UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

x **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2023
or

o **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-13397

Ingredion Incorporated

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

22-3514823
(I.R.S. Employer Identification No.)

5 Westbrook Corporate Center Westchester, Illinois	**60154**
(Address of principal executive offices)	(Zip Code)

(708) 551-2600
Registrant's telephone number, including area code)
Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	INGR	New York Stock Exchange

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes x No o

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	x	Accelerated filer	o
Non-accelerated filer	o	Smaller reporting company	o
		Emerging growth company	o

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes o No x

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 3, 2023
Common Stock, $0.01 par value	65,192,468 shares

INGREDION INCORPORATED
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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

Ingredion Incorporated
Condensed Consolidated Statements of Income
(Unaudited)

(in millions, except per share amounts)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net sales	$ 2,033	$ 2,023	$ 6,239	$ 5,959
Cost of sales	1,612	1,649	4,890	4,816
Gross profit	421	374	1,349	1,143
Operating expenses	203	180	578	528
Other operating (income) expense	(5)	10	6	4
Restructuring/impairment charges	10	2	10	6
Operating income	213	182	755	605
Financing costs	26	24	88	65
Other non-operating expense (income)	2	(3)	4	(4)
Income before income taxes	185	161	663	544
Provision for income taxes	25	52	145	157
Net income	160	109	518	387
Less: Net income attributable to non-controlling interests	2	3	6	9
Net income attributable to Ingredion	$ 158	$ 106	$ 512	$ 378
Weighted average common shares outstanding:				
Basic	66.0	65.8	66.1	66.4
Diluted	67.0	66.6	67.1	67.1
Earnings per common share of Ingredion:				
Basic	$ 2.39	$ 1.61	$ 7.75	$ 5.69
Diluted	$ 2.36	$ 1.59	$ 7.63	$ 5.63

See the Notes to the Condensed Consolidated Financial Statements.

Ingredion Incorporated
Condensed Consolidated Statements of Comprehensive Income (Loss)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
Net income	$ 160	$ 109	$ 518	$ 387
Other comprehensive income:				
(Losses) gains on cash flow hedges, net of income tax effect of $1, $19, $32 and $66, respectively	(5)	56	(91)	188
Losses (gains) on cash flow hedges reclassified to earnings, net of income tax effect of $10, $18, $11 and $52, respectively	24	(55)	25	(149)
(Losses) on pension and other postretirement obligations, net of income tax effect of $—, $—, $1, and $—, respectively	—	—	(1)	—
Losses related to pension and other postretirement obligations reclassified to earnings, net of income tax effect of $—	1	1	1	1
Currency translation adjustment	(45)	(114)	(30)	(195)
Comprehensive income (loss)	135	(3)	422	232
Less: Comprehensive income (loss) attributable to non-controlling interests	2	(2)	(2)	(4)
Comprehensive income (loss) attributable to Ingredion	$ 133	$ (1)	$ 424	$ 236

See the Notes to the Condensed Consolidated Financial Statements.

Ingredion Incorporated
Condensed Consolidated Balance Sheets

(in millions, except share and per share amounts)	September 30, 2023	December 31, 2022
	(Unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	$ 335	$ 236
Short-term investments	6	3
Accounts receivable, net	1,380	1,411
Inventories	1,502	1,597
Prepaid expenses	66	62
Total current assets	3,289	3,309
Property, plant and equipment, net of accumulated depreciation of $3,455 and $3,326, respectively	2,401	2,407
Intangible assets, net of accumulated amortization of $291 and $275, respectively	1,296	1,301
Other assets	563	544
Total assets	$ 7,549	$ 7,561
Liabilities and equity		
Current liabilities:		
Short-term borrowings	$ 466	$ 543
Accounts payable and accrued liabilities	1,202	1,339
Total current liabilities	1,668	1,882
Long-term debt	1,940	1,940
Other non-current liabilities	474	477
Total liabilities	4,082	4,299
Share-based payments subject to redemption	49	48
Redeemable non-controlling interests	41	51
Ingredion stockholders' equity:		
Preferred stock — authorized 25,000,000 shares — $0.01 par value, none issued	—	—
Common stock — authorized 200,000,000 shares — $0.01 par value, 77,810,875 issued at September 30, 2023 and December 31, 2022	1	1
Additional paid-in capital	1,143	1,132
Less: Treasury stock (common stock: 12,623,174 and 12,116,920 shares at September 30, 2023 and December 31, 2022, respectively) at cost	(1,211)	(1,148)
Accumulated other comprehensive loss	(1,144)	(1,048)
Retained earnings	4,575	4,210
Total Ingredion stockholders' equity	3,364	3,147
Non-redeemable non-controlling interests	13	16
Total equity	3,377	3,163
Total liabilities and equity	$ 7,549	$ 7,561

See the Notes to the Condensed Consolidated Financial Statements.

Ingredion Incorporated
Condensed Consolidated Statements of Equity and Redeemable Equity
(Unaudited)

	Total Equity								
(in millions)	Preferred Stock	Common Stock	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Non-Redeemable Non-Controlling Interests	Share-based Payments Subject to Redemption	Redeemable Non-Controlling Interests
Balance, December 31, 2022	$ —	$ 1	$ 1,132	$ (1,148)	$ (1,048)	$ 4,210	$ 16	$ 48	$ 51
Net income attributable to Ingredion						512			
Net income attributable to non-controlling interests							6		
Dividends declared						(147)	(2)		
Repurchases of common stock				(101)					
Share-based compensation, net of issuance			4	38				1	
Fair market value adjustment to non-controlling interests			7						(7)
Non-controlling interest purchases									(2)
Other comprehensive (loss)					(96)		(7)		(1)
Balance, September 30, 2023	$ —	$ 1	$ 1,143	$ (1,211)	$ (1,144)	$ 4,575	$ 13	$ 49	$ 41

	Total Equity								
(in millions)	Preferred Stock	Common Stock	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Non-Redeemable Non-Controlling Interests	Share-based Payments Subject to Redemption	Redeemable Non-Controlling Interests
Balance, December 31, 2021	$ —	$ 1	$ 1,158	$ (1,061)	$ (897)	$ 3,899	$ 18	$ 36	$ 71
Net income attributable to Ingredion						378			
Net income attributable to non-controlling interests							7		2
Dividends declared						(134)	(4)		
Repurchases of common stock, net				(112)					
Share-based compensation, net of issuance			4	14				7	
Fair market value adjustment to non-controlling interests			(29)						29
Non-controlling interest purchases									(40)
Other comprehensive (loss)					(155)		(7)		(6)
Balance, September 30, 2022	$ —	$ 1	$ 1,133	$ (1,159)	$ (1,052)	$ 4,143	$ 14	$ 43	$ 56

See the Notes to the Condensed Consolidated Financial Statements.

Ingredion Incorporated
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine Months Ended September 30,	
(in millions)	**2023**	**2022**
Cash provided by operating activities		
Net income	$ 518	$ 387
Non-cash charges to net income:		
Depreciation and amortization	165	160
Mechanical stores expense	48	42
Deferred income taxes	(7)	(3)
Other non-cash charges	52	41
Changes in working capital:		
Accounts receivable and prepaid expenses	(6)	(276)
Inventories	61	(401)
Accounts payable and accrued liabilities	(173)	99
Margin accounts	2	(11)
Other	(13)	42
Cash provided by operating activities	647	80
Cash used for investing activities		
Capital expenditures and mechanical stores purchases	(233)	(203)
Proceeds from disposal of manufacturing facilities and properties	2	7
Payments for acquisitions, net of cash acquired	—	(7)
Other	(11)	1
Cash used for investing activities	(242)	(202)
Cash (used for) provided by financing activities		
Proceeds from borrowings	636	376
Payments on debt	(652)	(342)
Commercial paper borrowings, net	(57)	372
Repurchases of common stock, net	(101)	(112)
Issuances of common stock for share-based compensation, net	18	1
Purchases of non-controlling interests	(2)	(40)
Dividends paid, including to non-controlling interests	(143)	(133)
Cash (used for) provided by financing activities	(301)	122
Effects of foreign exchange rate changes on cash	(5)	(34)
Increase (decrease) in cash and cash equivalents	99	(34)
Cash and cash equivalents, beginning of period	236	328
Cash and cash equivalents, end of period	$ 335	$ 294

See the Notes to the Condensed Consolidated Financial Statements.

Ingredion Incorporated
Notes to Condensed Consolidated Financial Statements

1. Interim Financial Statements

References to the "Company," "Ingredion," "we," "us," and "our" shall mean Ingredion Incorporated ("Ingredion") individually and together with its consolidated subsidiaries. These statements should be read in conjunction with the consolidated financial statements and the related notes to those statements contained in Ingredion's Annual Report on Form 10-K for the year ended December 31, 2022.

The unaudited Condensed Consolidated Financial Statements as of September 30, 2023 and for the three and nine months ended September 30, 2023 and 2022 included herein were prepared by management on the same basis as Ingredion's audited Consolidated Financial Statements for the year ended December 31, 2022 and reflect all adjustments (consisting solely of normal recurring items unless otherwise noted) that are, in the opinion of management, necessary for the fair presentation of the Condensed Consolidated Statements of Income, Condensed Consolidated Statements of Comprehensive Income (Loss), Condensed Consolidated Balance Sheets, Condensed Consolidated Statements of Equity and Redeemable Equity, and Condensed Consolidated Statements of Cash Flows. The results for the interim period are not necessarily indicative of the results expected for the full year or any other future period.

2. Summary of Significant Accounting Standards and Policies

For detailed information about Ingredion's significant accounting standards and policies, see Note 1 of the Notes to the Consolidated Financial Statements included in Ingredion's Annual Report on Form 10-K for the year ended December 31, 2022.

New Accounting Standards

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2020-04, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. The amendments in this update provide optional guidance for a limited period of time to ease the potential burden in accounting for (or recognizing the effects of) reference rate reform on financial reporting. The amendments in this update are effective for all entities as of March 12, 2020 through December 31, 2024. We adopted ASU 2020-04 at the beginning of our 2023 fiscal year and this ASU did not have a material impact on our Condensed Consolidated Financial Statements.

In September 2022, the FASB issued ASU No. 2022-04, *Liabilities - Supplier Finance Programs (Subtopic 405-50): Disclosure of Supplier Finance Program Obligations*. The amendments require filers to disclose information about supplier finance programs that is sufficient to allow financial statement users to understand their nature, activity during the period, changes from period to period and potential magnitude. The amendments in this update are effective for annual periods beginning after December 15, 2022, except for the amendment on rollforward information, which is effective for fiscal years beginning after December 15, 2023. We adopted the updates to the standard at the beginning of our 2023 fiscal year and will adopt the amendment on rollforward information in the future. These updates did not have a material impact to our Condensed Consolidated Balance Sheets. The disclosure required by the recently adopted accounting standard is reflected in Note 13 of the Notes to Condensed Consolidated Financial Statements. We are currently assessing the impact of the rollforward information amendment on our Condensed Consolidated Financial Statements.

In August 2023, the FASB issued ASU No. 2023-05, *Business Combinations - Joint Venture Formations (Subtopic 805-60).* The amendments in this update require that a joint venture apply a new basis of accounting upon formation. By applying a new basis of accounting, a joint venture, upon formation, will recognize and initially measure its assets and liabilities at fair value (with exceptions to fair value measurement that are consistent with the business combinations guidance). The amendments in this ASU are effective prospectively for all joint venture formations with a formation date on or after January 1, 2025. A joint venture that was formed before January 1, 2025 may elect to apply the amendments retrospectively. We plan to adopt this ASU on a prospective basis at the beginning of our 2025 fiscal year and do not believe it will have a material impact on our Condensed Consolidated Financial Statements.

3. Acquisitions

PureCircle Non-Controlling Interests

During the quarter ended September 30, 2023, Ingredion purchased shares from minority shareholders in PureCircle Limited ("PureCircle") for $2 million. These purchases increased our ownership percentage from 87 percent as of December 31, 2022 to 88 percent as of September 30, 2023.

During the three and nine months ended September 30, 2022, Ingredion purchased shares from minority shareholders in PureCircle for $13 million and $40 million, respectively. These purchases increased our ownership percentage in PureCircle from 75 percent as of December 31, 2021, to 85 percent as of September 30, 2022.

Other Acquisitions

On December 1, 2022, we acquired a 65 percent controlling interest in Mannitab Pharma Specialties Private Limited ("Mannitab"), an Indian manufacturer of spray dried and fine grade mannitol, for $22 million. We agreed to acquire the remaining 35 percent of Mannitab on or before March 2026. We recorded $19 million of goodwill and $9 million of definite-lived intangible assets on our Condensed Consolidated Financial Statements to reflect our controlling interest in Mannitab. Beginning at the acquisition date, our Condensed Consolidated Financial Statements reflect the effects of the acquisition and Mannitab's financial results, which we report in our Asia-Pacific reportable business segment.

On August 1, 2022, we acquired Amishi Drugs and Chemicals Private Limited ("Amishi") for $7 million, which added $3 million of goodwill and intangible assets to our Condensed Consolidated Financial Statements. Amishi is an Indian manufacturer of chemically modified starch-based pharmaceutical excipients. Beginning at the acquisition date, our Condensed Consolidated Financial Statements reflect the effects of the acquisition and Amishi's financial results, which we report in our Asia-Pacific reportable business segment.

4. Intangible Assets

Goodwill represents the excess of the cost of an acquired entity over the fair value assigned to identifiable assets acquired and liabilities assumed.

The original carrying value of goodwill and accumulated impairment charges by reportable business segment at September 30, 2023 are as follows:

(in millions)	North America	South America	Asia-Pacific	EMEA	Total
Goodwill before impairment charges	$ 623	$ 49	$ 311	$ 72	$ 1,055
Accumulated impairment charges	(1)	(33)	(121)	—	(155)
Balance at December 31, 2022	622	16	190	72	900
Acquisition	—	—	19	—	19
Currency translation	—	1	(11)	(1)	(11)
Balance at September 30, 2023	$ 622	$ 17	$ 198	$ 71	$ 908

The following table summarizes the balances of Ingredion's indefinite-lived intangible assets as of:

(in millions)	September 30, 2023	December 31, 2022
Trademarks/tradenames	$ 143	$ 143

Ingredion assesses goodwill and indefinite-lived intangible assets for impairment annually (or more frequently if impairment indicators arise). Based on the results of our assessment as of July 1, 2023, there were no impairments in our goodwill or indefinite-lived intangible assets.

5. Investments

Investments consisted of the following as of:

(in millions)	September 30, 2023	December 31, 2022
Equity investments	$ 27	$ 23
Equity method investments	101	113
Marketable securities	4	3
Total investments	$ 132	$ 139

Our investments classified as equity investments do not have readily determinable fair values. Beginning on the dates we entered into the agreements for equity method investments, our share of income from them is included within Other operating (income) expense in the Condensed Consolidated Statements of Income. During the third quarter of 2023, we recorded a $10 million other-than-temporary-impairment on our equity method investments, included in Restructuring/impairment charges in the Condensed Consolidated Statements of Income.

Argentina Joint Venture

On February 12, 2021, Ingredion entered into an agreement with an affiliate of Grupo Arcor, an Argentine food company, to establish Ingrear Holding S.A. (the “Argentina joint venture”), a joint venture to sell value-added ingredients to customers in the food, beverage, pharmaceutical and other industries in Argentina, Chile and Uruguay. Ingredion and Grupo Arcor have completed all closing conditions, pending customary antitrust review, to combine the manufacturing facilities, finalize the transaction and formally establish the Argentina joint venture, which is managed by a jointly appointed team of executives.

6. Derivative Instruments and Hedging Activities

We are exposed to market risk stemming from changes in commodity prices (primarily corn and natural gas), foreign currency exchange rates and interest rates. In the normal course of business, we actively manage our exposure to these market risks by entering various hedging transactions authorized under established policies that place controls on these activities. These transactions utilize exchange-traded derivatives or over-the-counter derivatives with investment grade counterparties. We use derivative financial instruments that consist of commodity-related futures, options and swap contracts, foreign currency-related forward contracts, interest rate swaps and treasury locks (“T-Locks”).

Commodity price hedging: Our principal use of derivative financial instruments is to manage commodity price risk relating to anticipated purchases of corn and natural gas that we intend to use in the manufacturing process, generally over the next 12 to 24 months. We maintain a commodity-price risk management strategy that uses derivative instruments to minimize significant, unanticipated earnings fluctuations caused by commodity-price volatility. To manage price risk related to corn purchases primarily in North America, we use corn futures and option contracts that trade on regulated commodity exchanges to lock in corn costs associated with fixed-priced customer sales contracts. We use soybean oil and soybean meal futures contracts in North America that trade on regulated commodity exchanges to hedge sales of our co-products. We also use over-the-counter natural gas swaps primarily in North America to hedge a portion of our natural gas usage. These derivative financial instruments limit the impact that volatility resulting from fluctuations in market prices will have on corn and natural gas purchases, as well as co-product sales. Our natural gas, soybean meal and the majority of our corn and soybean oil derivatives have been designated as cash flow hedging instruments.

For certain corn derivative instruments that are not designated as hedging instruments for accounting purposes, all realized and unrealized gains and losses from these instruments are recognized in cost of sales during each accounting period. We enter these derivative instruments to further mitigate commodity price risk related to anticipated purchases of corn. During the three and nine months ended September 30, 2023, we recognized an insignificant amount and a $1 million gain, respectively, on non-designated commodity contracts. During the three and nine months ended September 30, 2022, we recognized a $3 million gain and $2 million gain, respectively, on non-designated commodity contracts.

For commodity hedges designated as cash flow hedges, unrealized gains and losses associated with marking the commodity hedging contracts to market (fair value) are recorded as a component of other comprehensive loss (“OCL”) and included in the equity section of the Condensed Consolidated Balance Sheets as part of accumulated other comprehensive loss ("AOCL"). These amounts, as well as their related tax effects, are subsequently reclassified into earnings in the same line item affected by the hedged transaction and in the same period or periods during which the hedged transaction affects earnings, or in the period a hedge is determined to be ineffective. We assess the effectiveness of a commodity hedge contract based on changes in the contract's fair value. The changes in the market value of such contracts have historically been, and are expected to continue to be, highly effective at offsetting changes in the price of the hedged items. Gains and losses from cash flow hedging instruments reclassified from AOCL to earnings are reported as Cash provided by operating activities on the Condensed Consolidated Statements of Cash Flows.

We had outstanding futures and option contracts that hedged the forecasted purchase of approximately 58 million and 120 million bushels of corn as of September 30, 2023 and December 31, 2022, respectively. We also had outstanding swap contracts that hedged the forecasted purchase of approximately 30 million and 31 million mmbtus of natural gas as of September 30, 2023 and December 31, 2022, respectively.

Foreign currency hedging: Due to our global operations, including operations in many emerging markets, we are exposed to fluctuations in foreign currency exchange rates. As a result, we have exposure to translational foreign-exchange risk when the results of our foreign operations are translated to U.S. dollars and to transactional foreign-exchange risk when transactions not denominated in the functional currency are revalued. Our foreign-exchange risk management strategy uses derivative financial instruments such as foreign currency forward contracts, swaps and options to manage our transactional foreign exchange risk. We enter into foreign currency derivative instruments that are designated as cash flow hedging instruments as well as instruments not designated as hedging instruments for accounting purposes in order to mitigate transactional foreign-exchange risk. Gains and losses from derivative financial instruments not designated as hedging instruments for accounting purposes are marked to market in earnings during each period.

We hedge certain assets using foreign currency derivatives not designated as hedging instruments, which had a notional value of $463 million and $405 million as of September 30, 2023 and December 31, 2022, respectively. We also hedge certain liabilities using foreign currency derivatives not designated as hedging instruments, which had a notional value of $238 million and $239 million as of September 30, 2023 and December 31, 2022, respectively.

We hedge certain assets using foreign currency cash flow hedging instruments, which had a notional value of $594 million and $668 million as of September 30, 2023 and December 31, 2022, respectively. We also hedge certain liability positions using foreign currency cash flow hedging instruments, which had a notional value of $769 million and $840 million as of September 30, 2023 and December 31, 2022, respectively.

Interest rate hedging: We assess our exposure to variability in interest rates by identifying and monitoring changes in interest rates that may adversely impact future cash flows and the fair value of existing debt instruments and by evaluating hedging opportunities. Our risk management strategy is to monitor interest rate risk attributable to our outstanding and forecasted debt obligations as well as our offsetting hedge positions. Derivative financial instruments that we have used to manage our interest rate risk consist of interest rate swaps and T-Locks.

We periodically enter into T-Locks to hedge our exposure to interest rate changes. The T-Locks are designated as hedges of the variability in cash flows associated with future interest payments caused by market fluctuations in the benchmark interest rate until the fixed interest rate is established and are accounted for as cash flow hedges. Accordingly, changes in the fair value of the T-Locks are recorded to AOCL until the consummation of the underlying debt offering, at which time any realized gain (loss) is amortized to earnings over the life of the debt. We have settled T-Locks associated with the issuance of our senior notes due in 2030 and 2050. The realized loss upon settlement of these T-Locks was recorded in AOCL and is amortized into earnings over the term of the senior notes. We did not have unsettled T-Locks as of September 30, 2023 and December 31, 2022.

The derivative instruments designated as cash flow hedges included in AOCL as of September 30, 2023 and December 31, 2022 are reflected below:

Derivatives in Cash Flow Hedging Relationships	**Gains (Losses) included in AOCL as of**	
(in millions)	**September 30, 2023**	**December 31, 2022**
Commodity contracts, net of income tax effect of $19 and $3, respectively	$ (56)	$ 8
Foreign currency contracts, net of income tax effect of $1 and $—, respectively	(1)	1
Interest rate contracts, net of income tax effect of $1	(3)	(3)
Total	$ (60)	$ 6

As of September 30, 2023, AOCL included $59 million of net losses (net of income taxes of $20 million) on commodities-related derivative instruments, T-Locks and foreign currency hedges designated as cash flow hedges that are expected to be reclassified into earnings during the next 12 months.

The fair value and balance sheet location of our derivative instruments, presented gross in the Condensed Consolidated Balance Sheets, are reflected below:

	Fair Value of Hedging Instruments as of September 30, 2023					
	Designated Hedging Instruments (in millions)			**Non-Designated Hedging Instruments (in millions)**		
Balance Sheet Location	**Commodity Contracts**	**Foreign Currency Contracts**	**Total**	**Commodity Contracts**	**Foreign Currency Contracts**	**Total**
Accounts receivable, net	$ 5	$ 14	$ 19	$ 1	$ 8	$ 9
Other assets	1	11	12	—	—	—
Assets	6	25	31	1	8	9
Accounts payable and accrued liabilities	56	19	75	2	7	9
Non-current liabilities	2	4	6	—	1	1
Liabilities	58	23	81	2	8	10
Net Assets/(Liabilities)	$ (52)	$ 2	$ (50)	$ (1)	$ —	$ (1)

	Fair Value of Hedging Instruments as of December 31, 2022					
	Designated Hedging Instruments (in millions)			**Non-Designated Hedging Instruments (in millions)**		
Balance Sheet Location	**Commodity Contracts**	**Foreign Currency Contracts**	**Total**	**Commodity Contracts**	**Foreign Currency Contracts**	**Total**
Accounts receivable, net	$ 28	$ 20	$ 48	$ —	$ 5	$ 5
Other assets	1	6	7	—	—	—
Assets	29	26	55	—	5	5
Accounts payable and accrued liabilities	22	23	45	1	6	7
Non-current liabilities	3	9	12	—	—	—
Liabilities	25	32	57	1	6	7
Net Assets/(Liabilities)	$ 4	$ (6)	$ (2)	$ (1)	$ (1)	$ (2)

Additional information relating to our derivative instruments is presented below:

Derivatives in Cash Flow Hedging Relationships (in millions)	Gains (Losses) Recognized in AOCL on Derivatives Three Months Ended September 30, 2023	2022	Income Statement Location	Gains (Losses) Reclassified from AOCL into Income Three Months Ended September 30, 2023	2022
Commodity contracts	$ (10)	$ 72	*Cost of sales*	$ (37)	$ 72
Foreign currency contracts	4	3	*Net sales/Cost of sales*	3	1
Total	$ (6)	$ 75		$ (34)	$ 73

Derivatives in Cash Flow Hedging Relationships (in millions)	Gains (Losses) Recognized in AOCL on Derivatives Nine Months Ended September 30, 2023	2022	Income Statement Location	Gains (Losses) Reclassified from AOCL into Income Nine Months Ended September 30, 2023	2022
Commodity contracts	$ (132)	$ 240	*Cost of sales*	$ (46)	$ 197
Foreign currency contracts	9	14	*Net sales/Cost of sales*	10	4
Total	$ (123)	$ 254		$ (36)	$ 201

7. Fair Value Measurements

We measure certain assets and liabilities at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. In determining fair value, we use various valuation approaches. The hierarchy of those valuation approaches is in three levels based on the reliability of inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Below is a summary of the hierarchy levels:

- Level 1 inputs consist of quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument. Level 2 inputs are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability or can be derived principally from or corroborated by observable market data.
- Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Assets and liabilities measured at fair value on a recurring basis are presented below:

(in millions)	As of September 30, 2023 Total	Level 1	Level 2	Level 3	As of December 31, 2022 Total	Level 1	Level 2	Level 3
Marketable securities	$ 4	$ 4	$ —	$ —	$ 3	$ 3	$ —	$ —
Derivative assets	40	39	1	—	60	49	11	—
Derivative liabilities	91	67	24	—	64	51	13	—
Long-term debt	1,679	—	1,679	—	1,733	—	1,733	—

The carrying values of cash equivalents, short-term investments, accounts receivable, accounts payable and short-term borrowings approximate fair values. Commodity futures, options and swaps contracts are recognized at fair value. Foreign currency forward contracts, swaps and options are also recognized at fair value. The fair value of our Long-term debt is estimated based on quotations of major securities dealers who are market makers in the securities.

8. Financing Arrangements

Presented below are our debt carrying amounts, net of related discounts, premiums and debt issuance costs as of September 30, 2023 and December 31, 2022:

(in millions)	As of September 30, 2023	As of December 31, 2022
2.900% senior notes due June 1, 2030	$ 596	$ 595
3.200% senior notes due October 1, 2026	499	498
3.900% senior notes due June 1, 2050	391	390
6.625% senior notes due April 15, 2037	253	253
Term loan credit agreement due December 16, 2024	200	200
Revolving credit agreement	—	—
Other long-term borrowings	1	4
Total long-term debt	1,940	1,940
Commercial paper	333	390
Other short-term borrowings	133	153
Total short-term borrowings	466	543
Total debt	$ 2,406	$ 2,483

We maintain a commercial paper program under which we may issue senior unsecured notes of short maturities up to a maximum aggregate principal amount of $1 billion outstanding at any time. The notes may be sold from time to time on customary terms in the U.S. commercial paper market. We use the note proceeds for general corporate purposes. During the nine months ended September 30, 2023, the average amount of commercial paper outstanding was $438 million with an average interest rate of 5.25 percent and a weighted average maturity of 11 days. During the nine months ended September 30, 2022, the average amount of commercial paper outstanding was $489 million with an average interest rate of 1.50 percent and a weighted average maturity of 18 days. As of September 30, 2023, $333 million of commercial paper was outstanding with an average interest rate of 5.52 percent and a weighted average maturity of 14 days. As of December 31, 2022, $390 million of commercial paper was outstanding with an average interest rate of 4.75 percent and a weighted average maturity of 7 days. The amount of commercial paper outstanding under this program for the remainder of 2023 is expected to fluctuate.

Other short-term borrowings as of September 30, 2023 and December 31, 2022 primarily include amounts outstanding under various unsecured local country operating lines of credit.

9. Commitments and Contingencies

On October 30, 2023, we entered into a four-year collective bargaining agreement with the union at our Indianapolis manufacturing facility.

In October 2022, the Brazilian Superior Court of Justice issued a motion of clarification that certain tax incentives provided by local governments can be excluded from taxable income. In the fourth quarter of 2022, we filed an action for the right to recover previously taxable local government tax incentives granted during fiscal years 2018 to 2022. As our recovery is probable, we recorded a $27 million income tax benefit, which we expect to recover within five years. As of September 30, 2023 and December 31, 2022, we had $30 million and $27 million, respectively, of remaining tax incentives recorded within Other assets on the Condensed Consolidated Balance Sheets.

10. Pension and Other Postretirement Benefits

The following table sets forth the components of net periodic (benefit) cost of the U.S. and non-U.S. defined benefit pension plans for the periods presented:

	Three Months Ended September 30,				Nine Months Ended September 30,			
	U.S. Plans		Non-U.S. Plans		U.S. Plans		Non-U.S. Plans	
(in millions)	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
Service cost	$ 1	$ 1	$ 1	$ 1	$ 2	$ 3	$ 3	$ 3
Interest cost	3	2	3	2	11	6	8	7
Expected return on plan assets	(4)	(5)	(3)	(2)	(12)	(13)	(7)	(6)
Amortization of prior service credit	(1)	—	—	—	(1)	—	—	—
Amortization of actuarial loss	1	—	1	—	1	—	1	—
Net periodic (benefit) cost *(a)*	$ —	$ (2)	$ 2	$ 1	$ 1	$ (4)	$ 5	$ 4

We anticipate that we will make cash contributions of $1 million and $3 million to our U.S. and non-U.S. pension plans, respectively, in 2023. For the nine months ended September 30, 2023, we made cash contributions of approximately $1 million to the U.S. plans and $2 million to the non-U.S. plans.

The following table sets forth the components of net postretirement benefit cost for the periods presented:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(in millions)	**2023**	**2022**	**2023**	**2022**
Service cost	$ —	$ —	$ —	$ —
Interest cost	1	1	3	2
Amortization of prior service cost	—	—	—	1
Net periodic cost *(a)*	$ 1	$ 1	$ 3	$ 3

(a) *The service cost component of net periodic (benefit) cost is presented within either Cost of sales or Operating expenses on the Condensed Consolidated Statements of Income. The interest cost, expected return on plan assets, amortization of prior service (credit) cost, and amortization of actuarial loss components of net periodic (benefit) cost are presented within Other non-operating expense (income) on the Condensed Consolidated Statements of Income.*

11. Equity

Treasury stock: On September 26, 2022, the Board of Directors authorized a new stock repurchase program permitting us to purchase up to 6 million shares of our outstanding common stock from September 26, 2022 through December 31, 2025. We may repurchase shares from time to time in the open market, in privately negotiated transactions, or otherwise, at prices we deem appropriate. We are not obligated to repurchase any shares under the authorization, and the repurchase program may be suspended, discontinued, or modified at any time, for any reason and without notice. The parameters of our stock repurchase program are not established solely with reference to the dilutive impact of shares issued under our stock incentive plan. However, we expect that, over time, share repurchases will offset the dilutive impact of shares issued under the stock incentive plan.

During the three and nine months ended September 30, 2023, we repurchased 1.0 million outstanding shares of common stock in open market transactions at a net cost of $101 million. During the three and nine months ended September 30, 2022, we repurchased 0.3 million and 1.3 million shares of common stock in open market transactions at a net cost of $29 million and $112 million, respectively.

Share-based Payments: The following table summarizes the components of our share-based compensation expense for the periods presented:

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Stock options:				
Pre-tax compensation expense	$ 1	$ 1	$ 3	$ 3
Income tax benefit	—	—	—	—
Stock option expense, net of income taxes	1	1	3	3
Restricted stock units (“RSUs”):				
Pre-tax compensation expense	4	4	11	10
Income tax benefit	—	—	(1)	(1)
RSUs, net of income taxes	4	4	10	9
Performance shares and other share-based awards:				
Pre-tax compensation expense	4	2	9	9
Income tax benefit	(1)	—	(1)	(1)
Performance shares and other share-based compensation expense, net of income taxes	3	2	8	8
Total share-based compensation:				
Pre-tax compensation expense	9	7	23	22
Income tax benefit	(1)	—	(2)	(2)
Total share-based compensation expense, net of income taxes	$ 8	$ 7	$ 21	$ 20

Stock Options: Under our stock incentive plan, stock options are granted at exercise prices that equal the market value of the underlying common stock on the date of grant. The options have a 10-year term and are exercisable upon vesting, which occurs over a three-year period at the anniversary dates of the date of grant. We generally recognize compensation expense on a straight-line basis for all awards over the employee’s vesting period or over a one-year required service period for certain retirement-eligible executive level employees. We estimate a forfeiture rate at the time of grant and update the estimate throughout the vesting period of the stock options within the amount of compensation costs recognized in each period.

We granted non-qualified options to purchase 197 thousand shares and 281 thousand shares for the nine months ended September 30, 2023 and 2022, respectively. We estimated the fair value of each option grant by using the Black-Scholes option-pricing model with the following assumptions:

	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Expected life (in years)	5.5	5.5
Risk-free interest rate	4.0%	2.0%
Expected volatility	28.3%	23.8%
Expected dividend yield	2.9%	2.9%

The expected life of options represents the weighted average period that we expect options granted to be outstanding giving consideration to vesting schedules and our historical exercise patterns. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the grant date for the period corresponding to the expected life of the options. Expected volatility is based on historical volatilities of our common stock, and dividend yields are based on our dividend yield at the date of issuance.

A summary of stock option transactions for the nine months ended September 30, 2023 is as follows:

	Number of Options (in thousands)	Weighted Average Exercise Price per Share	Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2022	2,222	$ 92.32	5.16	$ 24
Granted	197	98.69		
Exercised	(345)	72.76		
Cancelled	(62)	105.47		
Outstanding as of September 30, 2023	2,012	$ 95.89	5.17	$ 15
Exercisable as of September 30, 2023	1,565	$ 96.88	4.20	$ 12

For the nine months ended September 30, 2023, cash received from the exercise of stock options was approximately $25 million. As of September 30, 2023, the unrecognized compensation cost related to non-vested stock options totaled $4 million, which we expect to amortize over the weighted-average period of approximately 1.6 years.

Additional information pertaining to stock option activity is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(dollars in millions, except per share amounts)	2023	2022	2023	2022
Weighted average grant date fair value of stock options granted (per share)	$ —	$ —	$ 23.80	$ 15.04
Total intrinsic value of stock options exercised	1	1	11	2

Restricted Stock Units: We have granted restricted stock units ("RSUs") to certain key employees. The RSUs are primarily subject to cliff vesting, generally after three years, provided the employee remains in our service. The fair value of the RSUs is determined based upon the number of shares granted and the quoted market price of our common stock at the grant date.

The following table summarizes RSU activity in 2023:

(shares in thousands)	Number of Restricted Shares	Weighted Average Fair Value per Share
Non-vested at December 31, 2022	517	$ 88.04
Granted	217	98.29
Vested	(145)	88.13
Cancelled	(33)	91.18
Non-vested at September 30, 2023	556	$ 91.94

At September 30, 2023, the total remaining unrecognized compensation cost related to RSUs was $24 million, which will be amortized on a weighted-average basis over approximately 1.8 years.

Performance Shares: We have a long-term incentive plan for senior management in the form of performance shares. The vesting of the performance shares is generally based on two performance metrics. Fifty percent of the performance shares awarded vest based on our total shareholder return as compared to the total shareholder return of our peer group and the remaining fifty percent vest based on the calculation of our three-year average Adjusted Return on Invested Capital ("Adjusted ROIC") against an established ROIC target.

For the 2023 performance shares awarded based on our total shareholder return, the number of shares that ultimately vest can range from zero to 200 percent of the grant depending on our total shareholder return as compared to the total shareholder return of our peer group. The share award vesting will be calculated at the end of the three-year period and is subject to approval by management and the People, Culture, and Compensation Committee ("Compensation Committee") of the Board of Directors. Compensation expense is based on the fair value of the performance shares at the grant date, established using a Monte Carlo simulation model. We amortize the total compensation expense for these awards over a three-year graded vesting schedule.

For the 2023 performance shares awarded based on Adjusted ROIC, the number of shares that ultimately vest can range from zero to 200 percent of the grant depending on our Adjusted ROIC performance against the target. The share award vesting will be calculated at the end of the three-year period and is subject to approval by management and the Compensation Committee. We base compensation expense on the market price of our common stock on the grant date and the final number of shares that ultimately vest. We estimate the potential share vesting at least annually to adjust the compensation expense for these awards over the vesting period to reflect our estimated Adjusted ROIC performance against the target. We amortize the total compensation expense for these awards over a three-year graded vesting schedule.

For the nine months ended September 30, 2023, we awarded 92,628 thousand performance shares at a weighted average fair value of $114.26 per share. As of September 30, 2023, the unrecognized compensation cost related to these awards was $11 million, which we will amortize over the remaining service period of 2.0 years. The 2020 performance share awards that vested in February 2023 achieved a 77 percent payout of the granted performance shares. As of September 30, 2023, we estimated the 2021 performance share awards will pay out at 180 percent. For the nine months ended September 30, 2023, 34 thousand shares were cancelled.

Accumulated Other Comprehensive Loss: The following is a summary of accumulated other comprehensive income (loss) for the nine months ended September 30, 2023 and 2022:

(in millions)	Cumulative Translation Adjustment	Hedging Activities	Pension and Postretirement Adjustment	AOCL
Balance, December 31, 2022	$ (1,008)	$ 6	$ (46)	$ (1,048)
Other comprehensive (loss) before reclassification adjustments	(30)	(123)	(2)	(155)
Loss reclassified from accumulated OCL	—	36	1	37
Tax benefit	—	21	1	22
Net other comprehensive (loss)	(30)	(66)	—	(96)
Balance, September 30, 2023	$ (1,038)	$ (60)	$ (46)	$ (1,144)

(in millions)	Cumulative Translation Adjustment	Hedging Activities	Pension and Postretirement Adjustment	AOCL
Balance, December 31, 2021	$ (903)	$ 48	$ (42)	$ (897)
Other comprehensive (loss) gain before reclassification adjustments	(195)	254	—	59
(Gain) loss reclassified from accumulated OCL	—	(201)	1	(200)
Tax (provision)	—	(14)	—	(14)
Net other comprehensive (loss) income	(195)	39	1	(155)
Balance, September 30, 2022	$ (1,098)	$ 87	$ (41)	$ (1,052)

Supplemental Information: The following Condensed Consolidated Statements of Equity and Redeemable Equity present the dividends per share for common stock for the periods indicated:

	Total Equity								
(in millions)	**Preferred Stock**	**Common Stock**	**Additional Paid-In Capital**	**Treasury Stock**	**Accumulated Other Comprehensive Loss**	**Retained Earnings**	**Non-Redeemable Non-Controlling Interests**	**Share-based Payments Subject to Redemption**	**Redeemable Non-Controlling Interests**
Balance, December 31, 2022	$ —	$ 1	$ 1,132	$ (1,148)	$ (1,048)	$ 4,210	$ 16	$ 48	$ 51
Net income attributable to Ingredion						191			
Net income attributable to non-controlling interests							3		
Dividends declared, common stock ($0.71/share)						(47)			
Share-based compensation, net of issuance			1	21				(10)	
Other comprehensive (loss)					(50)		(6)		
Balance, March 31, 2023	$ —	$ 1	$ 1,133	$ (1,127)	$ (1,098)	$ 4,354	$ 13	$ 38	$ 51
Net income attributable to Ingredion						163			
Net income attributable to non-controlling interests							1		
Dividends declared, common stock ($0.71/share)						(48)			
Dividends declared, non-controlling interests							(1)		
Share-based compensation, net of issuance			2	11				5	
Fair market value adjustment to non-controlling interests			7						(7)
Other comprehensive (loss)					(21)		(1)		(1)
Balance, June 30, 2023	$ —	$ 1	$ 1,142	$ (1,116)	$ (1,119)	$ 4,469	$ 12	$ 43	$ 43
Net income attributable to Ingredion						158			
Net income attributable to non-controlling interests							2		
Dividends declared, common stock ($0.78/share)						(52)			
Dividends declared, non-controlling interests							(1)		
Repurchases of common stock				(101)					
Share-based compensation, net of issuance			1	6				6	
Non-controlling interest purchases									(2)
Other comprehensive (loss)					(25)				
Balance, September 30, 2023	$ —	$ 1	$ 1,143	$ (1,211)	$ (1,144)	$ 4,575	$ 13	$ 49	$ 41

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	Total Equity								
(in millions)	**Preferred Stock**	**Common Stock**	**Additional Paid-In Capital**	**Treasury Stock**	**Accumulated Other Comprehensive Loss**	**Retained Earnings**	**Non-Redeemable Non-Controlling Interests**	**Share-based Payments Subject to Redemption**	**Redeemable Non-Controlling Interests**
Balance, December 31, 2021	$ —	$ 1	$ 1,158	$ (1,061)	$ (897)	$ 3,899	$ 18	$ 36	$ 71
Net income attributable to Ingredion						130			
Net income attributable to non-controlling interests							3		
Dividends declared, common stock ($0.65/share)						(43)			
Repurchases of common stock				(39)					
Share-based compensation, net of issuance			2	9				(5)	
Other comprehensive income (loss)					134		(2)		
Balance, March 31, 2022	$ —	$ 1	$ 1,160	$ (1,091)	$ (763)	$ 3,986	$ 19	$ 31	$ 71
Net income attributable to Ingredion						142			
Net income attributable to non-controlling interests							2		1
Dividends declared, common stock ($0.65/share)						(43)			
Dividends declared, non-controlling interests							(4)		
Repurchases of common stock				(44)					
Share-based compensation, net of issuance			2	2				6	
Fair market value adjustment to non-controlling interests			(29)						29
Non-controlling interest purchases									(27)
Other comprehensive (loss)					(177)		(2)		(4)
Balance, June 30, 2022	$ —	$ 1	$ 1,133	$ (1,133)	$ (940)	$ 4,085	$ 15	$ 37	$ 70
Net income attributable to Ingredion						106			
Net income attributable to non-controlling interests							2		1
Dividends declared, common stock ($0.71/share)						(48)			
Repurchases of common stock				(29)					
Share-based compensation, net of issuance				3				6	
Non-controlling interest purchases									(13)
Other comprehensive (loss)					(112)		(3)		(2)
Balance, September 30, 2022	$ —	$ 1	$ 1,133	$ (1,159)	$ (1,052)	$ 4,143	$ 14	$ 43	$ 56

Supplemental Information: The following table provides the computation of basic and diluted earnings per common share ("EPS") for the periods presented.

(in millions, except per share amounts)	Three Months Ended September 30, 2023			Three Months Ended September 30, 2022		
	Net Income Available to Ingredion	Weighted Average Shares	Per Share Amount	Net Income Available to Ingredion	Weighted Average Shares	Per Share Amount
Basic EPS	$ 158	66.0	$ 2.39	$ 106	65.8	$ 1.61
Effect of Dilutive Securities:						
Incremental shares from assumed exercise of dilutive stock options and vesting of dilutive RSUs and other awards		1.0			0.8	
Diluted EPS	$ 158	67.0	$ 2.36	$ 106	66.6	$ 1.59

(in millions, except per share amounts)	Nine Months Ended September 30, 2023			Nine Months Ended September 30, 2022		
	Net Income Available to Ingredion	Weighted Average Shares	Per Share Amount	Net Income Available to Ingredion	Weighted Average Shares	Per Share Amount
Basic EPS	$ 512	66.1	$ 7.75	$ 378	66.4	$ 5.69
Effect of Dilutive Securities:						
Incremental shares from assumed exercise of dilutive stock options and vesting of dilutive RSUs and other awards		1.0			0.7	
Diluted EPS	$ 512	67.1	$ 7.63	$ 378	67.1	$ 5.63

Approximately 0.5 million share-based awards of common stock were excluded for both the three and nine months ended September 30, 2023, respectively, from the calculation of the weighted average number of shares outstanding for diluted EPS because their effects were anti-dilutive. For the three and nine months ended September 30, 2022, approximately 1.6 million and 1.4 million share-based awards of common stock, respectively, were excluded from the calculation of the weighted average number of shares outstanding for diluted EPS because their effects were anti-dilutive.

12. Information by Segment and Geographic Region

On November 7, 2023, we announced that we intend to realign our operations into new segments beginning in the first quarter of 2024.

We are principally engaged in the production and sale of starches and sweeteners for a wide range of industries, and we are managed geographically on a regional basis. The nature, amount, timing and uncertainty of our Net sales are managed by us primarily based on our geographic segments, which we classify and report as North America, South America, Asia-Pacific and Europe, the Middle East and Africa ("EMEA"). Our North America segment includes businesses in the U.S., Mexico and Canada. Our South America segment includes businesses and our share of earnings from investments in joint ventures in Brazil, Argentina, Chile, Colombia, Ecuador, Peru and Uruguay. Our Asia-Pacific segment includes businesses in South Korea, Thailand, China, Australia, Japan, New Zealand, Indonesia, Singapore, the Philippines, Malaysia, India and Vietnam. Our EMEA segment includes businesses in Pakistan, Germany, Poland, the United Kingdom and South Africa. Net sales by product are not presented because to do so would be impracticable.

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Presented below are our net sales to unaffiliated customers by reportable segment for the periods indicated:

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Net sales to unaffiliated customers:				
North America	$ 1,300	$ 1,262	$ 3,998	$ 3,720
South America	269	293	795	835
Asia-Pacific	272	278	816	825
EMEA	192	190	630	579
Total net sales	$ 2,033	$ 2,023	$ 6,239	$ 5,959

Presented below is our operating income by reportable segment for the periods indicated:

(in millions)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Operating income:				
North America	$ 171	$ 126	$ 575	$ 443
South America	32	48	96	125
Asia-Pacific	33	27	88	70
EMEA	32	30	131	90
Corporate	(49)	(40)	(124)	(109)
Subtotal	219	191	766	619
Acquisition/integration costs	—	—	—	(1)
Restructuring/impairment charges	(10)	—	(10)	(4)
Other matters	4	(9)	(1)	(9)
Total operating income	$ 213	$ 182	$ 755	$ 605

Presented below are our total assets by reportable segment as of September 30, 2023 and December 31, 2022:

(in millions)	As of September 30, 2023	As of December 31, 2022
Assets:		
North America *(a)*	$ 4,537	$ 4,499
South America	926	949
Asia-Pacific	1,418	1,467
EMEA	668	646
Total assets	$ 7,549	$ 7,561

(a) For purposes of presentation, North America includes Corporate assets.

13. Supplementary Information

Accounts Receivable, Net

Accounts receivable, net as of September 30, 2023 and December 31, 2022, consist of:

(in millions)	As of September 30, 2023	As of December 31, 2022
Accounts receivable — trade	$ 1,241	$ 1,200
Accounts receivable — other	156	228
Allowance for credit losses	(17)	(17)
Total accounts receivable, net	$ 1,380	$ 1,411

There were no significant contract assets or contract liabilities associated with our customers as of September 30, 2023 or December 31, 2022. Liabilities for volume discounts and incentives were also not significant as of September 30, 2023 or December 31, 2022.

Inventories

Inventories as of September 30, 2023 and December 31, 2022, consist of:

(in millions)	As of September 30, 2023	As of December 31, 2022
Finished and in process	$ 945	$ 962
Raw materials	466	539
Manufacturing supplies	91	96
Total inventories	$ 1,502	$ 1,597

Supply Chain Finance Programs

Under supply chain finance programs administered by third-party banks, our suppliers have the opportunity to sell receivables due from us to participating financing institutions and receive earlier payment at a discount. Our responsibility is limited to making payment on the terms originally negotiated with our supplier, regardless of whether such supplier sells its receivable to a financial institution. The payment terms we negotiate with a supplier are independent of whether such supplier participates in a supply chain finance program, and participation in any such program by a supplier has no effect on our income or cash flows.

As of September 30, 2023 and December 31, 2022, participating financial institutions held $100 million and $175 million, respectively, of our liabilities recorded in accounts payable and accrued liabilities on our Condensed Consolidated Balance Sheets. As of September 30, 2023, supply chain finance programs existed for operations in Brazil, Mexico, certain PureCircle entities, Colombia, Korea, Peru, Thailand and China.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Overview

Ingredion is a leading global ingredients solutions provider that transforms corn, tapioca, potatoes, stevia, grains, fruits, gums and vegetables into value-added ingredients and biomaterials for the food, beverage, brewing and other industries. Our Purpose is to bring the potential of people, nature and technology together to make life better. As of September 30, 2023, we had 47 manufacturing facilities located in North America, South America, Asia-Pacific and Europe, the Middle East and Africa ("EMEA"), and we manage and operate our businesses at a regional level. We believe this approach provides us with a unique understanding of the cultures and product requirements in each of the geographic markets in which we operate, bringing added value to our customers.

During the quarter ended September 30, 2023, we achieved growth in net sales, operating income, net income and diluted earnings per share when compared to the same quarter last year. The increase in our net sales was driven by price and customer mix and impacts of foreign exchange rates, partially offset by lower volumes. Cost of sales decreased primarily due to lower volumes, the effect of which was partially offset by higher input costs. These factors led to higher gross margins and higher operating income compared to the third quarter of 2022.

Our net sales of $2,033 million for the third quarter of 2023 grew by 1 percent compared to our net sales of $2,023 million for the third quarter of 2022. Our operating income of $213 million for the third quarter of 2023 increased by 17 percent from our operating income of $182 million for the third quarter of 2022. Net income attributable to Ingredion for the third quarter of 2023 was $158 million, which represented an increase of 49 percent from $106 million, for the third quarter of 2022. The increases in net sales and operating income were primarily due to favorable price and customer mix, and lower costs for raw materials that more than offset lower sales volumes. The increase in net income was driven by these factors in addition to a more favorable effective tax rate primarily due to the recently issued IRS Notice 2023-55, which increased our ability to claim certain foreign tax credits against U.S. taxes, and more favorable country earnings mix.

Results of Operations

We have significant operations in four reporting segments: North America, South America, Asia-Pacific and EMEA. Fluctuations in foreign currency exchange rates affect the U.S. dollar amounts of our foreign subsidiaries' net sales and expenses. For most of our foreign subsidiaries, the local foreign currency is the functional currency. Accordingly, net sales and expenses denominated in the functional currencies of these subsidiaries are translated into U.S. dollars at the applicable average exchange rates for the period.

We acquired a controlling majority of Mannitab on December 1, 2022 and fully acquired Amishi on August 1, 2022. For more information about these acquisitions, see Note 3 to the Condensed Consolidated Financial Statements included in this report. The results of the acquired businesses are included in our consolidated financial results beginning on the respective acquisition dates, which affects the comparability of results between years. In addition, our share of results in joint ventures is classified in our Condensed Consolidated Statements of Income within Other operating (income) expense and comparability between years and between financial statement line items is affected by the timing of and consideration provided to the investments. While we identify the impacts of acquisitions and investments on our results, our discussion below also addresses results of operations excluding those impacts, where appropriate, to provide a more comparable and meaningful analysis.

For the Three Months Ended September 30, 2023
With Comparatives for the Three Months Ended September 30, 2022

Net sales. Net sales increased 1 percent to $2,033 million for the three months ended September 30, 2023 compared to $2,023 million for the three months ended September 30, 2022. The increase in net sales was driven by favorable price and customer mix, as well as favorable foreign exchange rates, which was partially offset by lower volumes.

Cost of sales. Cost of sales decreased 2 percent to $1,612 million during the three months ended September 30, 2023 compared to cost of sales of $1,649 million during the three months ended September 30, 2022. The decrease in cost of sales was due primarily to lower volumes partially offset by higher input costs. Our gross profit margin of 21 percent during the three months ended September 30, 2023 increased from 18 percent for the three months ended September 30, 2022.

Operating expenses. Operating expenses increased 13 percent to $203 million during the three months ended September 30, 2023 compared to $180 million during the three months ended September 30, 2022. The increase in operating expenses was primarily attributable to increased compensation cost. Operating expenses as a percentage of net sales were approximately 10 percent and 9 percent for the three months ended September 30, 2023 and the three months ended September 30, 2022, respectively.

Other operating (income) expense. Other operating (income) was $(5) million during the three months ended September 30, 2023 compared to other operating expense of $10 million during the three months ended September 30, 2022. The change was primarily attributable to insurance recoveries during the three months ended September 30, 2023 compared to charges related to a U.S.-based work stoppage during the three months ended September 30, 2022.

Restructuring and impairment charges. Restructuring and impairment charges were $10 million during the three months ended September 30, 2023 compared to $2 million for the three months ended September 30, 2022. During the third quarter of 2023, we recorded a $10 million other-than-temporary-impairment on our equity method investments.

Financing costs. Financing costs increased 8 percent to $26 million during the three months ended September 30, 2023 compared to $24 million during the three months ended September 30, 2022. The increase was primarily due to higher interest rates, which was partially offset by lower average outstanding debt balances during the three months ended September 30, 2023 compared to the three months ended September 30, 2022.

Provision for income taxes. Our effective income tax rates for the three months ended September 30, 2023 and three months ended September 30, 2022 were 13.5 percent and 32.3 percent, respectively. The decrease in the effective tax rate was primarily driven by the recently issued IRS Notice 2023-55, which increased our ability to claim certain foreign tax credits against U.S. taxes, a favorable country earnings mix primarily due to Brazil tax law developments, and a related increase in our foreign-derived intangible income deduction.

Net income attributable to Ingredion. Net income attributable to Ingredion for the three months ended September 30, 2023 increased to $158 million from $106 million for the three months ended September 30, 2022. The increase in net income was due primarily to price and customer mix and a more favorable effective tax rate, which was partially offset by lower volumes and higher operating expenses.

Segment Results

North America

Net sales. North America’s net sales increased 3 percent to $1,300 million during the three months ended September 30, 2023 from $1,262 million during the three months ended September 30, 2022. The increase was primarily driven by an improvement of 12 percent in price and customer mix, which was partially offset by a decrease of 9 percent in volume.

Operating income. North America’s operating income increased 36 percent to $171 million during the three months ended September 30, 2023 from $126 million during the three months ended September 30, 2022. The increase was driven by favorable price mix, partially offset by higher input costs and lower volume.

South America

Net sales. South America’s net sales decreased 8 percent to $269 million in the three months ended September 30, 2023 from $293 million in the three months ended September 30, 2022. The decrease was driven by an unfavorable price and customer mix of 10 percent and a reduction in volume of 5 percent, which was partially offset by favorable foreign exchange impacts of 7 percent.

Operating income. South America’s operating income decreased 33 percent to $32 million in the three months ended September 30, 2023 from $48 million in the three months ended September 30, 2022. The decrease was driven primarily by lower volume and higher energy costs.

Asia-Pacific

Net sales. Asia-Pacific's net sales decreased 2 percent to $272 million in the three months ended September 30, 2023 from $278 million in the three months ended September 30, 2022. The decrease was driven by unfavorable volumes of 4 percent, which were partially offset by favorable price and customer mix of 2 percent.

Operating income. Asia-Pacific's operating income increased 22 percent to $33 million during the three months ended September 30, 2023 from $27 million during the three months ended September 30, 2022. The increase was primarily driven by favorable price and customer mix, partially offset by higher input costs and lower volumes.

EMEA

Net sales. EMEA's net sales increased by 1 percent to $192 million in the three months ended September 30, 2023 from $190 million in the three months ended September 30, 2022. The increase was driven by favorable price and customer mix of 18 percent, which was partially offset by unfavorable volumes of 13 percent and unfavorable foreign exchange impacts of 4 percent.

Operating income. EMEA's operating income increased 7 percent to $32 million in the three months ended September 30, 2023 compared to $30 million in the three months ended September 30, 2022. The increase was primarily driven by favorable price and customer mix, partially offset by lower volumes, higher raw material costs and foreign exchange impacts.

For the Nine Months Ended September 30, 2023
With Comparatives for the Nine Months Ended September 30, 2022

Net sales. Net sales increased 5 percent to $6,239 million for the nine months ended September 30, 2023 compared to $5,959 million for the nine months ended September 30, 2022. The increase in net sales was driven by price and customer mix, which was partially offset by lower volumes and unfavorable foreign currency impacts.

Cost of sales. Cost of sales increased 2 percent to $4,890 million during the nine months ended September 30, 2023 compared to cost of sales of $4,816 million during the nine months ended September 30, 2022. The increase in cost of sales primarily reflected higher net corn and other input costs which were partially offset by a decrease in volumes. Our gross profit margin of 22 percent during the nine months ended September 30, 2023 increased from 19 percent for the nine months ended September 30, 2022.

Operating expenses. Operating expenses increased 9 percent to $578 million during the nine months ended September 30, 2023 compared to $528 million during the nine months ended September 30, 2022. The increase in operating expenses was primarily attributable to higher compensation costs. Operating expenses as a percentage of net sales were approximately 9 percent during the nine months ended September 30, 2023 and the nine months ended September 30, 2022.

Other operating (income) expense. Other operating expense was $6 million during the nine months ended September 30, 2023 compared to $4 million during the nine months ended September 30, 2022.

Restructuring and impairment charges. Restructuring and impairment charges were $10 million during the nine months ended September 30, 2023 compared to $6 million for the nine months ended September 30, 2022. During the third quarter of 2023, we recorded a $10 million other-than-temporary-impairment on our equity method investments.

Financing costs. Financing costs increased 35 percent to $88 million in the nine months ended September 30, 2023 compared to $65 million in the nine months ended September 30, 2022. The increase was primarily due to higher interest rates and higher average outstanding debt balances during the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022.

Provision for income taxes. Our effective income tax rate for the nine months ended September 30, 2023 decreased to 21.9 percent from 28.9 percent for the nine months ended September 30, 2022. The decrease in the effective tax rate was primarily driven by the value of the Mexican Peso against the U.S. Dollar, the recently issued IRS Notice 2023-55, which increased our ability to claim certain foreign tax credits against U.S. taxes, a favorable country earning mix primarily due to Brazil tax law developments, and a related increase in the Company's foreign-derived intangible income deduction.

Net income attributable to Ingredion. Net income attributable to Ingredion for the nine months ended September 30, 2023 increased to $512 million from $378 million for the nine months ended September 30, 2022. The increase in net income was due primarily to price and customer mix and a more favorable effective tax rate, which was partially offset by higher corn and other input costs and lower volumes.

Segment Results

North America

Net sales. North America's net sales increased 7 percent to $3,998 million during the nine months ended September 30, 2023 from $3,720 million during the nine months ended September 30, 2022. The increase was primarily driven by an improvement in price and customer mix of 17 percent, which was partially offset by a decrease in volume of 9 percent and unfavorable foreign exchange impacts of 1 percent.

Operating income. North America's operating income increased 30 percent to $575 million during the nine months ended September 30, 2023 from $443 million during the nine months ended September 30, 2022. The increase was driven by favorable price mix, partially offset by higher input costs and lower volume.

South America

Net sales. South America's net sales decreased 5 percent to $795 million in the nine months ended September 30, 2023 from $835 million in the nine months ended September 30, 2022. The decrease reflected a decline in volume of 8 percent, the effect of which was partially offset by an improvement in price and customer mix of 3 percent.

Operating income. South America's operating income decreased 23 percent to $96 million in the nine months ended September 30, 2023 from $125 million in the nine months ended September 30, 2022. The decrease was driven primarily by lower volume and higher energy costs.

Asia-Pacific

Net sales. Asia-Pacific's net sales decreased 1 percent to $816 million in the nine months ended September 30, 2023 from $825 million in the nine months ended September 30, 2022. The decrease was driven by unfavorable volumes of 8 percent and unfavorable foreign exchange impacts of 2 percent. These impacts were partially offset by a favorable price and customer mix of 9 percent.

Operating income. Asia-Pacific's operating income increased 26 percent to $88 million in the nine months ended September 30, 2023 from $70 million in the nine months ended September 30, 2022. The increase was primarily driven by favorable price and customer mix, partially offset by higher input costs and lower volumes.

EMEA

Net sales. EMEA's net sales increased 9 percent to $630 million in the nine months ended September 30, 2023 from $579 million in the nine months ended September 30, 2022. The increase was driven by favorable price and customer mix of 29 percent, which was partially offset by unfavorable foreign exchange impacts of 10 percent and unfavorable volumes of 10 percent.

Operating income. EMEA's operating income increased 46 percent to $131 million in the nine months ended September 30, 2023 compared to $90 million in the nine months ended September 30, 2022. The increase was primarily driven by favorable price and customer mix that was partially offset by lower volumes, higher raw material costs and foreign exchange impacts.

Liquidity and Capital Resources

As of September 30, 2023, we had total available liquidity of approximately $1,631 million. Domestic liquidity of $672 million consisted of $5 million in cash and cash equivalents and $667 million available through a $1 billion commercial paper program that had $333 million of outstanding borrowings. The commercial paper program is backed by $1 billion of borrowing availability under a five-year revolving credit agreement.

As of September 30, 2023, we had international liquidity of approximately $959 million, consisting of $330 million of cash and cash equivalents and $6 million of short-term investments held by our operations outside the U.S., as well as $623 million of unused operating lines of credit in foreign countries where we operate. As the parent company, we guarantee certain obligations of our consolidated subsidiaries. These guarantees totaled $85 million as of September 30, 2023. We believe that those consolidated subsidiaries will be able to meet their financial obligations as they become due.

As of September 30, 2023, we had total debt outstanding of approximately $2.4 billion, or approximately $1.9 billion excluding the outstanding commercial paper and other short-term borrowings. Of our outstanding debt, $1.7 billion consists of senior notes that do not require principal repayment until 2026 through 2050. We also have a two-year, senior, unsecured $200 million term loan that matures in December 2024. The weighted average interest rate on our total indebtedness was approximately 4.4 percent for the nine months ended September 30, 2023 and approximately 3.3 percent for the nine months ended September 30, 2022.

The principal source of our liquidity is our internally generated cash flow, which we supplement as necessary with our ability to borrow under our credit facilities and commercial paper program and to raise funds in the capital markets. We currently expect that our available cash balances, future cash flow from operations, access to debt markets and borrowing capacity under our revolving credit facility and commercial paper program will provide us with sufficient liquidity to fund our anticipated capital expenditures, dividends and other operating, investing and financing activities for at least the next twelve months and for the foreseeable future thereafter. Our future cash flow needs will depend on many factors, including our rate of revenue growth, cost of raw materials, changing working capital requirements, the timing and extent of our expansion into new markets, the timing of introductions of new products, potential acquisitions of complementary businesses and technologies, continuing market acceptance of our new products and general economic and market conditions. We may need to raise additional capital or incur indebtedness to fund our needs for less predictable strategic initiatives, such as acquisitions.

Net Cash Flows

Our cash provided by operating activities was $647 million during the nine months ended September 30, 2023 compared to cash provided by operating activities of $80 million during the nine months ended September 30, 2022. The increase was primarily due to changes in working capital and current period net income. Cash provided by changes in working capital increased by $473 million during the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 primarily due to decreases in inventory and trade accounts receivable, the effect of which was partially offset by decreases in accounts payable and accrued liabilities.

We used $233 million of cash for capital expenditures and mechanical stores purchases to update, expand and improve our facilities during the nine months ended September 30, 2023, compared to $203 million that we paid during the nine months ended September 30, 2022 for the same purposes. Capital investment commitments for 2023 are anticipated to be approximately $310 million.

We used $301 million of cash for financing activities during the nine months ended September 30, 2023 and had cash provided by financing activities of $122 million for the nine months ended September 30, 2022. The difference was primarily attributable to a net $57 million reduction of our commercial paper borrowings during the nine months ended September 30, 2023 from $372 million net borrowings of commercial paper during the nine months ended September 30, 2022.

We declare and pay cash dividends to our common stockholders of record on a quarterly basis. Dividends paid, including those to non-controlling interests, was $143 million during the nine months ended September 30, 2023 compared to $133 million during the nine months ended September 30, 2022. The increase in dividend payments was due to an increase in our quarterly dividends rate to $0.71 per share of common stock during the nine months ended September 30, 2023 from $0.65 per share during the nine months ended September 30, 2022. On August 7, 2023, our Board of Directors declared a quarterly cash dividend of $0.78 per share of common stock, which was paid on October 24, 2023, to stockholders of record at the close of business on October 2, 2023.

During the three and nine months ended September 30, 2023, we repurchased 1.0 million outstanding shares of common stock in open market transactions at a net cost of $101 million. During the three and nine months ended

September 30, 2022, we repurchased 0.3 million and 1.3 million shares of common stock in open market transactions at a net cost of $29 million and $112 million, respectively.

We have not provided foreign withholding taxes, state income taxes and federal and state taxes on foreign currency gains/losses on accumulated undistributed earnings of certain foreign subsidiaries because these earnings are considered to be permanently reinvested. It is not practicable to determine the amount of the unrecognized deferred tax liability related to the undistributed earnings. We do not anticipate the need to repatriate funds to the U.S. to satisfy domestic liquidity needs arising in the ordinary course of business, including liquidity needs associated with our domestic debt service requirements.

Critical Accounting Policies and Estimates

Our critical accounting policies and estimates are described in Management’s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2022. There have been no changes to our critical accounting policies and estimates during the nine months ended September 30, 2023.

New Accounting Pronouncements

The information called for by this section is incorporated herein by reference to Note 2 to the Condensed Consolidated Financial Statements included in this report.

Forward-Looking Statements

This Form 10-Q 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. Ingredion 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 Ingredion’s prospects, future operations, or future financial condition, earnings, net sales, tax rates, capital expenditures, 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 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 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 in our subsequent reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

See the discussion set forth in Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk at pages 35 to 36 in our Annual Report on Form 10-K for the year ended December 31, 2022 for a discussion of the manner in which we address risks with respect to interest rates, raw material and energy costs and foreign currencies. There have been no material changes in the information provided with respect to those disclosures during the nine months ended September 30, 2023.

ITEM 4. CONTROLS AND PROCEDURES

Our management, including our Chief Executive Officer and our Chief Financial Officer, performed an evaluation of the effectiveness of our disclosure controls and procedures as of September 30, 2023. Based on that evaluation, our Chief Executive Officer and our Chief Financial Officer concluded that, as of September 30, 2023, our disclosure controls and procedures (a) are effective in providing reasonable assurance that all information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, has been recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission’s rules and forms and (b) are designed to ensure that information required to be disclosed in the reports we file or submit under the Securities Exchange Act of 1934, as amended, is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There have been no changes in our internal control over financial reporting during the three months ended September 30, 2023 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

In September 2022, following certain air emissions testing Ingredion performed at our Bedford Park, Illinois manufacturing facility, we reported to the Illinois Environmental Protection Agency (the "Illinois EPA") that certain emissions had exceeded applicable limits under an air emissions permit. On February 8, 2023, the Illinois EPA issued a Notice of Violation with respect to the matter addressed in our report. Violations of the Illinois environmental statute could result in the imposition of civil or criminal monetary penalties. We are engaged in discussions with the Illinois EPA regarding this matter.

In 2015 and 2016, Ingredion self-reported certain monitoring and recordkeeping issues relating to environmental regulatory matters involving its Indianapolis, Indiana manufacturing facility. In September 2017, following inspections and the provision by Ingredion of requested information to the U.S. Environmental Protection Agency (the "EPA"), the EPA issued Ingredion a Notice of Violation, which included additional alleged violations beyond those self-reported by Ingredion. These additional alleged violations primarily relate to the results of stack testing at the facility. The allegations in the Notice of Violation, whether from the self-reported information, the inspections or the additional requested information, are not material to us. The EPA has referred the overall matter to the U.S. Department of Justice, Environment and Natural Resources Division (the "DOJ"). The DOJ and Ingredion are engaged in discussions with respect to a resolution of this matter.

We are currently subject to claims and suits arising in the ordinary course of business, including those relating to labor matters, certain environmental proceedings and commercial claims. We also routinely receive inquiries from regulators and other government authorities relating to various aspects of our business, including with respect to compliance with laws and regulations relating to the environment, and at any given time, we have matters at various stages of resolution with the applicable governmental authorities. The outcomes of these matters are not within our complete control and may not be known for prolonged periods of time. We do not believe that the results of currently known legal proceedings and inquires will be material to us. There can be no assurance, however, that such claims, suits or investigations or those arising in the future, whether taken individually or in the aggregate, will not have a material adverse effect on our financial condition or results of operations.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES, USE OF PROCEEDS, AND ISSUER PURCHASES OF EQUITY SECURITIES

Issuer Purchases of Equity Securities:

The following table presents information regarding our repurchase of shares of our common stock during the three months ended September 30, 2023.

(shares in thousands)	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number (or Approximate Dollar Value) of Shares That May Yet be Purchased Under the Plans or Programs at End of Period (in thousands)
July 1 – July 31, 2023	—	—	—	6,000 shares
August 1 – August 31, 2023	673	100.00	673	5,327 shares
September 1 – September 30, 2023	327	100.29	327	5,000 shares
Total	1,000	100.09	1,000	

On September 26, 2022, the Board of Directors authorized a new stock repurchase program permitting us to purchase up to 6.0 million shares of our outstanding common stock from September 26, 2022 through December 31, 2025. As of September 30, 2023, we have 5.0 million shares available for repurchase under the stock repurchase program.

ITEM 5. OTHER INFORMATION

Trading Arrangements:

During the quarter ended September 30, 2023, none of the Company's directors or officers (as defined in Rule 16a-1(f) under the Securities Exchange Act of 1934, as amended) adopted or terminated any contract, instruction or written plan for the purchase or sale of Company securities intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Securities Exchange Act of 1934, as amended, or any non-Rule 10b5-1 trading arrangement.

ITEM 6. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

a) Exhibits

Exhibits required by Item 601 of Regulation S-K are listed in the Exhibit Index below:

EXHIBIT INDEX

Exhibit No.	Description
31.1†	Certification of Chief Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2†	Certification of Chief Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1††	Certification of Chief Executive Officer pursuant to Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2††	Certification of Chief Financial Officer pursuant to Rule 13a-14(b) or Rule 15d-14(b) under the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code, as adopted pursuant to Section 906 of the Sarbanes Oxley Act of 2002.
101.INS†	XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document).
101.SCH†	Inline XBRL Taxonomy Extension Schema Document.
101.CAL†	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF†	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB†	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE†	Inline XBRL Taxonomy Extension Presentation Linkbase Document.

104†	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the Inline XBRL document, which is contained in Exhibit 101).

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†	Filed with this report.
††	Furnished with this report.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

INGREDION INCORPORATED

Date: November 7, 2023	By: /s/ James D. Gray
	James D. Gray
	Executive Vice President and Chief Financial Officer
Date: November 7, 2023	By: /s/ Davida M. Gable
	Davida M. Gable
	Vice President, Global Controller and Global Shared Services

EXHIBIT 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, James P. Zallie, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ingredion Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2023

/s/ James P. Zallie
James P. Zallie
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, James D. Gray, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Ingredion Incorporated;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15 (f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the Registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 7, 2023

/s/ James D. Gray

James D. Gray
Executive Vice President and Chief Financial Officer

EXHIBIT 32.1

Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the
Sarbanes-Oxley Act of 2002

I, James P. Zallie, the Chief Executive Officer of Ingredion Incorporated, certify that to my knowledge (i) the report on Form 10-Q for the quarter ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Ingredion Incorporated.

/s/ James P. Zallie

James P. Zallie
Chief Executive Officer
November 7, 2023

A signed original of this written statement required by Section 906 has been provided to Ingredion Incorporated and will be retained by Ingredion Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

Certification Pursuant to
18 U.S.C. Section 1350,
as Adopted Pursuant to
Section 906 of the
Sarbanes-Oxley Act of 2002

I, James D. Gray, the Chief Financial Officer of Ingredion Incorporated, certify that to my knowledge (i) the report on Form 10-Q for the quarter ended September 30, 2023 as filed with the Securities and Exchange Commission on the date hereof (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and (ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Ingredion Incorporated.

/s/ James D. Gray

James D. Gray
Chief Financial Officer
November 7, 2023

A signed original of this written statement required by Section 906 has been provided to Ingredion Incorporated and will be retained by Ingredion Incorporated and furnished to the Securities and Exchange Commission or its staff upon request.