investing quite a bit in wheat and that will start to move as we've already talked about.

But we are studying which crops, whether they're broad acre or fruits and veggies, that gene editing can potentially tilt the value scale towards the genetics. And we could either enter a licensing model, a royalty model, or a seed selling model. We don't have more to share with you at this point, Chris, but when you start looking at the addressable markets, they are as big or bigger than the ones we're into today. So there is a construct that the addressable market for Vylor is much, much larger than what Judd put on his slide at the future will be 75 billion.

At one incarnation of that slide, we've tried to put a number on it and we just didn't feel comfortable enough to put it out there yet, but it's significantly larger. But we also don't know where we want to play yet. So first has to come strategy, then we'll fill in the gaps on the addressable market. But the exciting part is, as Sam said very nicely today, we are one of only a few companies that can actually disrupt some of these traditional crops. And the question for, I think, the board and the management team is, okay, we're not going to do them all. We're not going to spread ourselves too thin. Which ones can move the needle for shareholders?

Kim Booth:

Great. Take another question. Josh.

Josh Spector:

Thanks. Josh Spector with UBS. I wanted to follow up on some of the licensing questions and really specifically, I think in your comments, you seem to be talking about a hundred million dollars of incremental revenue opportunity perhaps this year into next year. Is that the main driver then over the next three years of that revenue drop through and then the costs start to fall off post 2030? And then related with this is that \$4 billion market. What has that been growing at over the last decade for corn and soy and how would you expect that to grow over the next decade?

David Johnson:

So for the first question, we have built into the three-year framework a net improvement of \$200 million. If you broke that down into the two components, it would be about 300 million of revenue and a hundred million of increased expense as we transition into more corn. And to your point then, the reason why we accelerate even more beyond 2030 is then we will be reducing those expenses and we will see an acceleration between 30 and 35, which will be more balanced between revenue and cost in that time period.

Chuck Magro:

And then Josh, the licensing market, don't forget the way we define it is corn, soybeans in the Americas. And I'd say that because that and there's new planted area coming in in Latin America, the growth rate is slightly above. So certainly our growth rates we've seen, for example, just in the US. So we would say that, and we don't want to provide a number quite yet because we're doing some ticking and tying of the final numbers, but the \$4 billion, if you fast-forward out to 2040, it's up significantly. It could be up 15% or more.

Kim Booth:

Great. I'll take another question. Matt, if we can get the mic to you.

Matthew DeYoe:

Yeah, thanks. I have two quickly. It's Matthew DeYoe from Bank of America. David, just on working capital requirements in the balance sheet, right? How do we think about standalone Vylor's CP needs, maybe absolute dollar, if you look at June 30th, September 30th, how does that actually build and grow or ebb, I guess?

And then the EBITDA CAGR of seven to eight percent, based on assumptions, like a little bit of cost to productivity tailwind expected. Can you break those two out between cost inflation expected versus productivity expected? Because the next three years feels like a little bit more of an inflation backdrop than what we've had over the last few and how that plays out ultimately kind of sets the tone for leverage obviously.

David Johnson:

Okay. So for the first question, if you look at the way I would say Corteva in total, the balance sheet kind of goes through the different quarters where Q3 is always where we have the highest kind of net debt position and then Q4 we see the influx of the additional cash, particularly for Vylor, you're going to see that same just at a different level for Vylor. So again, we will see building that working capital through the year.

Q3 will be our highest. We use commercial paper, so you will see the commercial paper balance be at its highest level at the end of Q3. And then we have this influx of several billion dollars at the end of Q4. That same kind of dynamic will happen with this business. Over time, if we start balancing more licensing and some of these other businesses-

Matthew DeYoe:

It'll change.

David Johnson:

... maybe in different hemispheres and what have you, over time we hope to kind of normalize that a little bit more. But it's going to be with us for quite some time. And then on your EBITDA question, yeah, it's a very good observation.

We did not really build in a headwind or tailwind for, I would call net productivity for the manufacturing base. We built in about a \$200 million of productivity, but we did offset that with \$200 million worth of additional expenses. To your point, we are farmers and so we've seen some increases in some of those expenses. And so in the framework, we thought it would be prudent to balance that out in the initial guide. So.

Kim Booth:

Next question, Frank.

Frank Mitch:

Yes, hi. Frank Mitch for [inaudible 02:07:58] Research. Chuck, if I look at the slide on uses of cash 27 and 29, it looks like roughly five billion could be a portion to share buybacks and M&A. Obviously that three billion share buyback program's not set in stone. You might come short of it, you might increase it.

But just thinking broadly, would you be disappointed if you didn't spend at least two billion on M&A over that three year period? How should we think about how you're looking at that? And then Sam, I was struck by the assertion that, or the numbers that you increased the pipeline by \$4 billion over the last three years. Can you give some big buckets on that eye-popping number?

Sam Eathington:

Yep.

Frank Mitch:

Thank you.

Chuck Magro:

Yeah, Frank. So you got to remember right now we don't have a Vylor board that's constituted, right? So they need to do their job. I don't want to tie their hands, but we did say that we do expect a \$3 billion buyback to be approved. So and we are pretty good at honoring those things when they come up. I think Corteva's, I think, proven that. I won't be disappointed because I never set a target to spend money. I set targets to create value. Now with that said, we are building an M&A group inside of Vylor.

So that's the last remaining piece I need for my executive leadership team. So we'll be hiring an individual. The individual will be announced soon and there'll be an external hire. And I think it is important and to start with the executive in charge of that, work with the board. But as I've said before, we're going to be disciplined. We're going to stay focused. I think that's going to be more bolt-on M&A, so nothing huge or transformational at this point that we can see, but an important part I think of the, both the science and the commercial advancement of Vylor's full opportunity.

Sam Eathington:

Yeah. And just real quick on the portfolio valuation increase, it's really driven by some of the technologies we showed. So as we get our next generation above ground, below ground North America, our next two generations in Latin America corn insect, those have all advanced further down the

pipeline, much closer to commercialization. Same thing with the soybean next generation insect trait. So those products right there are really big products for us that increases our value.

Kim Booth:

Great. So we're going to close out the Q&A session. If you didn't get your question in, feel free to speak to the leaders over lunch. I'm going to ask now for David, Sam, and Judd to come off the stage with me and we're going to have Chuck leave us with a few closing remarks. Thank you.

Chuck Magro:

All right. I'll be very, very quick. And first of all, I should have maybe said this or we started this. The entire Vylor leadership team is here. So we're going to spend a little bit of time with you. So please take the time if you didn't get your questions answered, if you want to know how things are going. These are the folks that run the company. I'd like to give you just a few final thoughts. I do think that we've got this point over a lot of though and looking at the future value of both crop protection and genetics and seed.

And Vylor is a pretty interesting opportunity, right? It's the only global pure play genetics platform out there, and I do think it has a unique ability to drive long-term value. But the foundations are things that you should be very familiar with. Corn and soybeans, relationships with farmers. I know lots of companies in industry talk about relationships. In this industry, if you have a farming background, it is the difference maker for sure. And we have so many relationships with farmers that go back decades, and that pioneer channel is very special and very unique. When I look ahead though, the growth is going to be slightly different for our company. It's going to be licensing, so we're going to enter a new business. It's a business we've been in, we've dipped our toe in, but we're really excited and we finally have the technology platform, I think, to drive value for farmers. And then hybrid wheat. Literally, we've been working on this for 15 years. It's on the doorstep, and I think it's going to be a disruptive technology and go a long step forward to global food security as well. We didn't talk a lot today about biofuels.

I think the opportunity is exciting. Everybody seems to be working on it. We'll be ready when the market moves. But if you look at what's happening around the world, it's pretty interesting, right? India's went to E20, Brazil's got E32 now on a temporary basis, and hopefully the US will move to E15. So these are all positive direction, I think, for agriculture and farming. Our goal is very simple. We're trying to be the best agricultural innovation company out there. Hopefully you saw some of that today, and we look forward to updating you in the future. Thank you.

Speaker 6:

We embody the courage, the passion, the grit, the valor of generations of farmers, scientists, and agronomists. We didn't just dream of transforming agriculture. We did it, and we're about to do it again because feeding the world and fueling it isn't just a job, it's a calling. Vylor, vying for every opportunity. Driven by science, built with valor.