



# Ingredion

## **BMO Farm to Market Conference**

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**JIM ZALLIE**

PRESIDENT AND CHIEF EXECUTIVE OFFICER

**JAMES GRAY**

EXECUTIVE VICE PRESIDENT AND CHIEF FINANCIAL OFFICER

# Forward-looking statements

This presentation contains or may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends these forward-looking statements to be covered by the safe harbor provisions for such statements.

Forward-looking statements include, among other things, any statements regarding the Company's prospects or future financial condition, earnings, revenues, tax rates, capital expenditures, expenses or other financial items, any statements concerning the Company's prospects or future operations, including management's plans or strategies and objectives therefor and any assumptions, expectations or beliefs underlying the foregoing.

These statements can sometimes be identified by the use of forward looking words such as "may," "will," "should," "anticipate," "assume", "believe," "plan," "project," "estimate," "expect," "intend," "continue," "pro forma," "forecast," "outlook," "propels," "opportunities," "potential," "provisional" or other similar expressions or the negative thereof. All statements other than statements of historical facts in this release or referred to in this release are "forward-looking statements."

These statements are based on current circumstances or expectations, but are subject to certain inherent risks and uncertainties, many of which are difficult to predict and are beyond our control. Although we believe our expectations reflected in these forward-looking statements are based on reasonable assumptions, investors are cautioned that no assurance can be given that our expectations will prove correct.

Actual results and developments may differ materially from the expectations expressed in or implied by these statements, based on various factors, including the effects of global economic conditions, including, particularly, economic, currency and political conditions in South America and economic conditions in Europe, and their impact on our sales volumes and pricing of our products, our ability to collect our receivables from customers and our ability to raise funds at reasonable rates; fluctuations in worldwide markets for corn and other commodities, and the associated risks of hedging against such fluctuations; fluctuations in the markets and prices for our co-products, particularly corn oil; fluctuations in aggregate industry supply and market demand; the behavior of financial markets, including foreign currency fluctuations and fluctuations in interest and exchange rates; volatility and turmoil in the capital markets; the commercial and consumer credit environment; general political, economic, business, market and weather conditions in the various geographic regions and countries in which we buy our raw materials or manufacture or sell our products; future financial performance of major industries which we serve, including, without limitation, the food, beverage, paper and corrugated, and brewing industries; energy costs and availability, freight and shipping costs, and changes in regulatory controls regarding quotas; tariffs, duties, taxes and income tax rates; particularly recently enacted United States tax reform; operating difficulties; availability of raw materials, including potato starch, tapioca, gum arabic and the specific varieties of corn upon which some of our products are based; our ability to develop or acquire new products and services at rates or of qualities sufficient to meet expectations; energy issues in Pakistan; boiler reliability; our ability to effectively integrate and operate acquired businesses; our ability to achieve budgets and to realize expected synergies; our ability to complete planned maintenance and investment projects successfully and on budget; labor disputes; genetic and biotechnology issues; changing consumption preferences including those relating to high fructose corn syrup; increased competitive and/or customer pressure in the corn-refining industry; and the outbreak or continuation of serious communicable disease or hostilities including acts of terrorism. Our forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of the statement as a result of new information or future events or developments. If we do update or correct one or more of these statements, investors and others should not conclude that we will make additional updates or corrections. For a further description of these and other risks, see "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2017 and subsequent reports on Forms 10-Q and 8-K.

## Ingredion: A leading global ingredient solutions provider

\$5.8B

2017 NET SALES

A FORTUNE

500

COMPANY\*

more than

1,000

INGREDIENTS FOR FOOD, BEVERAGE,  
BREWING AND OTHER INDUSTRIES

more than

18,000

CUSTOMERS IN OVER  
120 COUNTRIES

26

COUNTRIES WITH  
INGREDION OPERATIONS

10%

FIVE-YEAR ADJUSTED  
EARNINGS PER SHARE CAGR\*\*

\*FORTUNE World's Most Admired Companies: 2010-2018

\*\*CAGR is calculated based on the midpoint of 2018 guidance. See appendix for a reconciliation of these non-GAAP financial measures to U.S. GAAP measures.

# What is Ingredion's unique value proposition in the \$150B global ingredient space?

- Aligned with food and beverage consumer trends and how those trends are impacting our customer landscape
- Customer intimate with global reach and local touch
- An innovation accelerator from idea to shelf; making taste better through texture
- An experienced solution provider based on:
  - Food science and applications knowledge
  - Consumer research and rapid prototyping
  - Culinary expertise and sensory science
- Reputable, reliable and trusted



# Why does Ingredion's value proposition represent a winning recipe for addressing current industry challenges?

DEMAND FOR AUTHENTICITY  
AND TRANSPARENCY IN LABELING

Global, reputable supplier with a broad clean label portfolio and certified supply chain

CHANGING GLOBAL POPULATION,  
INCOME AND DIETS

Strong regional presence and global reach with local touch

“FOOD ANYWHERE” TREND CREATES  
NEW DEMANDS ON THE TASTE EXPERIENCE

Broad and deep texture systems and applications knowledge

ALL TASTES ARE LOCAL

A global network of 27 Ingredion Idea Labs® delivering local solutions

# Consumers demand authenticity and transparency in labeling



**Taste and eating  
experience**

- Label transparency
- Clean and simple labels
- Texture claims growing
- Customized meals
- Convenience and quality



**"Free-from"  
and less sugar**

**17%**  
increase of label claims

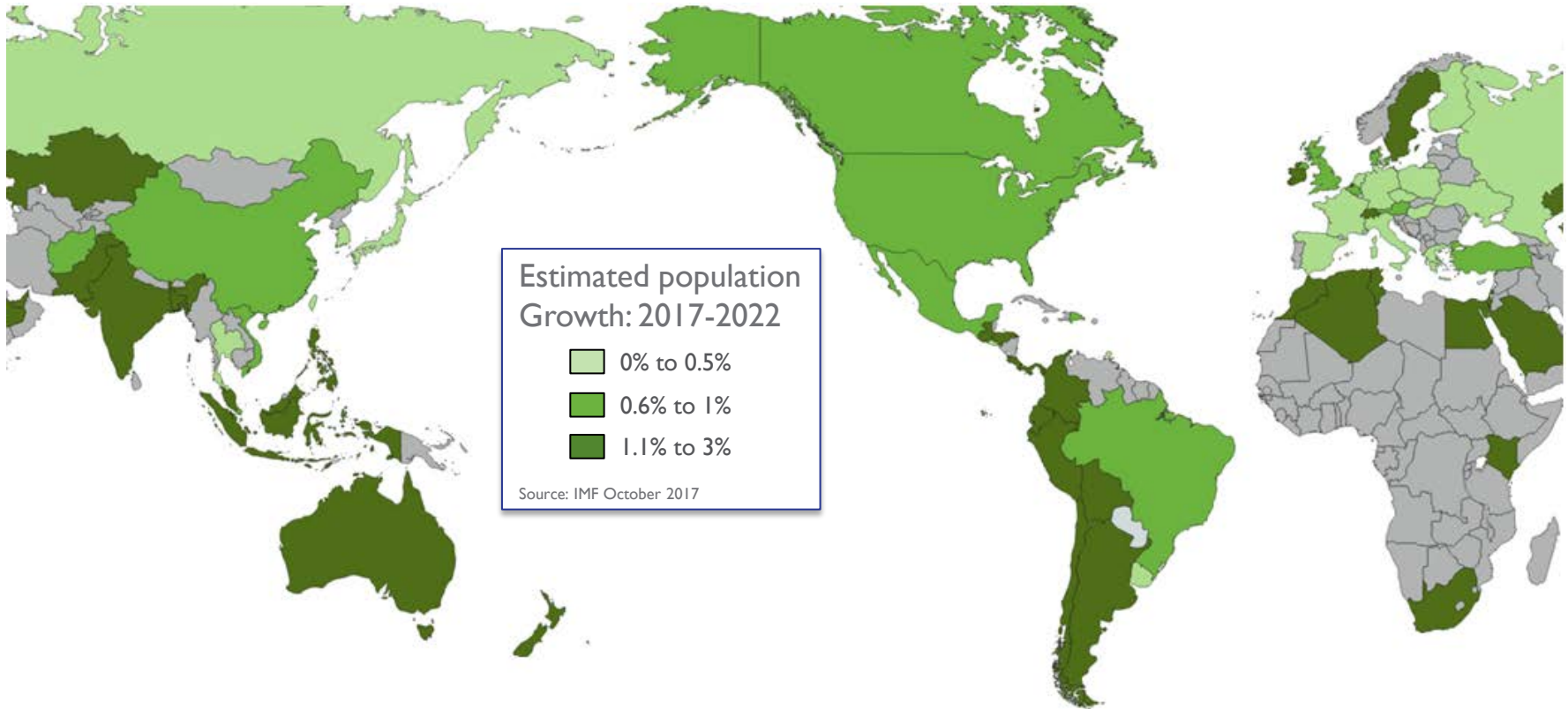


**Meaningful nutrition  
More proteins**

**> 10%**  
plant protein growth

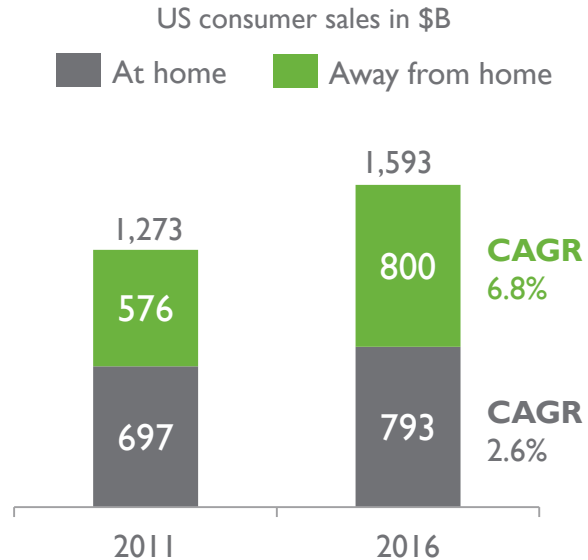
# A strong regional presence in growing populations

*Countries with >\$1 million in Ingredion sales provide access to 80% of world population*



# "FOOD ANYWHERE" creates new demands on taste experience

## Market trends indicate Food Service as main growth path



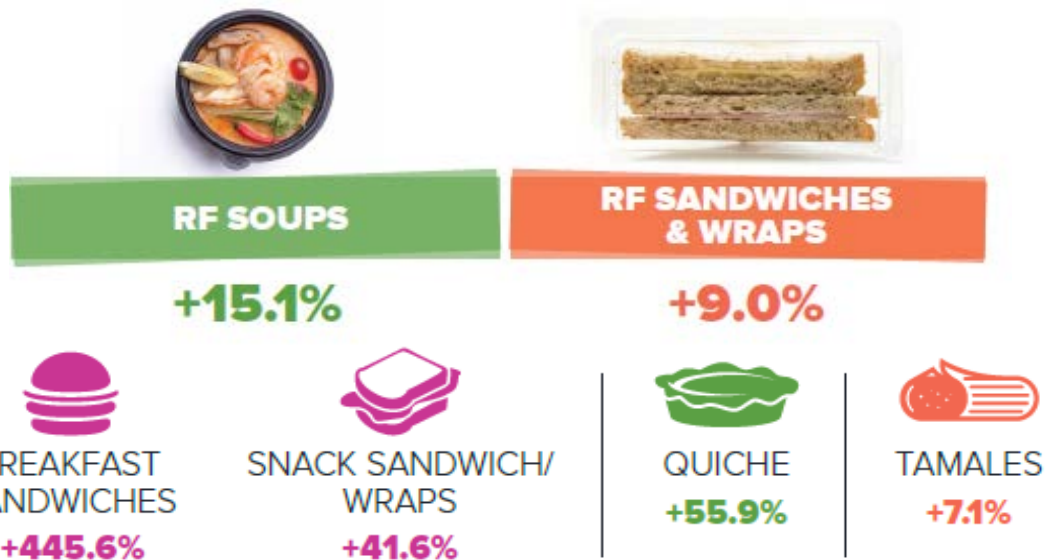
## "FOOD ANYWHERE" trend creating new demands for ingredient performance





# Refrigerated and fresh (RF) distribution

*A high growth and innovative category*



**+15.7%** | Leveraging SPINS' proprietary **Positioning Group** attribute, SPINS data shows that *Specialty & Wellness* foods are the fastest-growing subset within the **REFRIGERATED ENTREES** category.

**+36.4%** | Among *Natural* items, the fastest-growing subcategory is RF SOUP.

# We understand and satisfy local taste preferences through our Ingredion Idea Labs®

## Satisfying local tastes with local solutions



BRIDGEWATER, NJ, UNITED STATES



HAMBURG, GERMANY



MOGI GUAÇU, BRAZIL



SINGAPORE

## Global capabilities delivered locally

Ingredion  
**idea labs** i2s  
IDEAS TO SOLUTIONS







TEXICON®



SWEETABULARY®

- 27 Ingredion Idea Labs® around the world
- > 350 research and technical experts
- TEXICON® and SWEETABULARY® proprietary sensory languages
- ~500 go-to-market team members and extensive distributor network

# Broad, deep and global customer reach

 Company Headquarters 
  Production Facility 
  Ingredion Idea Labs® Headquarters 
  Ingredion Idea Labs® Innovation Center 
  Sales/Representative Office



## NET SALES

\$3,529 M, 61% OF INGREDION

## CUSTOMERS

39% OF INGREDION

## POPULATION

493 M, 7% OF WORLD



## NET SALES

\$1,007 M, 17% OF INGREDION

## CUSTOMERS

22% OF INGREDION

## POPULATION

426 M, 5% OF WORLD



## NET SALES

\$556 M, 10% OF INGREDION

## CUSTOMERS

14% OF INGREDION

## POPULATION

2.3 B, 31% OF WORLD



## NET SALES

\$740 M, 12% OF INGREDION

## CUSTOMERS

25% OF INGREDION

## POPULATION

4.3 B, 57% OF WORLD

# Ingredion's Customer Benefit Platforms

*Key areas of focus and growth based on global consumer trends*

## CLEAN & SIMPLE™



- Natural and simple ingredients
- Free-from ingredients
- Organic and Non-GMO

## HEALTH & NUTRITION™



- Added Nutrition and Protein
- Reduced Sugar
- Fiber Enriched

## SENSORY EXPERIENCE™



- Crispy, Crunchy, Creamy, Sweet Foods
- Silky Creams and Lotions
- Fresh

## AFFORDABILITY™



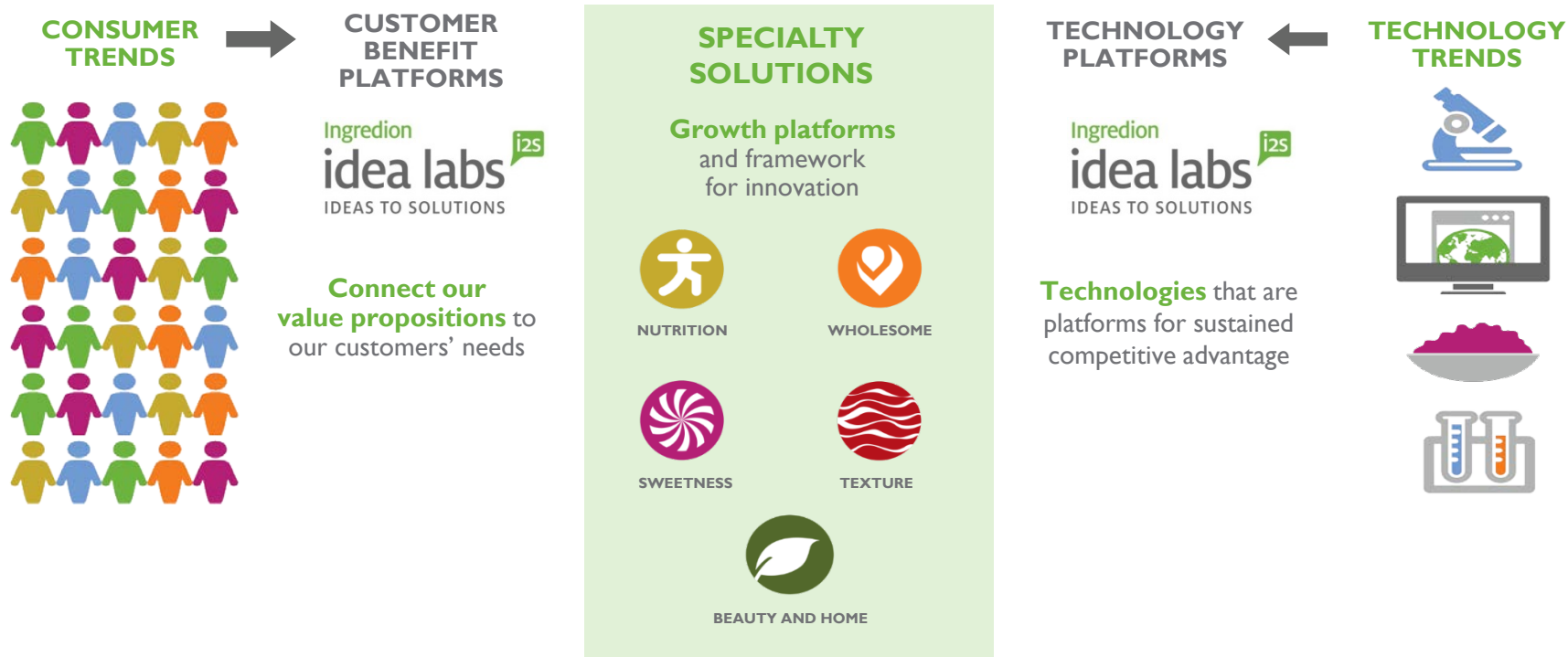
- Recipe Savings
- Reduced Manufacturing Costs

## CONVENIENCE & PERFORMANCE™



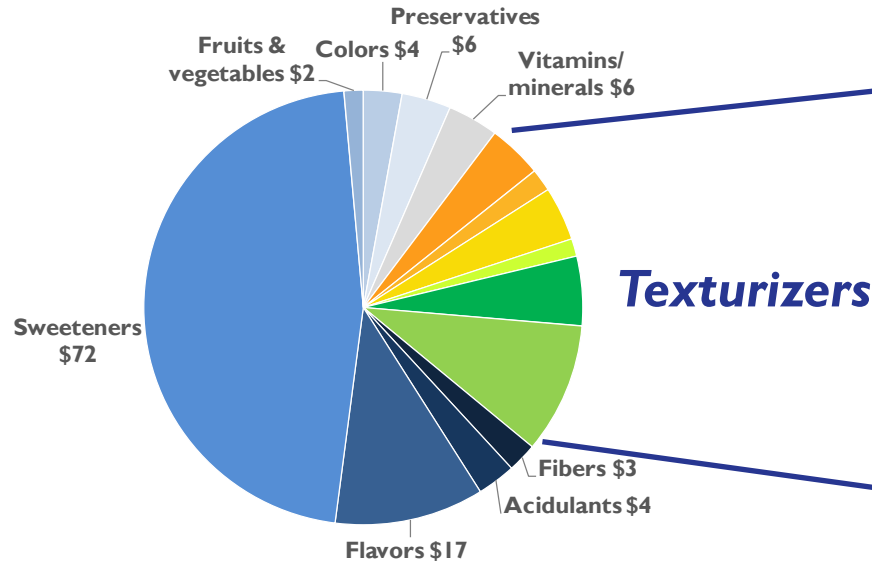
- Convenient foods and beverages
- Processing stability
- Extended shelf life

# Specialties are the center of our strategy based upon consumer and technology trends

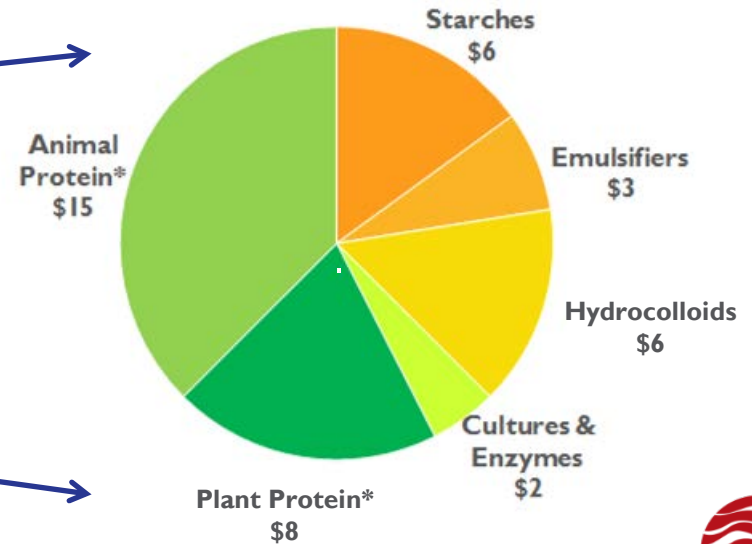


# Ingredion's specialty solutions portfolio plays in a big space, with room to grow

Global ingredient sales ~ \$150 B<sup>1</sup>



Total texture industry sales ~ \$40 B<sup>1</sup>

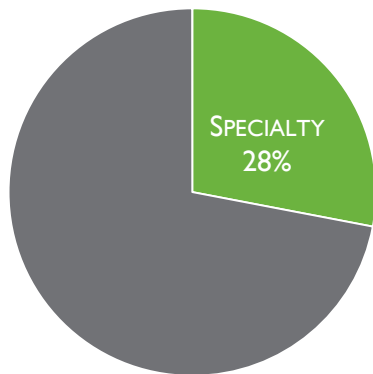


<sup>1</sup>Markets and Markets, Technavio, Modor, LMC Global Sweetener Market, LMC Global Starch Market, Giract, Food Preservatives Market – Global Trends to 2022, Ingredion internal intelligence

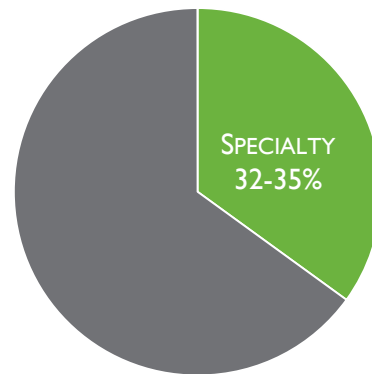
\* Animal protein includes dairy and egg categories. Plant protein includes soy, wheat gluten and other.

# Our specialty portfolio is expected to exceed \$2 billion in net sales by 2022

2017 net sales



Five year mix objective\*



## Net sales growth objective

Specialty net sales	Mid to high single digit
Remaining net sales	Low single digit
Total annual average	1% – 4%

\* Excludes impact of potential future acquisitions

# North America presence and specialty growth

- \$3.5 billion net sales, 61% of total sales
- Accelerating customer innovation via seven Ingredion Idea Labs®
- Specialty capacity expansion investments in U.S. and Mexico are supporting growth
- Efficient cost structure across 20 manufacturing facilities enables competitive input costs
- Growth opportunities in wholesome, clean label and “free-from” support “taste through texture” for “FOOD ANYWHERE”



**POPULATION**  
493 M, 7% OF WORLD



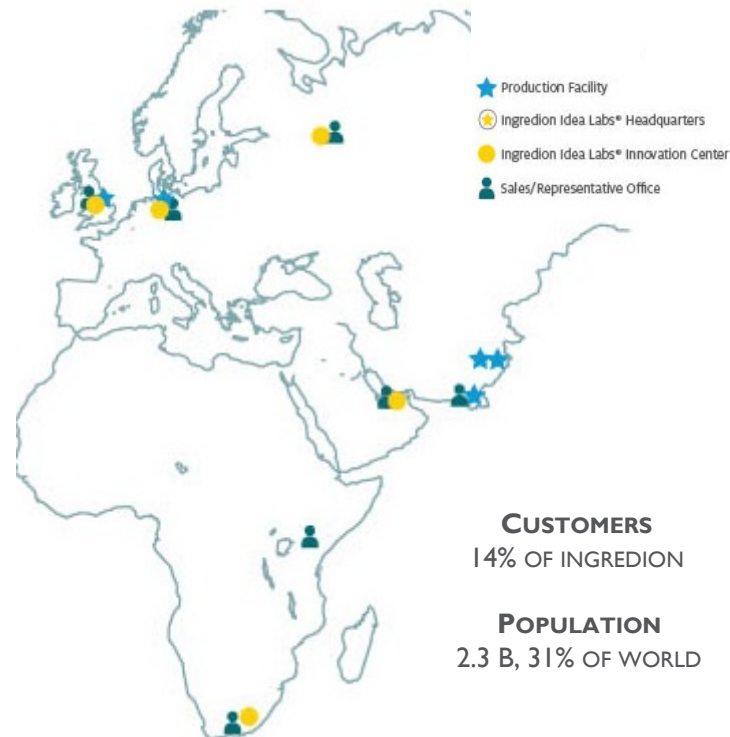
# South America presence and growing specialty business

- \$1 billion net sales, 17% of total sales
- Restructuring actions in Argentina and Brazil optimized our cost structure
- Leverage broad customer base across food, beverage and brewing to grow specialties
- Focused value propositions in texture, convenience and affordability for a growing middle class and a younger demographic



# EMEA presence and large specialty business

- \$556 million net sales, 10% of total sales
- European business predominantly specialties; a leader in clean label solutions for both CPG and retail ready meals
- Strong presence in Pakistan with solid core growth, building specialties platform
- Growing specialties business in emerging markets in Middle East, Eastern Europe and Africa



# Asia-Pacific presence and large specialty business

- \$740 million net sales, 12% of Ingredion
- World-class tapioca supply chain from Thailand, and recent rice ingredient acquisition
- Local sales and solutions via 12 regional Ingredion Idea Labs® serving customers in 19 Asia-Pacific countries
- Investments in specialty capacity expansion in China, Thailand and South Korea
- Well positioned to benefit from urbanization and growing middle class





# Financial Results and Long-term Outlook

**James Gray**

Executive Vice President and Chief Financial Officer

# Balanced earnings growth algorithm

Long Term Growth	
Net Sales	+1% to 4%
Profit	
Gross Profit	+4% to 6%
SG&A Leverage	+2pp
Operating Income	6% to 8%
Strategic deployment of cash	+3pp to 4pp
Earnings Per Share	Low double-digit

~2/3

~1/3

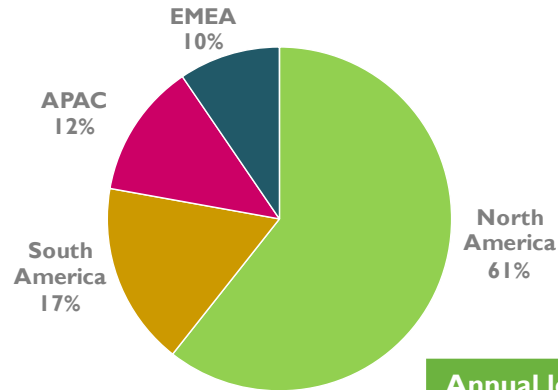
## Drivers and Risks

- Higher specialty growth
- Higher emerging market growth
- Gradual North America HFCS decline
- Specialty premiums and margins maintained
- “Cost Smart” initiatives focused on global process optimization

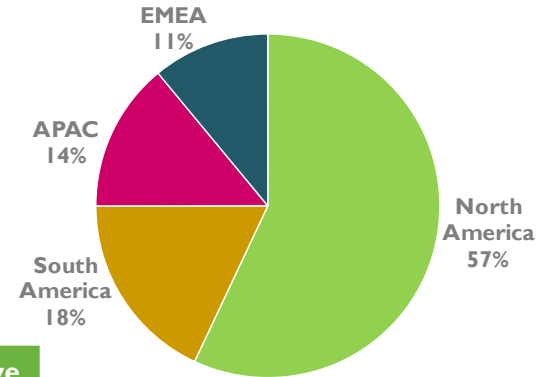
*The company's long-term objectives are considered internal goals and as such, do not represent guidance  
Represents real gross margin absolute dollar growth; actual margins vary due to pass-through of changes in raw material costs and FX  
Net sales growth objective assumes constant currency and corn/raw material costs equivalent to 2017*

# Regional net sales outside of North America drive higher growth

2017 net sales



Five year mix objective\*

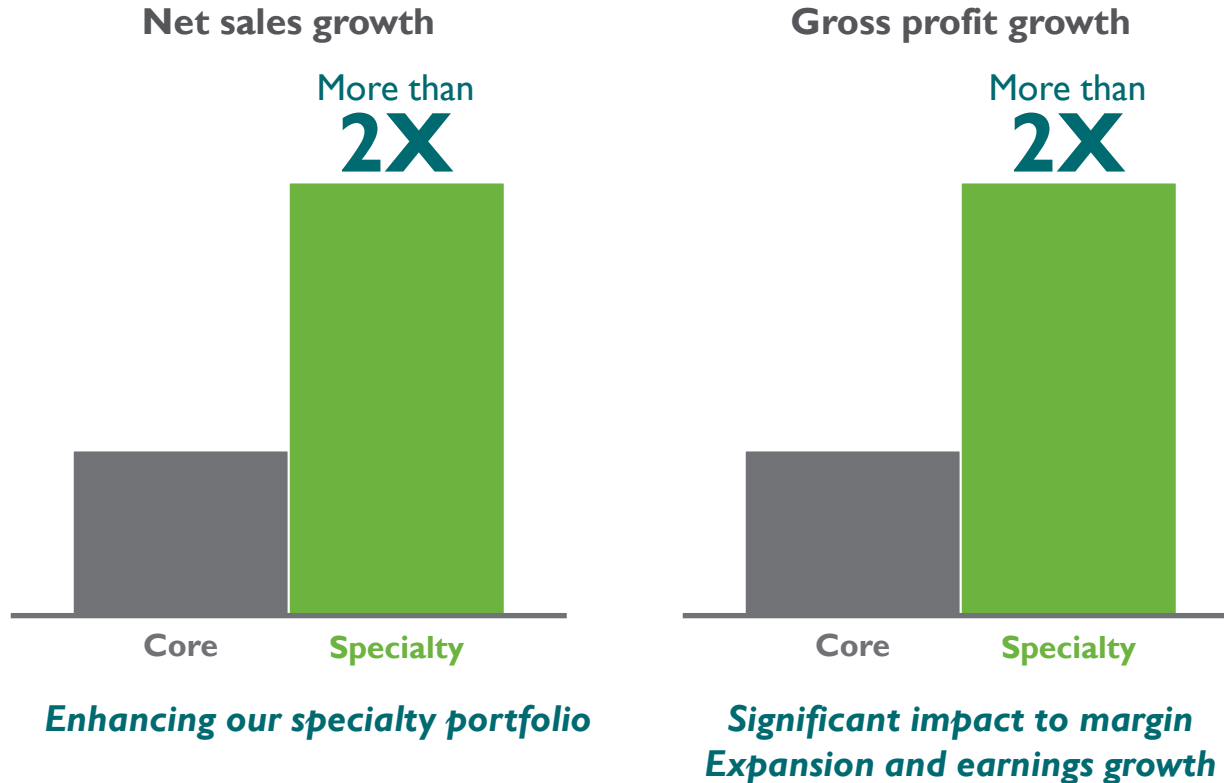


Annual long term growth objective

North America	1% - 3%
South America	2% - 4%
APAC	4% - 6%
EMEA	5% - 7%
Total Company	1% - 4%

\* Assumes constant currency; Excludes impact of potential future acquisitions

# The attractiveness of specialties



## Solid returns and financial performance

	2015	2016	2017
<b>Specialty % of Net Sales</b>	25%	26%	28%
<b>Gross Profit Margin %</b>	22%	25%	25%
<b>Adjusted Earnings Per Share*</b>	\$5.88	\$7.13	\$7.70
<b>Return on Capital Employed*</b>	11.5%	12.6%	12.4%
<b>Total Shareholder Payout*</b>	33%	21%	47%

*\*See appendix for a reconciliation of these non-GAAP financial measures to U.S. GAAP measures.*



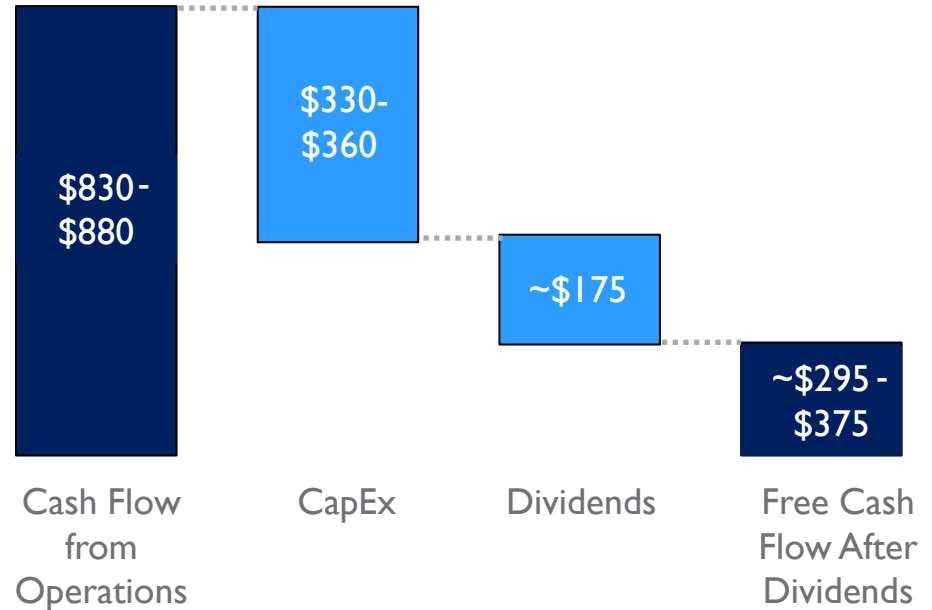
# Consistent cash generation provides fuel to deploy for strategic growth

## Cash principles

- Maintain investment-grade status
- Invest in growth projects and specialty CapEx
- Target total shareholder payout\* ratio  $\geq 50\%$
- Pursue value-enhancing acquisitions

## 2018E Annual Cash Flows\*

\$ Millions



*\*Assumes minimal impact from margin accounts and excludes one-time cash receipts benefits from tax reform  
See appendix for a reconciliation of these non-GAAP financial measures to U.S. GAAP measures.*

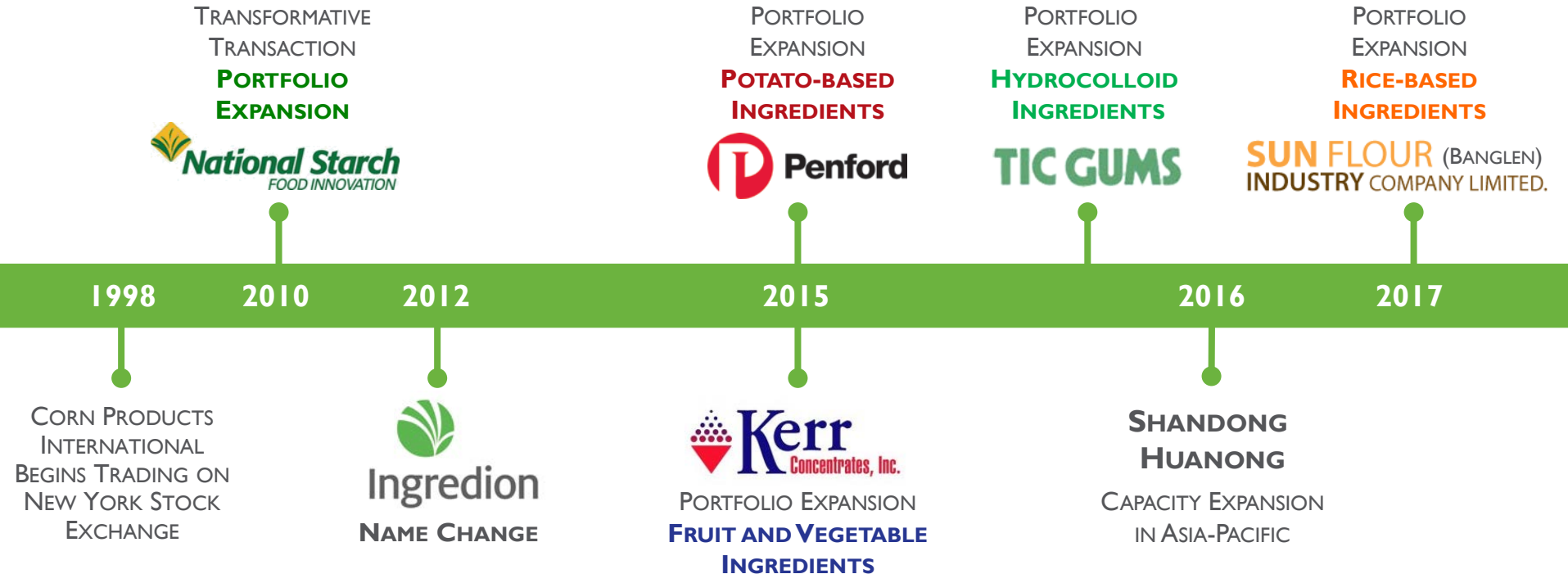
## Room within strong balance sheet to enable acquisitions

	2015	2016	2017
<b>Investment Grade Rating</b> - S&P and Fitch - Moody's*	BBB Baa2	BBB Baa2	BBB Baa2
<b>Net Debt / Adjusted EBITDA*</b>	1.6x	1.4x	1.2x
<b>Net Debt to Capitalization**</b>	37%	34%	29%

\*We received an upgrade from Moody's to Baa1 in 2018

\*\*See appendix for a reconciliation of these non-GAAP financial measures to U.S. GAAP measures.

# Track record of broadening our ingredient portfolio



# Delivering EPS growth against long-term target



*Note: CAGR is calculated based on adjusted EPS for 2009 – 2012, and 2014 - 2017. CAGR are calculated based on the midpoint of 2018 guidance.  
See appendix for a reconciliation of these non-GAAP financial measures to U.S. GAAP measures.*



# Closing Remarks

**Jim Zallie**

President and Chief Executive Officer,  
and Director

## 2022 long-term financial objectives

- Specialty ingredients target of more than **\$2 billion of net sales**
- Specialty ingredients target of **32-35% of net sales**
- **2 percentage points** margin expansion target\*
- **Low double-digit** targeted EPS Growth
- Target ROCE **greater than 10%**

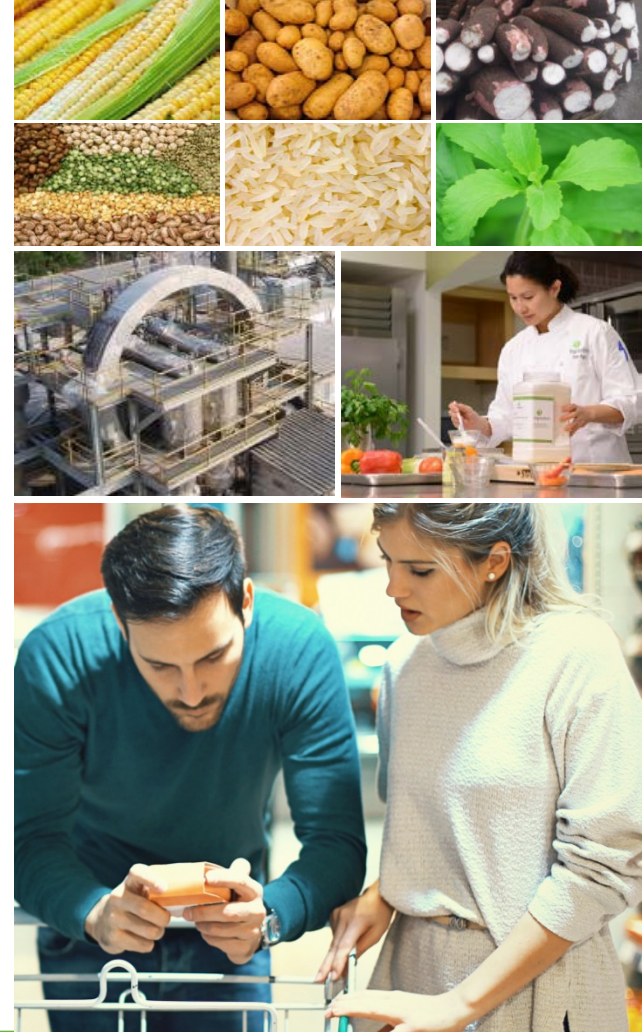
*Note: The company's long-term objectives are considered internal goals based on 2017 year-end and as such, do not represent guidance*

*\* Represents real margin absolute dollar growth; actual margins vary due to pass-through of changes in raw material costs and FX*



# Ingredion's unique value proposition in global ingredients

- Aligned with food and beverage consumer trends and how those trends are impacting our customer landscape
- Customer intimate with global reach and local touch
- An innovation accelerator from idea to shelf; making taste better through texture
- An experienced solution provider based on:
  - Food science and applications knowledge
  - Consumer research and rapid prototyping
  - Culinary expertise and sensory science
- Reputable, reliable and trusted





Ingredion

# Questions and Answers



# APPENDIX

To supplement the consolidated financial results prepared in accordance with Generally Accepted Accounting Principles (“GAAP”), the Company uses non-GAAP historical financial measures, which exclude certain GAAP items such as acquisition and integration costs, impairment and restructuring costs, and certain other unusual items. The Company uses the term “adjusted” when referring to these non-GAAP amounts.

Management uses non-GAAP financial measures internally for strategic decision making, forecasting future results and evaluating current performance. By disclosing non-GAAP financial measures, management intends to provide investors with a more meaningful, consistent comparison of the Company’s operating results and trends for the periods presented. These non-GAAP financial measures are used in addition to and in conjunction with results presented in accordance with GAAP and reflect an additional way of viewing aspects of our operations that, when viewed with our GAAP results, provide a more complete understanding of factors and trends affecting our business. These non-GAAP measures should be considered as a supplement to, and not as a substitute for, or superior to, the corresponding measures calculated in accordance with generally accepted accounting principles.

Non-GAAP financial measures are not prepared in accordance with GAAP; therefore, the information is not necessarily comparable to other companies. A reconciliation of each non-GAAP historical financial measure to the most comparable GAAP measure is provided in this Appendix.

# Reconciliation of non-GAAP net income and earnings per share

	Year Ended December 31, 2009		Year Ended December 31, 2010		Year Ended December 31, 2011		Year Ended December 31, 2012		Year Ended December 31, 2013		Year Ended December 31, 2014		Year Ended December 31, 2015		Year Ended December 31, 2016		Year Ended December 31, 2017	
	(in millions)	EPS	(in millions)	EPS	(in millions)	EPS	(in millions)	EPS	(in millions)	EPS	(in millions)	EPS	(in millions)	EPS	(in millions)	EPS	(in millions)	EPS
Net income attributable to Ingredion	\$41	\$0.54	\$169	\$2.20	\$416	\$5.32	\$428	\$5.47	\$396	\$5.05	\$355	\$4.74	\$402	\$5.51	\$485	\$6.55	\$519	\$7.06
Add back (deduct):																		
Restructuring/impairment charges, net of income tax benefit of \$14.7 million, \$2.7 million, \$3.5 million, \$12.8 million, \$0, \$0, 9.7 million, \$4.7 million, and \$7.4 million for the years ended December 31, 2009, December 31, 2010, December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014, December 31, 2015, December 31, 2016,	\$110	1.47	\$22	0.29	\$6	0.08	\$23	0.29	-	-	\$33	0.44	\$19	0.25	\$14	0.20	\$31	0.42
Acquisition/integration costs, net of income tax benefit of \$9.0 million, \$10.2 million, \$1.6 million, \$0, \$0.4 million, \$2.9 million, \$1.1 million, and \$1.3 million for the years ended December 31, 2010, December 31, 2011, December 31, 2012, December 31, 2013, December 31, 2014, December 31, 2015, December 31, 2016, and December 31, 2017,	-	-	\$26	0.34	\$20	0.26	\$2	0.03	-	-	\$1	0.02	\$7	0.10	\$2	0.03	\$3	0.04
Charge for fair value mark-up of acquired inventory, net of income tax benefit of \$9.3 million, \$3.8 million, and \$3.4 million for the years ended December 31, 2010, December 31, 2015, and December 31, 2017,	-	-	\$18	0.23	-	-	-	-	-	-	-	-	\$7	0.09	-	-	\$6	0.08
Bridge loan fees, net of income tax benefit of \$6.9 million	-	-	\$13	0.16	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other acquisition-related financing costs, net of income tax benefit of \$0.8 million	-	-	\$1	0.02	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gain from change in benefit plans, net of income tax of \$11.4 million and \$1.4 million for the years ended December 31, 2011 and December 31, 2012, respectively	-	-	-	-	(\$18)	(0.23)	(\$3)	(0.04)	-	-	-	-	-	-	-	-	-	-
NAFTA award	-	-	-	-	(\$58)	(0.75)	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of Korean deferred tax asset valuation allowance	-	-	-	-	-	-	(\$13)	(0.16)	-	-	-	-	-	-	-	-	-	-
Gain from sale of land/plant, net of income tax of \$0.4 million and \$0.9 million for the years ended December 31, 2012 and December 31, 2015, respectively	-	-	-	-	-	-	(\$2)	(0.02)	-	-	-	-	(9)	(0.12)	-	-	-	-
Litigation settlement, net of income tax benefit of \$2.5 million	-	-	-	-	-	-	-	-	-	-	-	-	4	0.06	-	-	-	-
Income tax settlement	-	-	-	-	-	-	-	-	-	-	-	-	-	-	27	0.36	(10)	(0.14)
Income tax reform	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23	0.31
Insurance proceeds, net of income tax benefit of \$3.3 million	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(6)	(0.08)
Non-GAAP adjusted net income	\$151	\$2.01	\$249	\$3.24	\$366	\$4.68	\$435	\$5.57	\$396	\$5.05	\$389	\$5.20	\$430	\$5.88	\$528	7.13	\$566	\$7.70

EPS may not foot or recalculate due to rounding.

Totals may not foot due to rounding

# Reconciliation of non-GAAP adjusted operating income

(in millions, pre-tax)	Year Ended December 31, 2014	Year Ended December 31, 2015	Year Ended December 31, 2016	Year Ended December 31, 2017
Operating income	\$ 581	\$ 660	\$ 808	\$ 842
Add back:				
Restructuring/impairment charges	33	28	19	38
Acquisition/integration costs	2	10	3	4
Charge for fair value mark-up of acquired inventory	-	10	-	9
Insurance proceeds	-	-	-	(9)
Litigation settlement	-	7	-	-
Gain on sale of plant	-	(10)	-	-
Non-GAAP adjusted operating income	<u>\$ 616</u>	<u>\$ 705</u>	<u>\$ 830</u>	<u>\$ 884</u>

# 2018 adjusted EPS forecast

	Expected EPS Range for Full Year 2018	
	Low End	High End
GAAP EPS (a)	\$7.86	\$8.15
Add:		
Restructuring charges (b)	0.04	0.05
Expected Adjusted EPS	<u>\$7.90</u>	<u>\$8.20</u>

Above is a reconciliation of our expected full year 2018 diluted EPS to our expected full year 2018 adjusted diluted EPS. The amounts above may not reflect certain future charges, costs and/or gains that are inherently difficult to predict and estimate due to their unknown timing, effect and/or significance. These amounts include, but are not limited to, acquisition and integration costs, impairment and restructuring costs, and certain other special items. We generally exclude these items from our adjusted EPS guidance.

(a) For the reasons stated above, we are more confident in our ability to predict adjusted EPS than we are in our ability to predict GAAP EPS.

(b) Primarily reflects expected 2018 restructuring charges related to the Finance Transformation initiative in North America previously announced during 2017.

# Reconciliation of non-GAAP ROCE metric

<b><u>Return on Capital Employed (dollars in millions)</u></b>	<b><u>2014</u></b>	<b><u>2015</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
Total equity *	\$ 2,429	\$ 2,207	\$ 2,180	\$ 2,595
Add:				
Cumulative translation adjustment *	489	701	1,025	1,008
Share-based payments subject to redemption*	24	22	24	30
Total debt *	1,803	1,821	1,838	1,956
Less:				
Cash and cash equivalents *	(574)	(580)	(434)	(512)
Capital employed * (a)	<u>\$ 4,171</u>	<u>\$ 4,171</u>	<u>\$ 4,633</u>	<u>\$ 5,077</u>
Operating income	\$ 581	\$ 660	\$ 808	\$ 842
Adjusted for:				
Restructuring/impairment charges	33	28	19	38
Acquisition/integration costs	2	10	3	4
Charge for fair value mark-up of acquired inventory	—	10	—	9
Insurance proceeds	—	—	—	(9)
Litigation settlement	—	7	—	—
Gain on sale of plant	—	(10)	—	—
Adjusted operating income	<u>\$ 616</u>	<u>\$ 705</u>	<u>\$ 830</u>	<u>\$ 884</u>
Income taxes (at effective tax rates of 28.6%, 29.4%, and 27.5% in 2015, 2016, and 2017, respectively)	(174)	(224)	(244)	(253)
Adjusted operating income, net of tax (b)	<u>\$ 442</u>	<u>\$ 481</u>	<u>\$ 586</u>	<u>\$ 631</u>
Return on Capital Employed (b/a)	<u>10.6%</u>	<u>11.5%</u>	<u>12.6%</u>	<u>12.4%</u>

\* Balance sheet amounts used in computing capital employed represent beginning of period balances.

# Reconciliation of non-GAAP adjusted effective income tax rate to GAAP effective income tax rate

	2015			2016			2017		
	Income Before Income Taxes	Provision for Income Taxes	Effective Income Tax Rate (b/a)	Income Before Income Taxes (a)	Provision for Income Taxes (b)	Effective Income Tax Rate (b/a)	Income Before Income Taxes (a)	Provision for Income Taxes (b)	Effective Income Tax Rate (b/a)
As Reported	\$ 599	\$ 187	31.2%	\$ 742	\$ 246	33.1%	\$ 769	\$ 237	30.8%
Add (deduct):									
Restructuring/impairment charges	28	10		19	5		38	7	
Acquisition/integration costs	10	3		3	1		4	1	
Charge for fair value mark-up of acquired inventory	10	3		-	-		9	3	
Insurance proceeds							(9)	(3)	
Litigation settlement	7	3		-	-		-	-	
Gain on sale of plant	(10)	(1)		-	-		-	-	
Income tax settlement	-	-		-	(27)		-	10	
Income tax reform								(23)	
Adjusted non-GAAP	<u>\$ 644</u>	<u>\$ 205</u>	31.8%	<u>\$ 764</u>	<u>\$ 225</u>	29.4%	<u>\$ 811</u>	<u>\$ 232</u>	28.6%

Net income and tax rates may not foot or recalculate due to rounding.

# Reconciliation of non-GAAP credit metrics – Net debt to adjusted EBITDA ratio

<b>Net Debt to Adjusted EBITDA ratio (dollars in millions)</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Short-term debt	\$ 19	\$ 106	\$ 120
Long-term debt	1,819	1,850	1,744
Less: Cash and cash equivalents	(434)	(512)	(595)
Short-term investments	(6)	(4)	(9)
Total net debt (a)	<u>\$ 1,398</u>	<u>\$ 1,440</u>	<u>\$ 1,260</u>
Net income attributable to Ingreion	\$ 402	\$ 485	\$ 519
Add back (deduct):			
Restructuring/impairment charges	28	19	38
Acquisition/integration costs	10	3	4
Charge for fair value mark-up of acquired inventory	10	—	9
Insurance proceeds			(9)
Litigation settlement	7	—	—
Gain on sale of plant	(10)	—	—
Net income attributable to non-controlling interest	10	11	13
Provision for income taxes	187	246	237
Financing costs, net of interest income of \$11, \$10, and \$11, respectively	61	66	73
Depreciation and amortization	194	196	209
Adjusted EBITDA (b)	<u>\$ 899</u>	<u>\$ 1,026</u>	<u>\$ 1,093</u>
Net debt to adjusted EBITDA ratio (a/b)	<u>1.6</u>	<u>1.4</u>	<u>1.2</u>

Totals may not foot due to rounding

# Reconciliation of non-GAAP credit metrics – Net debt to capitalization percentage

<b>Net Debt to Capitalization percentage (dollars in millions)</b>	<b>December 31, 2015</b>	<b>December 31, 2016</b>	<b>December 31, 2017</b>
Short-term debt	\$ 19	\$ 106	\$ 120
Long-term debt	1,819	1,850	1,744
Less: Cash and cash equivalents	(434)	(512)	(595)
Short-term investments	(6)	(4)	(9)
Total net debt (a)	\$ 1,398	\$ 1,440	\$ 1,260
Deferred income tax liabilities	\$ 139	\$ 171	\$ 199
Share-based payments subject to redemption	24	30	36
Total equity	2,180	2,595	2,917
Total capital	\$ 2,343	\$ 2,796	\$ 3,152
Total net debt and capital (b)	\$ 3,741	\$ 4,236	\$ 4,412
Net debt to capitalization percentage (a/b)	<u>37.4 %</u>	<u>34.0 %</u>	<u>28.6 %</u>



# Reconciliation of non-GAAP total shareholder payout metric

<u>Total Shareholder Payout (in millions)</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Dividends paid to Ingredion shareholders*	\$ 122	\$ 134	\$ 150
Add:			
Repurchase of common stock	41	8	123
Less:			
Issuance of common stock for share-based compensation, net of settlements	(21)	(29)	(9)
Total shareholder payments (a)	\$ 142	\$ 113	\$ 264
Non-GAAP adjusted net income (b)	\$ 430	\$ 528	\$ 566
Total shareholder payout (a/b)	<u>33%</u>	<u>21%</u>	<u>47%</u>

\*- Dividends paid per Consolidated Statements of Cash Flows less dividends declared to non-controlling interests