



Ingredion.

Be what's next.

First Quarter 2023 Earnings Call

Jim Zallie
President and CEO

James Gray
Executive Vice President and CFO



Non-GAAP Financial Measures

This presentation provides information about adjusted diluted earnings per share (“adjusted EPS”), adjusted operating income, adjusted effective income tax rate, and other financial measures (collectively, the “non-GAAP financial measures”) which are not measurements of financial performance calculated in accordance with U.S. generally accepted accounting principles (“GAAP”). We have provided a reconciliation of each of these non-GAAP financial measures to the most directly comparable GAAP financial measures in the appendix.



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 others, any statements regarding the Company’s expectations for second quarter 2023 net sales and operating income, full-year 2023 reported and adjusted EPS, net sales, reported and adjusted operating income, segment net sales and operating income, corporate costs, financing costs, reported and adjusted effective tax rate, cash from operations, capital expenditures, and any other statements regarding the Company’s prospects and its future operations, financial condition, volumes, cash flows, expenses or other financial items, including management’s plans or strategies and objectives for any of the foregoing and any assumptions, expectations or beliefs underlying any of 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 therein 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 beyond our control. Although we believe our expectations expressed or implied 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 risks and uncertainties, including effects of the conflict between Russia and Ukraine, including the impacts on the availability and prices of raw materials and energy supplies and volatility in foreign exchange and interest rates; changing consumption preferences relating to high fructose corn syrup and other products we make; 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, and the impact these factors may have on our sales volumes, the pricing of our products and our ability to collect our receivables from customers; future purchases of our products by major industries which we serve and from which we derive a significant portion of our sales, including, without limitation, the food, beverage, animal nutrition, and brewing industries; the impact of COVID-19 on our business, the demand for our products and our financial results; 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 gain market acceptance; 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; price fluctuations, supply chain disruptions, and shortages affecting inputs to our production processes and delivery channels, including raw materials, energy costs and availability and freight and logistics; our ability to contain costs, achieve budgets and realize expected synergies, including with respect to our ability to complete planned maintenance and investment projects on time and on budget as well as with respect to freight and shipping costs; operating difficulties at our manufacturing facilities and liabilities relating to product safety and quality; the effects of climate change and legal, regulatory, and market measures to address 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; economic, political and other risks inherent in conducting operations in foreign countries and in foreign currencies; the behavior of financial and capital markets, including with respect to foreign currency fluctuations, fluctuations in interest and exchange rates and market volatility and the associated risks of hedging against such fluctuations; the failure to maintain satisfactory labor relations; our ability to attract, develop, motivate, and maintain good relationships with our workforce; the impact on our business of natural disasters, war, threats or acts of terrorism, the outbreak or continuation of pandemics such as COVID-19, or the occurrence of other significant events beyond our control; the impact of impairment charges on our goodwill or long-lived assets; changes in government policy, law, or regulation and costs of legal compliance, including compliance with environmental regulation; changes in our tax rates or exposure to additional income tax liability; increases in our borrowing costs that could result from increased interest rates; our ability to raise funds at reasonable rates and other factors affecting our access to sufficient funds for future growth and expansion; security breaches with respect to information technology systems, processes, and sites; volatility in the stock market and other factors that could adversely affect our stock price; risks affecting the continuation of our dividend policy; and our ability to maintain effective internal control over financial reporting.

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” and other information included in our Annual Report on Form 10-K for the year ended December 31, 2022, and our subsequent reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission.



Jim Zallie

President and CEO

First Quarter 2023 Earnings Call
CEO Perspective

Exceptional start to the year with record, broad-based net sales and OI growth across both core and specialty ingredients

Q1 Net Sales



Absent FX impacts
+16%

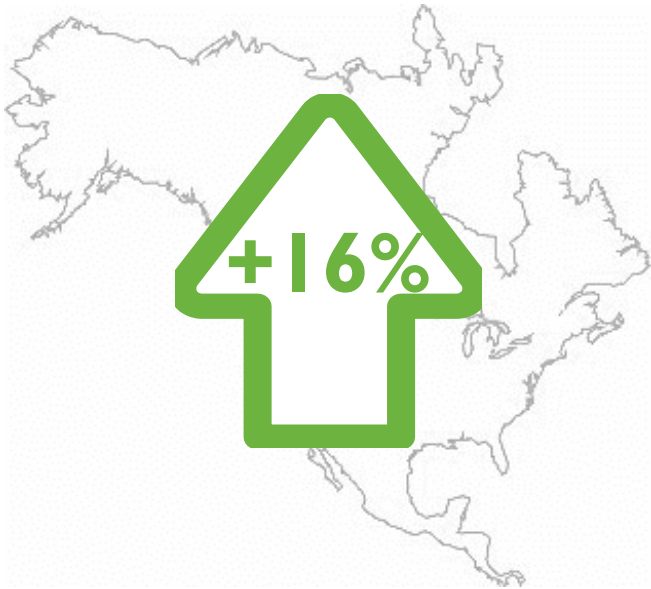
Q1 Adjusted Op Income



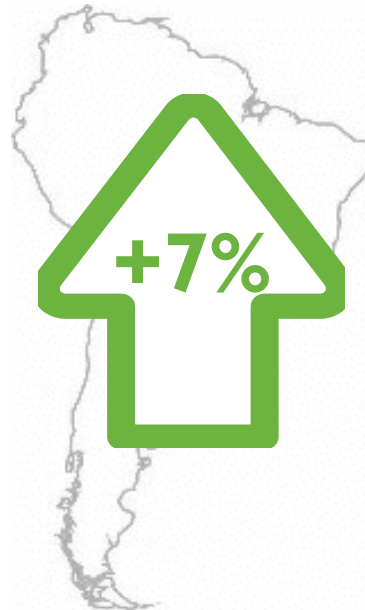
Absent FX impacts
+45%

Robust Q1 net sales performance across all regions

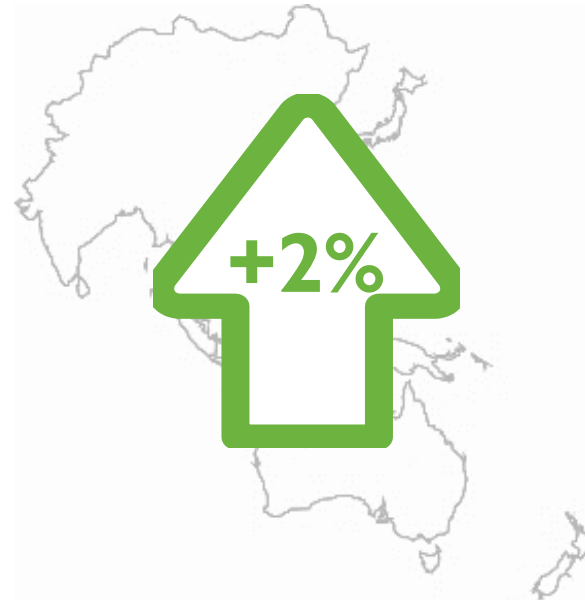
North America



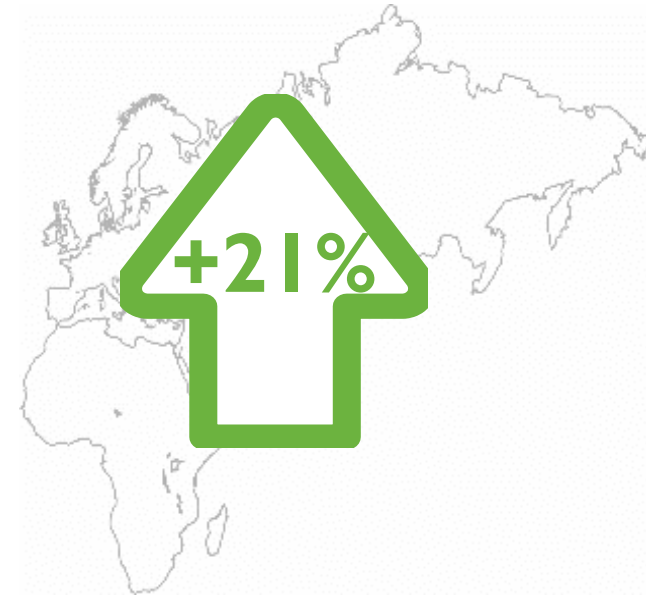
South America



Asia-Pacific



EMEA



Absent FX
Impacts

16%

12%

7%

36%

Continued execution against our strategic pillars

Specialties Growth

- Q1 global specialties net sales **grew double-digits**
- Strong Q1 net sales growth across growth platforms:
 - **Clean & Simple +20%**
 - **Texturizers +13%**



Commercial Excellence

- Fine-tuned Pricing Centers of Excellence to **optimize customer and product mix**
- Renewed expiring **multi-year contracts** to reflect current market pricing
- Continued to **upgrade core** ingredient mix



Cost Competitiveness through Operational Excellence

- **Improved service delivery** and increased specialty ingredient availability
- Supply chain **constraints eased**
- Addressing region-specific corn shortages and **mitigating risk** through global procurement network



Purpose-Driven and People-Centric Growth Culture

- **Rob Richie** appointed to the role of Senior Vice President, Food and Industrial Ingredients, Americas
- Recognized for the ninth time as one of the **2023 World's Most Ethical Companies** by Ethisphere
- Sixth consecutive year being named to the **Bloomberg Gender-Equality Index**



Specialty growth highlights

- All regions' specialty net sales up year-over-year
 - Favorable price mix partially offset by volume and FX
 - Customer inventory rebalancing drove softer Q1 volumes
- Stevia Reb M solutions continue to gain momentum
- 2022 Clean & Simple capacity expansion exceeding commercial growth expectations
- Net sales for KaTech systems up double digits vs PY
- Shandong expansion accelerating domestic China growth



Sustainability highlights



48%

of corn, tapioca, potato, stevia and pulses sustainably sourced

- **99%** of global waxy corn sustainably sourced



7%

reduction of CO2 in Brazil from:

- Conversion of two Brazilian plants to biomass boilers
- **100%** renewably sourced electricity in Brazil





James Gray

Executive Vice President and CFO

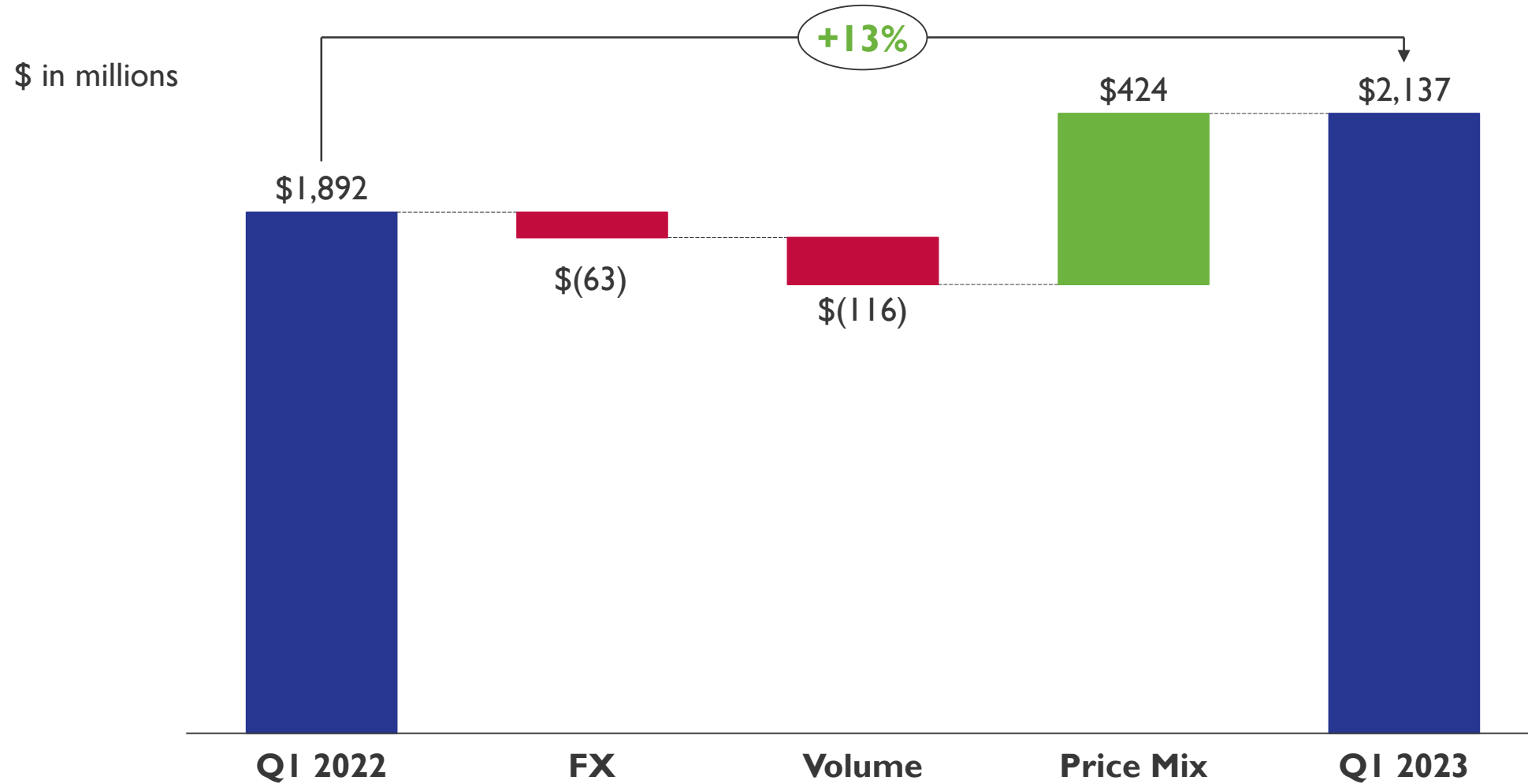
First Quarter 2023 Earnings Call
Financial Update

Q1 highlights: Income statement

\$ in millions, unless noted	Q1 2022	Q1 2023	Change
Net Sales	\$1,892	\$2,137	+13%
Gross Profit	\$379	\$487	+28%
<i>Gross Profit Margin</i>	20.0%	22.8%	280 bps
Reported Operating Income	\$210	\$291	+39%
Reported Diluted EPS	\$1.92	\$2.85	\$0.93/share
Adjusted Operating Income*	\$213	\$296	+39%
Adjusted Diluted EPS*	\$1.95	\$2.80	\$0.85/share

Q1: Net sales bridge

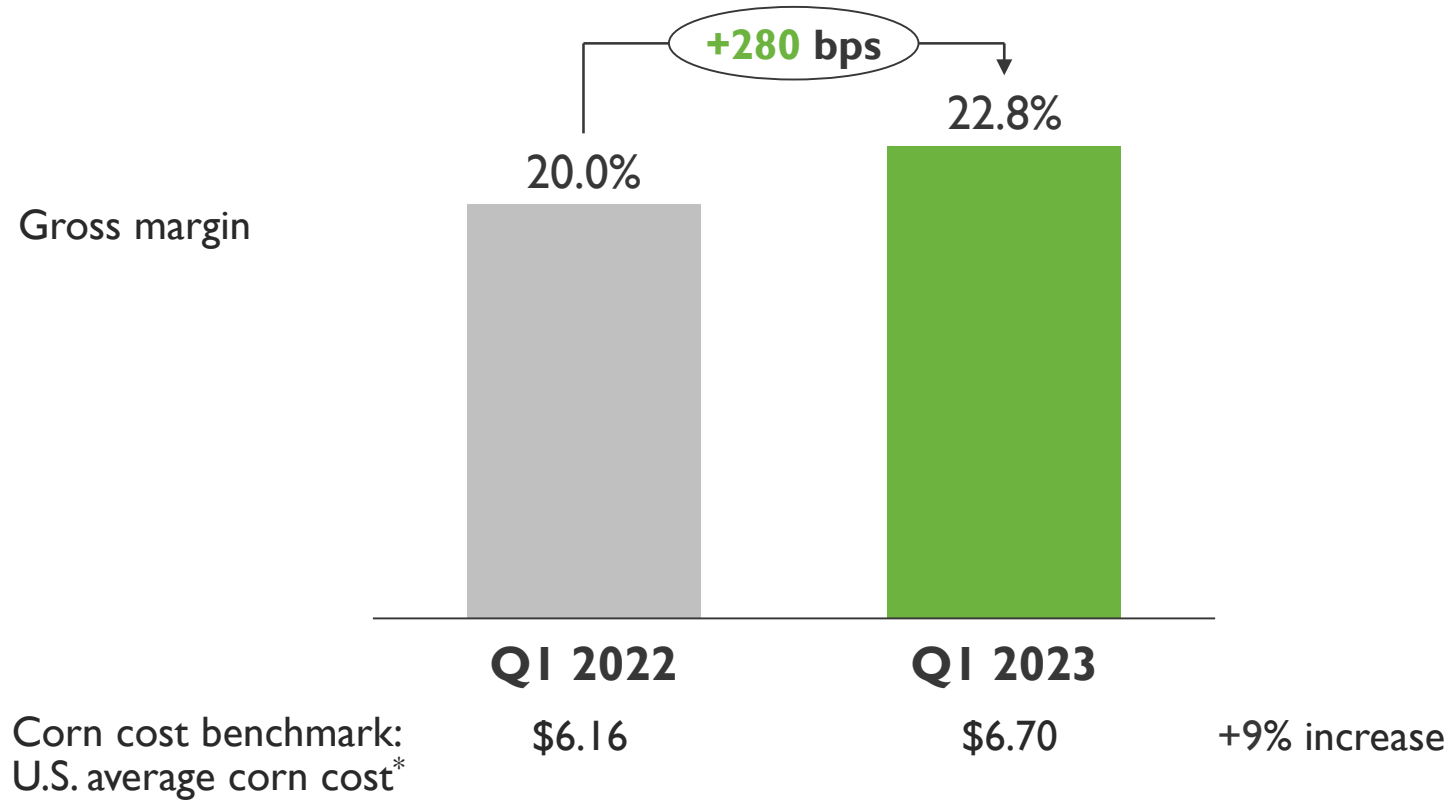
Strong growth demonstrating excellent price and customer mix management



Q1: Net sales variance by region

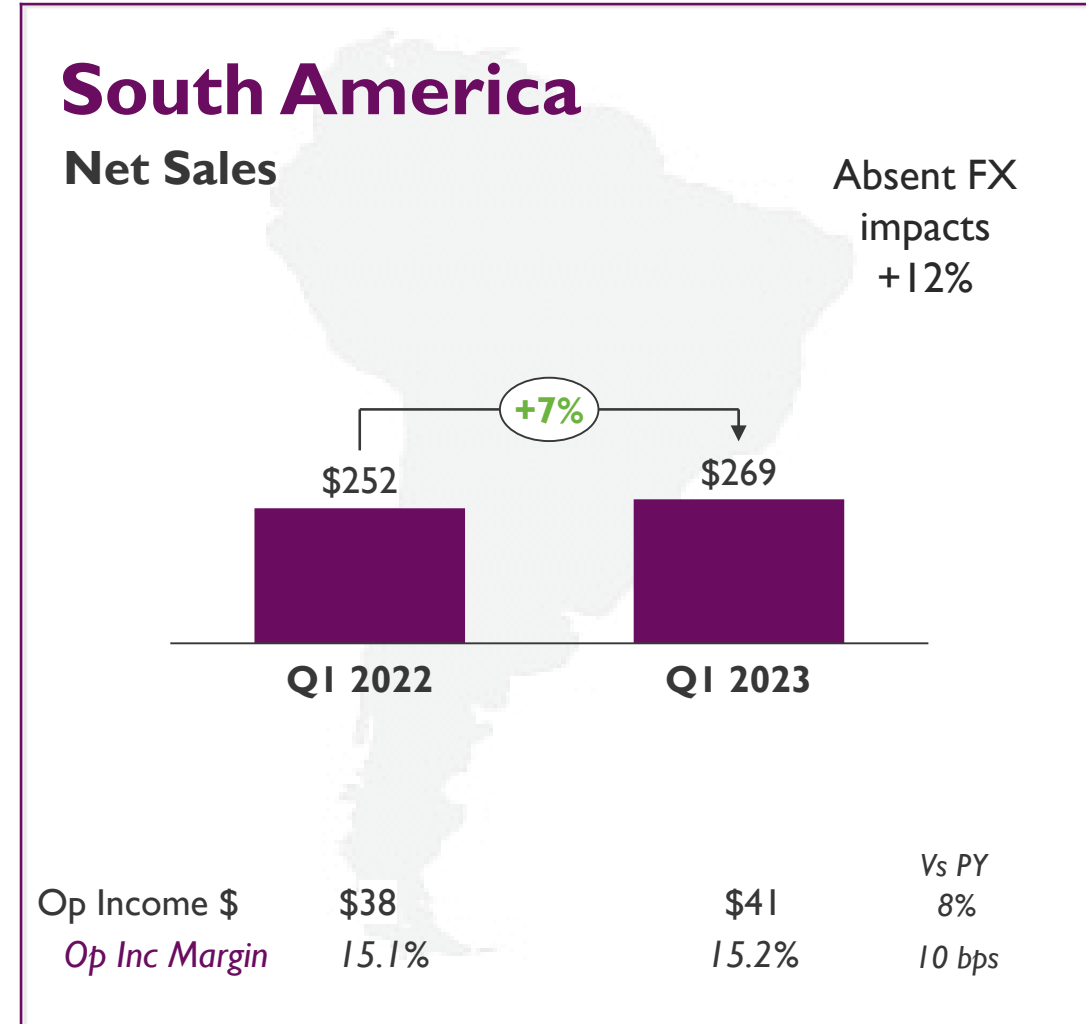
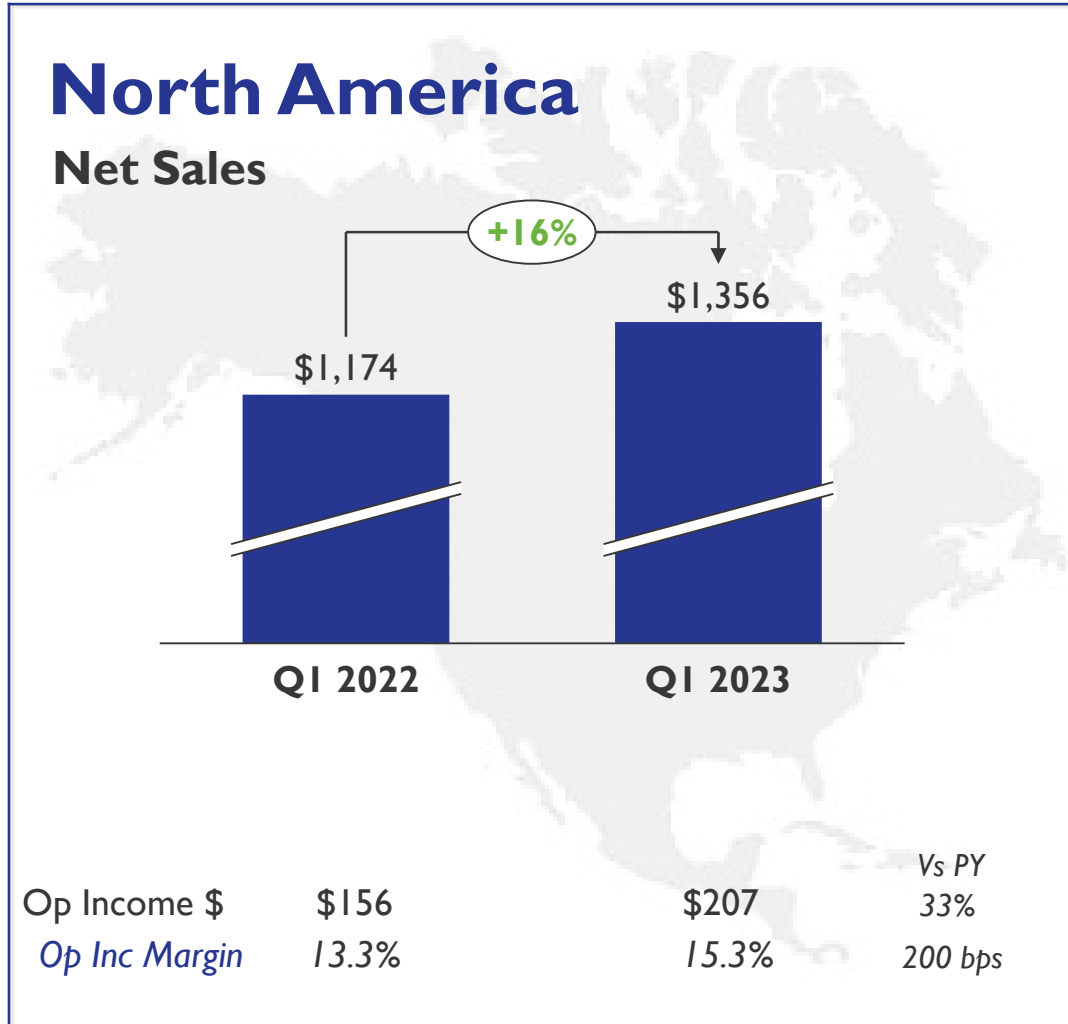
	Foreign Exchange	Volume	Price Mix	Net Sales Change
North America	0%	-7%	23%	16%
South America	-5%	-3%	15%	7%
Asia-Pacific	-5%	-9%	16%	2%
EMEA	-15%	-1%	37%	21%
Ingredion	-3%	-6%	22%	13%

Gross margin recovery due to revenue mix and cost management

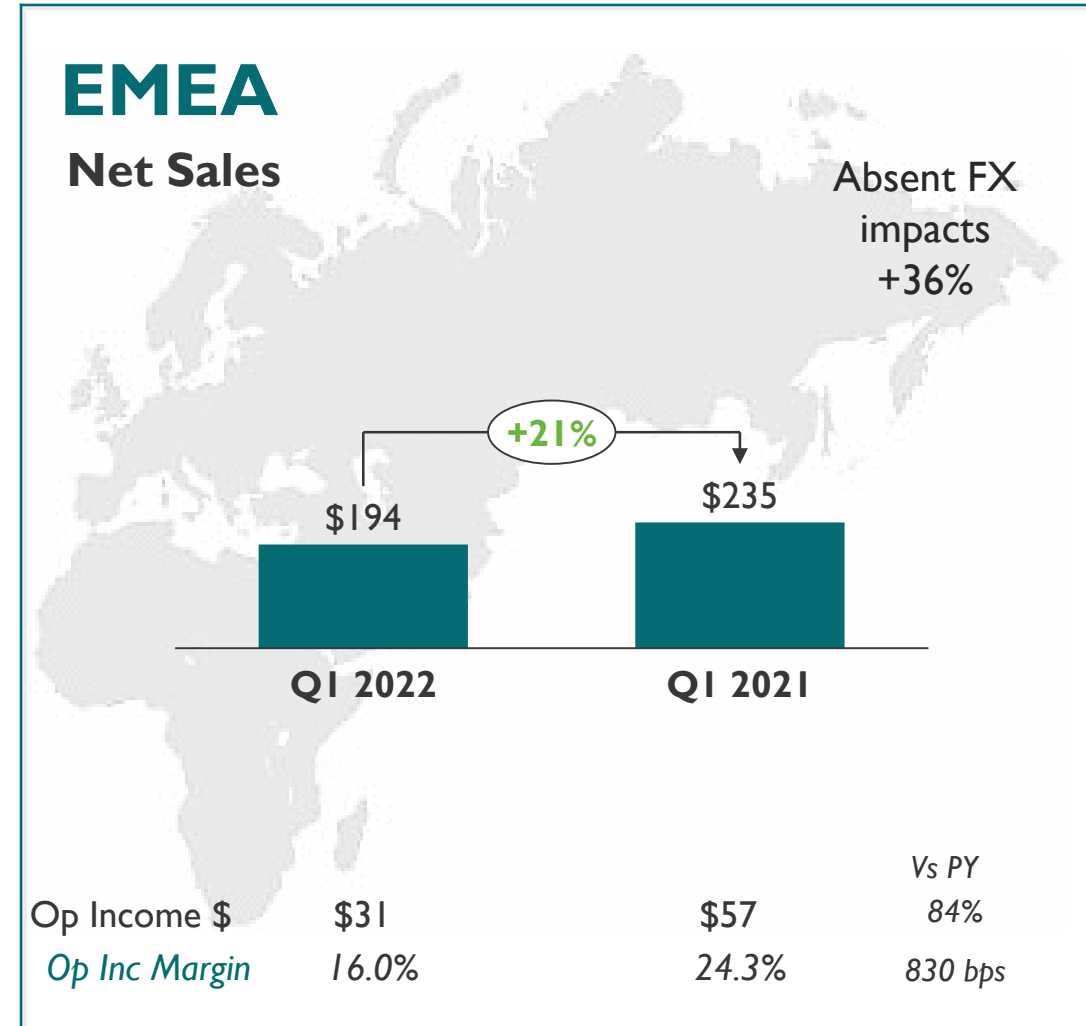
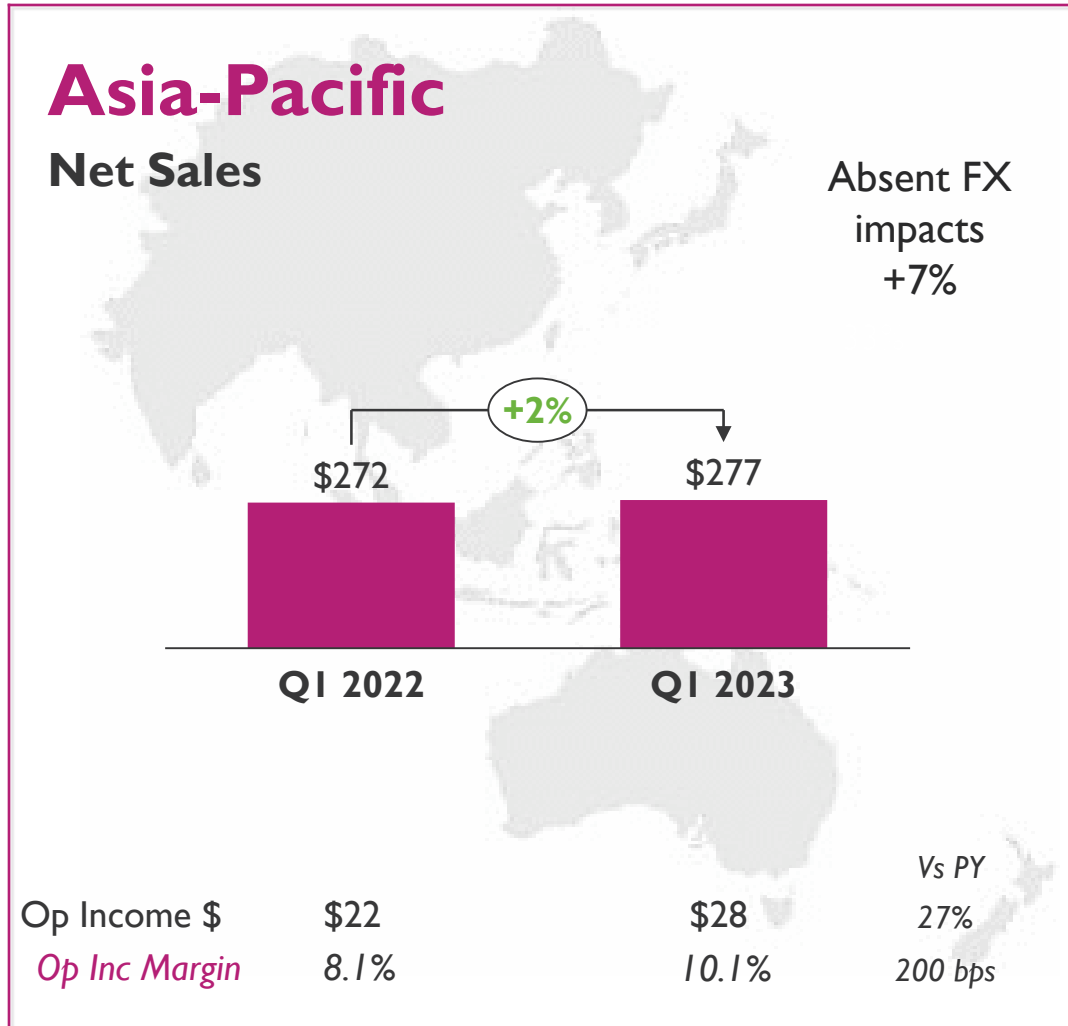


Record gross profit dollars; Q1 2023 up 28%

Q1 regional performance: North America and South America



Q1 regional performance: Asia-Pacific and EMEA



Q1 EPS bridge

Amounts are dollars/share	
2022 Reported Diluted EPS	\$ 1.92
<i>Impairment/Restructuring Costs</i>	<i>0.03</i>
<i>Acquisition/Integraion Costs</i>	<i>0.01</i>
<i>Discrete tax item and other matters</i>	<i>(0.01)</i>
2022 Adjusted Diluted EPS	\$ 1.95
2023 Adjusted Diluted EPS	\$ 2.80
<i>Impairment/Restructuring Costs</i>	<i>0.00</i>
<i>Acquisition/Integration Costs</i>	<i>0.00</i>
<i>Discrete tax item and other matters</i>	<i>0.05</i>
2023 Reported Diluted EPS	\$ 2.85


Margin	\$ 1.42
Volume	(0.36)
Foreign Exchange Rates	(0.12)
Other Income	(0.06)
Changes from Operations	\$ 0.88

Other Non-Operating Income	\$ (0.01)
Financing Costs	(0.09)
Non-controlling Interests	0.00
Tax Rate	0.05
Shares Outstanding	0.02
Non-Operational Changes	\$ (0.03)

Cash from operations and capital allocation

\$ millions	
Net Income	\$194
Depreciation and amortization	\$54
Working capital	\$(302)
Other	\$3
Cash from operations	\$(51)
Capital allocation	
Capital expenditures, net	\$(75)
To Shareholders	
Dividend payments to INGR Shareholders	\$(47)

Full year 2023 outlook

 <p>2023 Full year</p>	Net Sales	Up high single-digits to low double-digits
	Adjusted Operating Income*	Up high double-digits
	Financing costs	\$115 – \$130 million
	Adjusted effective tax rate*	27.0% – 28.5%
	Cash from operations	\$550 – \$650 million
	CAPEX	Approximately \$300 million
	Adjusted EPS*	\$8.70 to \$9.40
	Diluted weighted avg. shares outstanding	66.5 – 67.5 million shares

2023 Full year regional outlook and Q2 preview



North America

- Expect net sales to be up 5% – 10%
 - Expect operating income to be up 20% – 25%
-

South America

- Expect net sales to be flat to up 5%
 - Expect operating income to be flat to down mid-single digits
-

Asia-Pacific

- Expect net sales to be up 5% – 10%
 - Expect operating income to be up high double-digits
-

EMEA

- Expect net sales to be up 10% – 15%
 - Expect operating income to be up 40% – 50%
-



Ingredion

- Expect Q2 net sales to be up mid-single digits and operating income to be up low double digits to mid-double digits

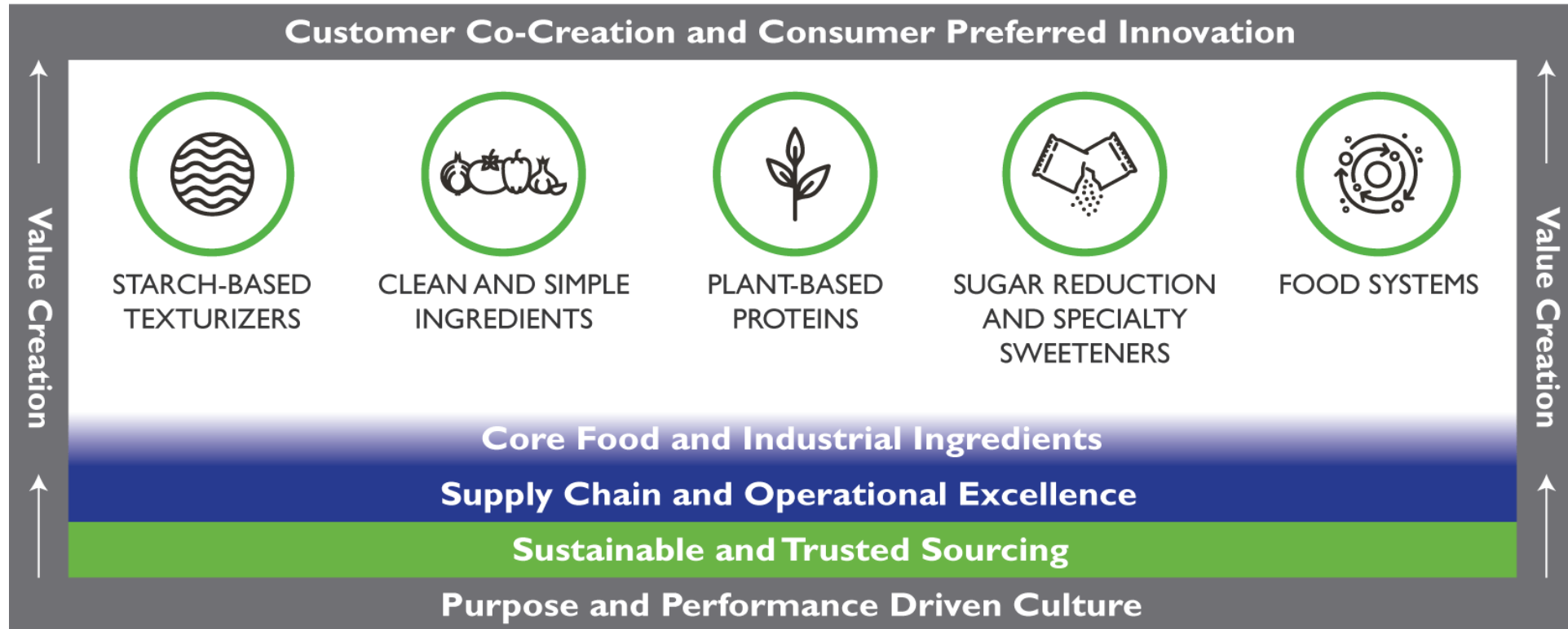
Great start to 2023 and raising FY outlook

- Strong operational execution for first quarter
- Raising full-year profit guidance to reflect:
 - Effective customer and price mix management
 - Cost efficiency opportunities going forward
 - Customer inventories expected to normalize
 - Volumes expected to steadily pick up throughout the second half
- Continued opportunities to invest in our specialty ingredients portfolio for long-term value creation



Q&A

DRIVINGGROWTH



Upcoming investor activities

New York non-deal roadshow

May 16, 2023

BMO Farm-to-Market Conference

May 17, 2023



Appendix

Non-GAAP Information

To supplement the consolidated financial results prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), we use non-GAAP historical financial measures, which exclude certain GAAP items such as acquisition and integration costs, restructuring and impairment costs, Mexico tax (benefit) provision, and other specified items. We generally use 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 our 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 GAAP. Non-GAAP financial measures are not prepared in accordance with GAAP; so our non-GAAP information is not necessarily comparable to similarly titled measures presented by other companies. A reconciliation of each non-GAAP financial measure to the most comparable GAAP measure is provided in the tables below.



Reconciliation of GAAP net income and diluted earnings per share (EPS) to non-GAAP adjusted net income and adjusted diluted EPS

	Three Months Ended March 31, 2023		Three Months Ended March 31, 2022	
	(in millions)	Diluted EPS	(in millions)	Diluted EPS
Net income attributable to Ingredion	\$ 191	\$ 2.85	\$ 130	\$ 1.92
Add back:				
Acquisition/integration costs (i)	—	—	1	0.01
Restructuring/impairment charges (ii)	—	—	2	0.03
Other matters (iii)	4	0.06	—	—
Tax item - Mexico (iv)	(7)	(0.11)	(1)	(0.01)
Non-GAAP adjusted net income attributable to Ingredion	<u>\$ 188</u>	<u>\$ 2.80</u>	<u>\$ 132</u>	<u>\$ 1.95</u>

Totals may not foot due to rounding



Reconciliation of GAAP net income and diluted earnings per share (EPS) to non-GAAP adjusted net income and adjusted diluted EPS (continued)

Notes

- (i) During the first quarter of 2022, we recorded pre-tax acquisition and integration charges of \$1 million for our acquisition and integration of KaTech, as well as our investment in the Argentina joint venture.
- (ii) During the first quarter of 2022, we recorded \$2 million of remaining pre-tax restructuring-related charges for the Cost Smart programs.
- (iii) During the first quarter of 2023, we recorded pre-tax charges of \$5 million primarily related to the impacts of a U.S.-based work stoppage.
- (iv) We recorded tax benefits of \$7 million and \$1 million for the first quarter of 2023 and 2022, respectively, as a result of the movement of the Mexican peso against the U.S. dollar and its impact on the remeasurement of our Mexico financial statements during the periods.

Reconciliation of GAAP operating income to non-GAAP adjusted operating income

(in millions, pre-tax)	Three Months Ended March	
	31,	
	2023	2022
Operating income	\$ 291	\$ 210
Add back:		
Acquisition/integration costs (i)	-	1
Restructuring/impairment charges (ii)	-	2
Other matters (iii)	5	-
Non-GAAP adjusted operating income	<u>\$ 296</u>	<u>\$ 213</u>

For notes (i) through (iii), see notes (i) through (iii) included in the Reconciliation of GAAP Net Income attributable to Ingredion and Diluted EPS to Non-GAAP Adjusted Net Income attributable to Ingredion and Adjusted Diluted EPS.

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

Three Months Ended March 31, 2023

(in millions)	Income before Income Taxes (a)	Provision for Income Taxes (b)	Effective Income Tax Rate (b/a)
As Reported	\$ 259	\$ 65	25.1%
Add back:			
Other matters (iii)	5	1	
Tax item - Mexico (iv)	—	7	
Adjusted Non-GAAP	<u>\$ 264</u>	<u>\$ 73</u>	27.7%

Totals may not foot due to rounding

Reconciliation of GAAP effective income tax rate to non-GAAP adjusted effective income tax rate, cont'd

(in millions)	Three Months Ended March 31, 2022		
	Income before Income Taxes (a)	Provision for Income Taxes (b)	Effective Income Tax Rate (b/a)
As Reported	\$ 187	\$ 54	28.9%
Add back:			
Acquisition/integration costs (i)	1	—	
Restructuring/impairment charges (ii)	2	—	
Tax item - Mexico (iv)	—	1	
Adjusted Non-GAAP	<u>\$ 190</u>	<u>\$ 55</u>	28.9%

For notes (i) through (iv), see notes (i) through (iv) included in the Reconciliation of GAAP Net Income attributable to Ingredion and Diluted EPS to Non-GAAP Adjusted Net Income attributable to Ingredion and Adjusted Diluted EPS.

Reconciliation of anticipated GAAP diluted earnings per share to anticipated non-GAAP adjusted diluted earnings per share

	Expected EPS Range for Full-Year 2023	
	Low End of Guidance	High End of Guidance
GAAP EPS	\$ 8.85	\$ 9.35
Add:		
Other matters (i)	0.06	0.06
Tax item - Mexico (ii)	(0.21)	(0.01)
Adjusted EPS	<u>\$ 8.70</u>	<u>\$ 9.40</u>

Above is a reconciliation of our expected full-year 2023 diluted EPS to our expected full-year 2023 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, adjustments to GAAP EPS for acquisition and integration costs, impairment and restructuring costs, and certain other items. We generally exclude these adjustments from our adjusted EPS guidance. For these reasons, we are more confident in our ability to forecast adjusted EPS than we are in our ability to forecast GAAP EPS.

These adjustments to GAAP EPS for 2023 include the following:

- i. Charges primarily related to the impacts of a U.S.-based work stoppage.
- ii. Tax (benefit) as a result of the movement of the Mexican peso against the U.S. dollar and its impact on the remeasurement of the Company's Mexico financial statements during the period.

Reconciliation of reported GAAP effective tax rate to anticipated non-GAAP adjusted effective income tax rate

	Expected Effective Tax Rate Range for Full-Year 2023	
	Low End of Guidance	High End of Guidance
GAAP ETR	25.0%	28.0%
Add:		
Other matters (i)	0.3%	0.3%
Tax item - Mexico (ii)	1.7%	0.2 %
Adjusted ETR	<u>27.0%</u>	<u>28.5%</u>

Above is a reconciliation of our expected full-year 2023 GAAP ETR to our expected full-year 2023 adjusted ETR. 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, adjustments to GAAP ETR for other matters and certain other tax items. We generally exclude these adjustments from our adjusted ETR guidance. For these reasons, we are more confident in our ability to forecast adjusted ETR than we are in our ability to forecast GAAP ETR.

These adjustments to GAAP ETR for 2023 include the following:

- i. Tax impact primarily on charges related to the impacts of a U.S.-based work stoppage.
- ii. Tax benefit as a result of the movement of the Mexican peso against the U.S. dollar and its impact to the remeasurement of our Mexico financial statements during the period.

Totals may not foot due to rounding