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NEWS RELEASE

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INGREDION INCORPORATED REPORTS FOURTH QUARTER AND FULL-YEAR 2020 RESULTS

- Fourth quarter 2020 reported and adjusted EPS* were \$1.70 and \$1.75, respectively, compared with \$1.61 and \$1.54 in the fourth quarter 2019, respectively
- Full-year 2020 reported and adjusted EPS were \$5.15 and \$6.23, respectively, compared with \$6.13 and \$6.61 in the year-ago period, respectively
- The Company anticipates full year 2021 net sales and operating income to be up modestly, driven by specialty ingredients growth, other volume recovery and Cost Smart savings

WESTCHESTER, Ill., February 3, 2021 – [Ingredion Incorporated](#) (NYSE: INGR), a leading global provider of ingredient solutions to the food and beverage manufacturing industry, today reported results for the fourth quarter and full-year 2020. The results, reported in accordance with U.S. generally accepted accounting principles (“GAAP”) for 2020 and 2019, include items that are excluded from the non-GAAP financial measures that the Company presents.

“We met the challenges of 2020 head-on and delivered strong performance, while advancing our [Driving Growth Roadmap](#) across all five of our Specialty platforms. Our teams demonstrated agility throughout the year, efficiently operated our factories, stayed close to customers, anticipated their needs, and enabled us to continue to be a supplier of choice. Pivoting to new ways of working resulted in over 1,300 virtual engagements with customers to co-create and deliver innovative ideas and solutions from our virtual interactive Idea Labs.”

“We delivered outstanding performance in the fourth quarter, with year-over-year 3% net sales growth, with each region contributing to the net sales growth. Three of the four regions saw volume demand recover from COVID-19 impacts, a highly encouraging sign. In addition, we had exceptional performance in South America, led by strong pricing gains that enabled us to keep pace with inflation and changing market conditions,” said [Jim Zallie](#), Ingredion’s president and chief executive officer.

“In the quarter, we also completed our strategic acquisition of 100% ownership in Verdient Foods, Inc., mobilized the integration team, and advanced construction on our Specialty plant-based protein production line. Additionally, we earned recommended food grade certification status for our South Sioux City pea protein isolate facility. Specialty ingredients net sales, excluding foreign exchange impacts, grew in all four regions for the quarter and full year, and now represents 32 percent of our annual net sales,” continued Zallie.

“Operating with an owner’s mindset, our teams made great progress with the redesign and restructuring of our organization across all four regions, resulting in \$103 million of run-rate savings, in excess of our 2020 [Cost Smart](#) target. We are on track to meet our three-year target of \$170 million by year-end 2021.”

“As we enter 2021 with increasing momentum, we are well-positioned to continue advancing our growth strategy and deliver value at every touchpoint of the customer experience. We remain committed to our mission to be a reliable and trusted supplier, as well as innovation partner to our customers. We believe that our focused approach will serve to create long-term value for all of our stakeholders,” Zallie concluded.

*Adjusted diluted earnings per share (“adjusted EPS”), adjusted operating income, adjusted effective income tax rate and adjusted cash flow from operations are non-GAAP financial measures. See section II of the Supplemental Financial Information entitled “Non-GAAP Information” following the Condensed Consolidated Financial Statements included in this press release for a reconciliation of these non-GAAP financial measures to the most directly comparable U.S. GAAP measures.

Diluted Earnings Per Share (EPS)

	4Q19	4Q20	2019	2020
Reported EPS	\$1.61	\$1.70	\$6.13	\$5.15
Impairment/Restructuring Costs	\$0.18	\$0.62	\$0.65	\$1.11
Acquisition/Integration Costs	\$0.01	\$0.04	\$0.03	\$0.13
Tax Items	\$(0.26)	\$(0.63)	\$(0.20)	\$(0.32)
Other Adjusted Items	-	\$0.02	-	\$0.16
Adjusted EPS**	\$1.54	\$1.75	\$6.61	\$6.23

Estimated factors affecting change in reported and adjusted EPS

	4Q20	2020
Margin	0.33	0.29
Volume	(0.12)	(0.53)
Foreign exchange	(0.04)	(0.24)
Other income	0.02	(0.02)
Total operating items	0.19	(0.50)
Other non-operating income	0.02	0.06
Financing costs	(0.03)	0.06
Non-controlling interests	0.02	0.04
Shares outstanding	-	(0.02)
Tax rate	0.01	(0.01)
Total non-operating items	0.02	0.13
Total items affecting EPS**	0.21	(0.38)

**Totals may not foot due to rounding

Financial Highlights

- At December 31, 2020, total debt and cash and short-term investments were \$2.2 billion and \$665 million, respectively, versus \$1.8 billion and \$268 million, respectively, at December 31, 2019. The increase in total debt and cash and short-term investments was primarily due to the Company's sale of \$1.0 billion of senior notes in the

second quarter of 2020 and improvements in working capital, which were partially offset by the redemption of \$400 million of November 2020 senior notes in July.

- Net financing costs were \$22 million, or \$3 million higher in the fourth quarter from the year-ago period. The increase resulted from a higher foreign exchange impact, partially offset by lower net interest expense due to lower interest rates.
- Reported and adjusted effective tax rates for the quarter were 18.9 percent and 27.1 percent, respectively, compared to 25.2 percent and 27.5 percent, respectively, in the year-ago period. The decrease in reported tax rate resulted primarily from the increase in the value of the Mexican Peso against the U.S. dollar and other one-time items, offset by country earnings mix.
- Full-year capital expenditures were \$333 million, up \$5 million from the year-ago period.

Business Review

Total Ingredion

\$ in millions	2019 Net Sales	FX Impact	Volume	Pricemix	PureCircle	2020 Net Sales	% change	% change excl. FX
Fourth Quarter	1,549	-26	-15	66	19	1,593	3%	4%
Full-year	6,209	-164	-229	144	27	5,987	-4%	-1%

Reported Operating Income

\$ in millions	2019	FX Impact	Business Drivers	PureCircle	Acquisition / Integration	Restructuring / Impairment	Other	2020	% change	% change excl. FX
Fourth Quarter	170	-4	28	-6	-2	-36	13	163	-4%	-2%
Full-year	664	-22	-13	-11	-8	-36	8	582	-12%	-9%

Adjusted Operating Income

\$ in millions	2019	FX Impact	Business Drivers	PureCircle	2020	% change	% change excl. FX
Fourth Quarter	168	-4	28	-6	186	11%	13%
Full-year	705	-22	-13	-11	659	-7%	-3%

Net Sales

- Fourth quarter net sales were up from the year-ago period. The increase was driven by strong price mix and higher volumes in South America, inclusion of PureCircle results, and specialty volume growth in all four regions. Excluding foreign exchange impacts, net sales were up 4 percent for the quarter.

- Full-year net sales were down from the year-ago period. The decrease in full-year net sales was driven by sales volume declines in North America and South America, related primarily to COVID-19 shutdowns in the second and third quarters. Excluding foreign exchange impacts, net sales were down 1 percent for the full-year.

Operating income

- Reported and adjusted operating income for the quarter were \$163 million and \$186 million, respectively, a decrease of 4 percent and an increase of 11 percent, respectively, from the same period last year. The decrease in reported operating income was primarily due to a trade name impairment, restructuring costs related to our Cost Smart program, and acquisition and integration costs which were partially offset by a benefit from a Brazilian revenue tax judgment. The increase in adjusted operating income was largely attributable to lower input costs in North America and strong price mix in South America. Excluding foreign exchange impacts, reported and adjusted operating income were down 2 percent and up 13 percent, respectively, from the same period last year.
- Full-year reported and adjusted operating income were \$582 million and \$659 million, respectively, decreases of 12 percent and 7 percent, respectively, from the year-ago period. The decrease in reported operating income was primarily due to higher restructuring costs related to our Cost Smart program, trade name and other impairments, and acquisition and integration costs which were partially offset by a benefit from a Brazilian revenue tax judgment. The decrease in adjusted operating income was largely attributable to lower sales volumes in North America, the inclusion of PureCircle results, and higher corporate costs due to continued investments to drive business and digital transformations. These decreases were partially offset by strong price mix in South America. Excluding foreign exchange impacts, reported and adjusted operating income were down 9 percent and 3 percent, respectively, from the same period last year.
- Fourth quarter reported operating income was lower than adjusted operating income by \$23 million due to a trade name impairment, restructuring costs related to our Cost Smart program, and acquisition and integration costs which were partially offset by a benefit from a Brazilian revenue tax judgment.
- Full-year reported operating income was lower than adjusted operating income by \$77 million due to higher restructuring costs related to our Cost Smart program, trade name and other impairments, and acquisition and integration costs which were partially offset by a benefit from a Brazilian revenue tax judgment.

North America

Net Sales

\$ in millions	2019 Net Sales	FX Impact	Volume	Price mix	2020 Net Sales	% change	% change excl. FX
Fourth Quarter	922	1	-17	17	923	0%	0%
Full-year	3,834	-5	-198	31	3,662	-4%	-4%

Segment Operating Income

\$ in millions	2019	FX Impact	Business Drivers	2020	% change	% change excl. FX
Fourth Quarter	113	-	16	129	14%	14%
Full-year	522	-1	-34	487	-7%	-7%

Operating income

- Fourth quarter operating income was \$129 million, an increase of \$16 million from the year-ago period. The increase was driven by lower net corn costs and favorable price mix.
- Full-year operating income was \$487 million, a decrease of \$35 million from the year-ago period. The decrease was driven by significantly lower away-from-home consumption across the region and shutdown of brewery customers in Mexico in the second quarter, partially offset by lower net corn costs and favorable price mix in the fourth quarter.

South America**Net Sales**

\$ in millions	2019 Net Sales	FX Impact	Volume	Price mix	2020 Net Sales	% change	% change excl. FX
Fourth Quarter	261	-36	2	49	276	6%	19%
Full-year	960	-140	-18	117	919	-4%	10%

Segment Operating Income

\$ in millions	2019	FX Impact	Business Drivers	2020	% change	% change excl. FX
Fourth Quarter	35	-5	14	44	26%	40%
Full-year	96	-18	34	112	17%	35%

Operating income

- Fourth quarter operating income was \$44 million, an increase of \$9 million from the year-ago period. The increase was driven by strong price mix and the timing of a \$5 million dollar revenue tax judgment in Brazil, which was partially offset by unfavorable foreign currency impacts. Excluding foreign exchange impacts, segment operating income was up 40 percent.
- Full-year operating income was \$112 million, an increase of \$16 million from the year-ago period due to strong price mix, which was partially offset by unfavorable foreign currency impacts and lower sales volumes. Excluding foreign exchange impacts, segment operating income was up 35 percent. Results for Argentina are accounted for in U.S. dollars under hyper-inflationary accounting.

Asia-Pacific**Net Sales**

\$ in millions	2019 Net Sales	FX Impact	Volume	Price mix	PureCircle	2020 Net Sales	% change	% change excl. FX
Fourth Quarter	212	6	-4	-3	19	230	8%	5%
Full-year	823	-5	-17	-15	27	813	-1%	-1%

Segment Operating Income

\$ in millions	2019	FX Impact	Business Drivers	PureCircle	2020	% change	% change excl. FX
Fourth Quarter	22	1	3	-6	20	-9%	-13%
Full-year	87	-	4	-11	80	-8%	-8%

Operating income

- Fourth quarter operating income was \$20 million, down \$2 million from the year-ago period driven by \$6 million of operating loss from PureCircle. Excluding PureCircle results, fourth quarter operating income was \$26 million, up \$4 million from the year-ago period, largely due to lower costs and operating expenses.
- Full-year operating income was \$80 million, a decrease of \$7 million from the year-ago period. PureCircle results reduced full-year operating income by \$11 million. Excluding PureCircle results, full-year operating income was up \$4 million from the prior year, as lower costs offset lower sales volumes in the first half of 2020 due to the impact of COVID-19. Excluding foreign currency impacts, segment operating income was down 8%.

Europe, Middle East, and Africa (EMEA)**Net Sales**

\$ in millions	2019 Net Sales	FX Impact	Volume	Price mix	2020 Net Sales	% change	% change excl. FX
Fourth Quarter	154	2	4	4	164	6%	5%
Full-year	592	-16	3	14	593	0%	3%

Segment Operating Income

\$ in millions	2019	FX Impact	Business Drivers	2020	% change	% change excl. FX
Fourth Quarter	28	-	1	29	4%	4%
Full-year	99	-4	7	102	3%	7%

Operating income

- Fourth quarter operating income was \$29 million, up \$1 million from the year-ago period. The increase was largely attributable to lower input costs and favorable price mix.
- Full-year operating income was \$102 million, an increase of \$3 million from prior year. The increase was largely attributable to Pakistan pricing actions, strong EMEA specialty sales, and lower operating expenses in Europe. This increase was partially offset by the impacts of stay-at-home orders on Pakistan sales volume in the first half and negative Pakistan foreign currency impacts. Excluding foreign currency impacts, segment operating income was up 7 percent.

Dividends

In December 2020, the Company paid a quarterly dividend of \$46 million (\$0.64 per share). The Company paid \$178 million of dividends in 2020.

2021 Outlook

For the first quarter of 2021, the Company anticipates total net sales to be slightly up and operating income to be modestly up depending on the impact of COVID-19 resurgence trends, as well as the pace and effectiveness of vaccines. Net sales volume during the pandemic has generally correlated with increases in consumer activity and away from home food and beverage consumption.

For the full year, the Company anticipates net sales and region operating income to be modestly up, driven by specialty ingredients growth, other volume recovery and Cost Smart savings. Due to the uncertain environment, the Company is not currently providing guidance for full year 2021 EPS and cash flow from operations.

Full year corporate costs are expected to be flat with a reported and adjusted effective tax rate of 26.5 percent to 28 percent, respectively.

Capital investment commitments are anticipated to be between \$330 million and \$350 million, of which more than \$100 million is being invested to drive Specialty growth.

Conference Call and Webcast Details

Ingredion will conduct a conference call on Wednesday, February 3, 2021 at 8:00 a.m. Central Time hosted by Jim Zallie, president and chief executive officer, and James Gray, executive vice president and chief financial officer. The call will be webcast in real time and will include a presentation accessible through the Company's website at www.ingredion.com. The presentation will be available to download a few hours prior to the start of the call. A replay will be available for a limited time at www.ingredion.com.

About the Company

Ingredion Incorporated (NYSE: INGR) headquartered in the suburbs of Chicago, is a leading global ingredient solutions provider serving customers in more than 120 countries. With 2020 annual net sales of \$6 billion, the Company turns grains, fruits, vegetables and other plant-based materials into value-added ingredient solutions for the food, beverage, animal nutrition, brewing and industrial markets. With Ingredion's 29 Idea Labs® innovation centers around the world and approximately 12,000 employees, the Company co-creates with customers and fulfills its purpose of bringing the potential of people, nature and technology together to make life better. Visit [ingredion.com](https://www.ingredion.com) for more information and the latest Company news.

Forward-Looking Statements

This news release 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 others, any statements regarding the Company's expectations regarding the impacts of COVID-19, and the Company's net sales, regional operating income, corporate costs, effective tax rates and capital expenditures for 2021 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 our forward looking statements as a result of the following risks and uncertainties, among others: the continuing impacts of COVID-19; changing consumption preferences and perceptions, including those relating to high fructose corn syrup; the effects of global economic conditions and the general political, economic, business, and market conditions that affect customers and consumers in the various geographic regions and countries in which we buy our raw materials or manufacture or sell our products, including, particularly, economic, currency and political conditions in South America and economic and political conditions in Europe, and the impact these factors may have on our sales volumes, the pricing of our products, our access to credit markets and our ability to collect our receivables from customers; adverse changes in investment returns earned on our pension assets; future financial performance of major industries which we serve and from which

we derive a significant portion of our sales, including the food, beverage, animal nutrition, and brewing industries; the uncertainty of acceptance of products developed through genetic modification and biotechnology; our ability to develop or acquire new products and services at rates or of qualities sufficient to meet expectations; changes in U.S. and foreign government policy, laws or regulations and costs of legal compliance; increased competitive and/or customer pressure in the corn-refining industry and related industries, including with respect to the markets and prices for our primary products and our co-products, particularly corn oil; the availability of raw materials, including potato starch, tapioca, gum Arabic and the specific varieties of corn upon which some of our products are based, and our ability to pass on potential increases in the cost of corn or other raw materials to customers; raw material and energy costs and availability; our ability to contain costs, achieve budgets and to realize expected synergies, including with respect to our ability to complete planned maintenance and investment projects on time and on budget, and to achieve expected savings under our Cost Smart program as well as with respect to freight and shipping costs; the impact of financial and capital markets on our borrowing costs, including as a result of foreign currency fluctuations, fluctuations in interest and exchange rates and market volatility and the associated risks of hedging against such fluctuations; the potential effects of climate change; our ability to successfully identify and complete acquisitions or strategic alliances on favorable terms as well as our ability to successfully integrate acquired businesses or implement and maintain strategic alliances and achieve anticipated synergies with respect to all of the foregoing; operating difficulties at our manufacturing plants or with respect to boiler reliability; risks related to product safety and quality and compliance with environmental, health and safety, and food safety laws and regulations; economic, political and other risks inherent in operating in foreign countries with foreign currencies and shipping products between countries, including with respect to tariffs, quotas and duties; interruptions, security breaches or failures that might affect our information technology systems, processes and sites; our ability to maintain satisfactory labor relations; the impact that weather, natural disasters, war or similar acts of hostility, acts and threats of terrorism, the outbreak or continuation of pandemics such as COVID-19 and other significant events could have on our business; the potential recognition of impairment charges on goodwill or long-lived assets; changes in our tax rates or exposure to additional income tax liabilities; and our ability to raise funds at reasonable rates to grow and expand our operations.

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, 2019 and Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2020 and in our subsequent reports on Form 10-Q and Form 8-K.

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