Ingredion

Second Quarter 2015 Earnings Call

July 30, 2015

Ilene Gordon, Chairman and CEO

Jack Fortnum, Chief Financial Officer

Forward-Looking Statements

This presentation contains or may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The Company intends these forward-looking statements to be covered by the safe harbor provisions for such statements. Forward-looking statements include, among other things, any statements regarding the Company's prospects or future financial condition, earnings, revenues, tax rates, capital expenditures, expenses or other financial items, any statements concerning the Company's prospects or future operations, including management's plans or strategies and objectives therefor and any assumptions, expectations or beliefs underlying the foregoing. These statements can sometimes be identified by the use of forward looking words such as "may," "will," "should," "anticipate," "assume", "believe," "plan," "project," "estimate," "expect," "intend," "continue," "pro forma," "forecast," "outlook" or other similar expressions or the negative thereof. All statements other than statements of historical facts in this presentation or referred to in this presentation are "forward-looking statements." These statements are based on current circumstances or expectations, but are subject to certain inherent risks and uncertainties, many of which are difficult to predict and are beyond our control. Although we believe our expectations reflected in these forward-looking statements are based on reasonable assumptions, stockholders are cautioned that no assurance can be given that our expectations will prove correct. Actual results and developments may differ materially from the expectations expressed in or implied by these statements, based on various factors, including the effects of global economic conditions, including, particularly, continuation or worsening of the current economic, currency and political conditions in South America and economic conditions in Europe, and their impact on our sales volumes and pricing of our products, our ability to collect our receivables from customers and our ability to raise funds at reasonable rates; fluctuations in worldwide markets for corn and other commodities, and the associated risks of hedging against such fluctuations; fluctuations in the markets and prices for our co-products, particularly corn oil; fluctuations in aggregate industry supply and market demand; the behavior of financial markets, including foreign currency fluctuations and fluctuations in interest and exchange rates; volatility and turmoil in the capital markets; the commercial and consumer credit environment; general political, economic, business, market and weather conditions in the various geographic regions and countries in which we buy our raw materials or manufacture or sell our products; future financial performance of major industries which we serve, including, without limitation, the food and beverage, pharmaceuticals, paper, corrugated, textile and brewing industries; energy costs and availability, freight and shipping costs, and changes in regulatory controls regarding quotas, tariffs, duties, taxes and income tax rates; operating difficulties; availability of raw materials, including potato starch, tapioca and the specific varieties of corn upon which our products are based; energy issues in Pakistan; boiler reliability; our ability to effectively integrate and operate acquired businesses, including the Penford business; our ability to achieve budgets and to realize expected synergies; our ability to complete planned maintenance and investment projects successfully and on budget; labor disputes; genetic and biotechnology issues; changing consumption preferences including those relating to high fructose corn syrup; increased competitive and/or customer pressure in the corn refining industry; and the outbreak or continuation of serious communicable disease or hostilities including acts of terrorism. Factors relating to the acquisition of Penford Corporation that could cause actual results and developments to differ from expectations include that the anticipated benefits of the acquisition, including synergies, may not be realized; and that the integration of Penford's operations with our operations may be materially delayed or may be more costly or difficult than expected. Our forward-looking statements speak only as of the date on which they are made and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of the statement as a result of new information or future events or developments. If we do update or correct one or more of these statements, investors and others should not conclude that we will make additional updates or corrections. For a further description of these and other risks, see "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2014 and subsequent reports on Forms 10-Q and 8-K.

Perspective on the second quarter 2015

- Strong operating results
  - Overall volume up driven by specialty & Penford
- FX headwinds are significant but business model and strategy are working
- Penford integration on track
- Announced pending acquisition of Kerr Concentrates, Inc.

North America second quarter business highlights

- North America operating income up by $17 million
- Overall, volumes were up
  - Majority of increase in volumes from Penford acquisition
  - Specialty volumes continue to grow
- Continuous improvement programs delivered good operational efficiencies
- Margin improvement from product mix and specialty growth

South America second quarter business highlights

- South America operating income up $4 million despite volume and foreign exchange headwinds
- Pricing actions and focus on cost management led to increased operating income
- Andean region continues to perform as expected

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Second quarter business highlights

Asia Pacific

- 3% volume growth across the region; specialty volumes up high single-digits including mature markets such as Korea
- Operating income slightly up despite FX headwinds

Europe/Middle East/Africa (EMEA)

- Foreign exchange headwinds continue in Europe
- Pakistan operating income rose as a result of good cost management

Second quarter 2015
Income statement highlights

$ in millions, unless noted	2Q 2014	2Q 2015	Change
Net Sales	$ 1,483	$ 1,449	$ (34)
Gross Profit	$ 296	$ 319	$ 23
Gross Profit Margin	*20.0%*	*22.0%*	*200 bps.*
Reported Operating Income	$ 163	$ 173	$ 10
Adjusted Operating Income*	$ 163	$ 180	$ 17
Reported Diluted EPS	$ 1.35/share	$ 1.47/share	$ 0.12/share
Adjusted Diluted EPS*	$ 1.35/share	$ 1.53/share	$ 0.18/share

Note: Amounts may not foot due to rounding.
*See appendix for a reconciliation of these non-GAAP financial measures to U.S. GAAP measures.

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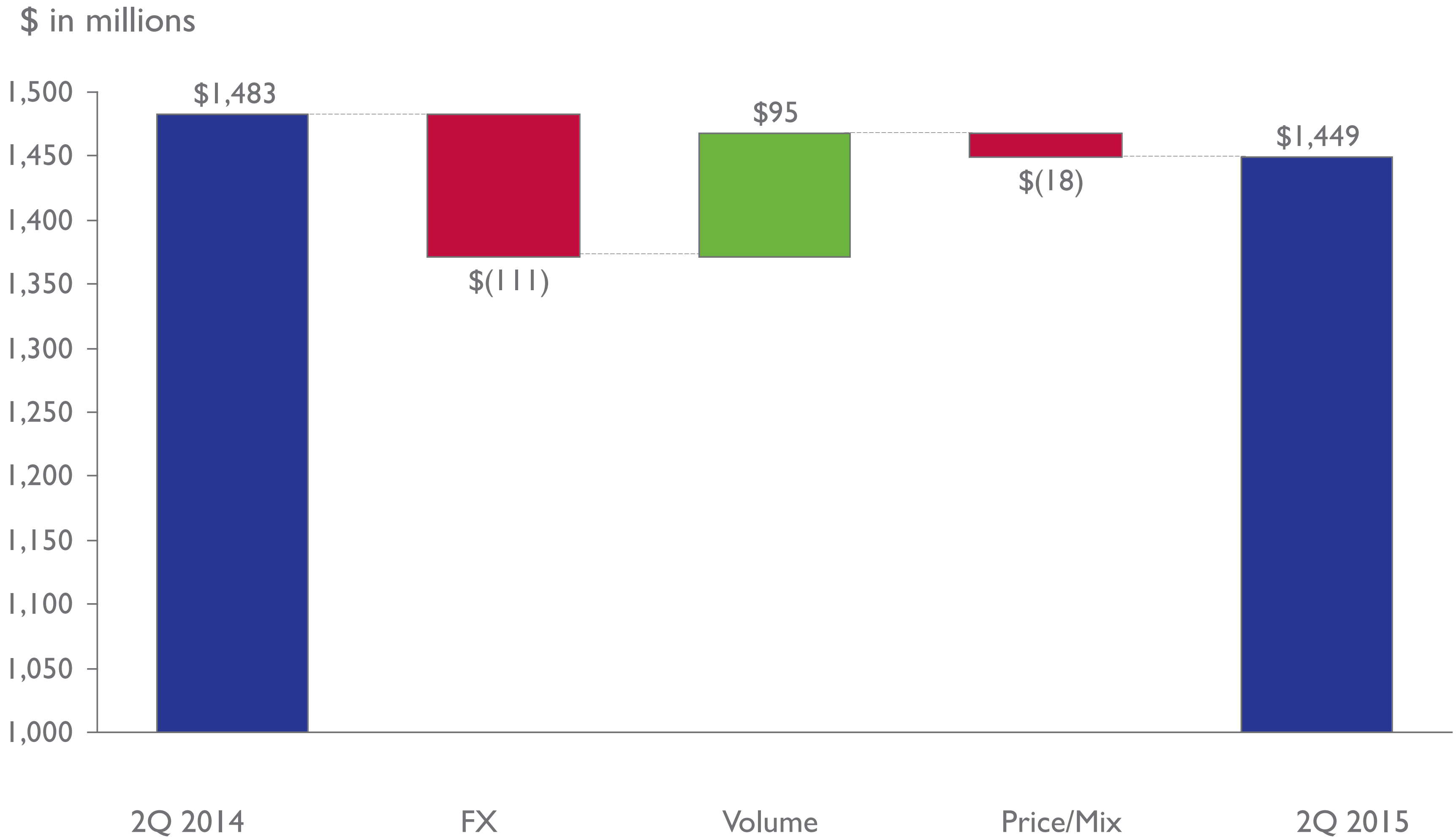
Second quarter 2015 net sales bridge



Note: Amounts may not foot due to rounding.

Second quarter 2015
Net sales variance by region

	Foreign Exchange	Volume	Price/mix	Net Sales Change
North America	-2%	12%	-4%	**6%**
South America	-22%	-4%	8%	**-18%**
Asia Pacific	-6%	3%	-3%	**-6%**
EMEA	-10%	1%	-2%	**-11%**
Ingredion	**-7%**	**6%**	**-1%**	**-2%**

Note: Amounts may not foot due to rounding.

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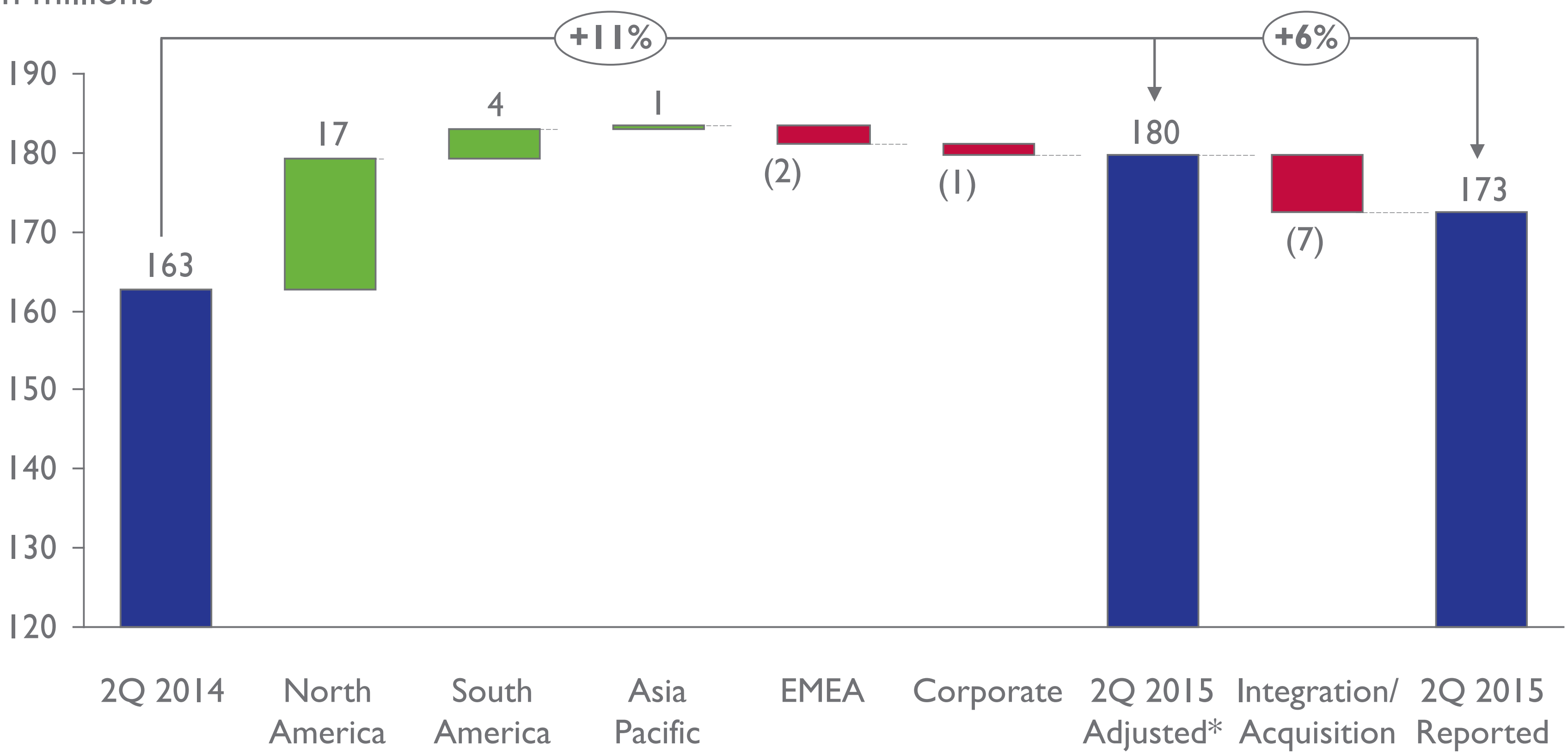
Second quarter 2015
Operating income bridge

$ in millions



2015 OI	$127	$20	$28	$23	($18)	**$180**	($7)	**$173**

Note: Amounts may not foot due to rounding.
*See appendix for a reconciliation of these non-GAAP financial measures to U.S. GAAP measures.

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Estimated second quarter 2015 EPS bridge

Amounts are dollars/share	
2Q 2014 Reported Diluted EPS	**$1.35**
2Q 2015 Adjusted Diluted EPS*	**$1.53**
Integration/Acquisition costs	*(0.07)*
2Q 2015 Reported Diluted EPS	**$1.47**

Margin	$	0.32
Volume	$	0.03
Foreign Exchange Rates	$	(0.14)
Other Income	$	(0.06)
Changes from Operations	$	0.15

Financing Costs	$	0.01
Non-controlling Interests	$	-
Tax Rate	$	(0.05)
Shares Outstanding	$	0.07
Non-Operational Changes	$	0.03

Note: Amounts may not foot due to rounding.
*See appendix for a reconciliation of these non-GAAP financial measures to U.S. GAAP measures.

First half 2015
Income statement highlights

$ in millions, unless noted	1H 2014	1H 2015	Change
Net Sales	$ 2,840	$ 2,779	$ (61)
Gross Profit	$ 546	$ 599	$ 54
Gross Profit Margin	*19.2%*	*21.6%*	*240 bps.*
Reported Operating Income	$ 285	$ 312	$ 27
Adjusted Operating Income*	$ 285	$ 336	$ 52
Reported Diluted EPS	$ 2.31/share	$ 2.62/share	$ 0.31/share
Adjusted Diluted EPS*	$ 2.31/share	$ 2.83/share	$ 0.52/share

Note: Amounts may not foot due to rounding.
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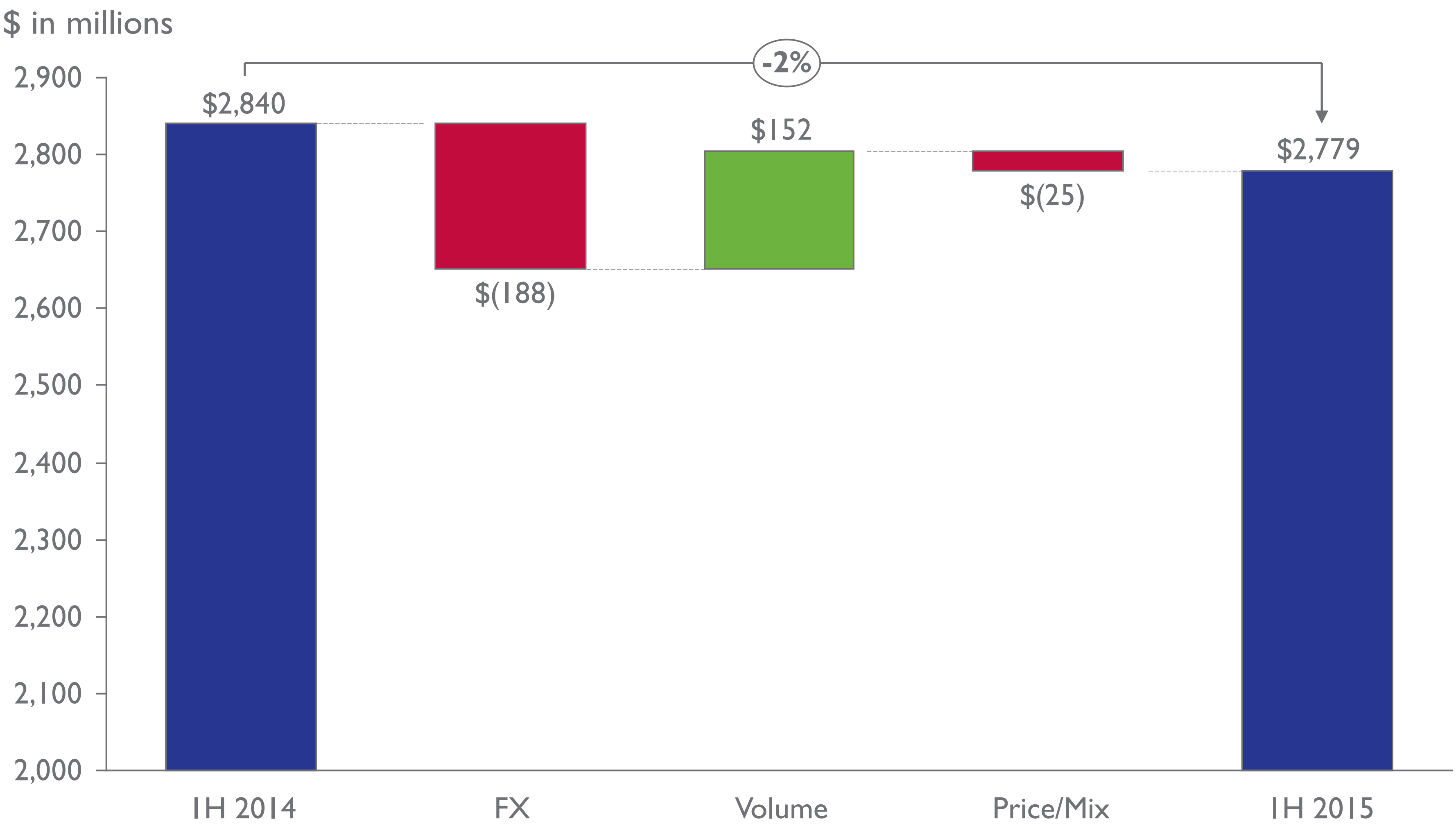
First half 2015 net sales bridge



Note: Amounts may not foot due to rounding.

First half 2015
Net sales variance by region

	Foreign Exchange	Volume	Price/mix	Net Sales Change
North America	-2%	10%	-4%	**4%**
South America	-19%	-4%	8%	**-15%**
Asia Pacific	-5%	6%	-4%	**-3%**
EMEA	-9%	1%	-1%	**-9%**
Ingredion	**-7%**	**6%**	**-1%**	**-2%**

Note: Amounts may not foot due to rounding.

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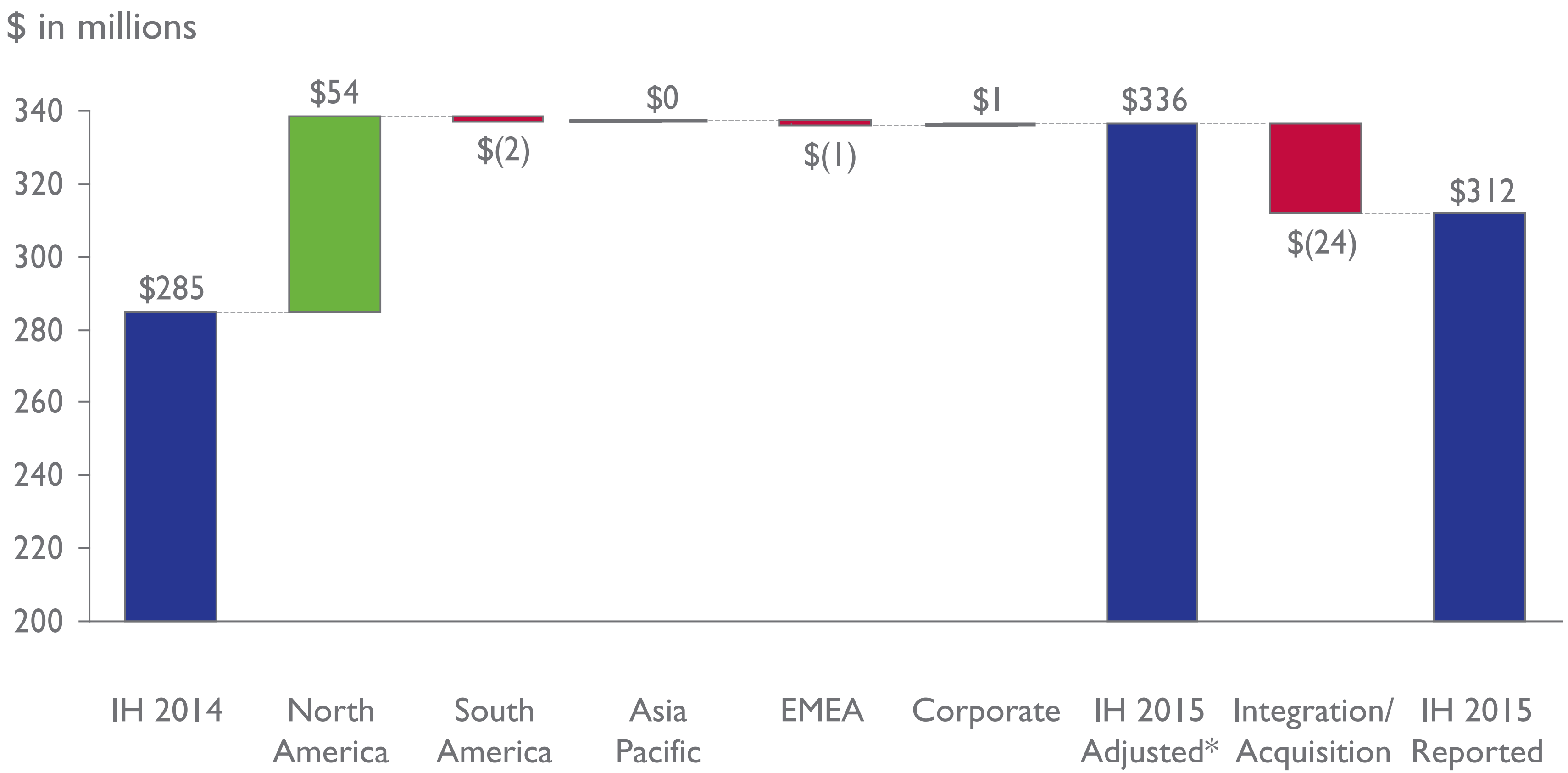
First half 2015
Operating income bridge



2015 OI	$229	$45	$54	$45	($36)	**$336**	($24)	**$312**

Note: Amounts may not foot due to rounding.
*See appendix for a reconciliation of these non-GAAP financial measures to U.S. GAAP measures.

Estimated first half 2015 EPS bridge

Amounts are dollars/share	
1H 2014 Reported Diluted EPS	**$2.31**
1H 2015 Adjusted Diluted EPS*	**$2.83**
Integration/Acquisition costs	*(0.22)*
1H 2015 Reported Diluted EPS	**$2.62**

Margin	$	0.72
Volume	$	0.08
Foreign Exchange Rates	$	(0.24)
Other Income	$	(0.09)
Changes from Operations	$	0.47

Financing Costs	$	0.03
Non-controlling Interests	$	0.01
Tax Rate	$	(0.11)
Shares Outstanding	$	0.12
Non-Operational Changes	$	0.05

Note: Amounts may not foot due to rounding.
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2015 income statement guidance

- Net sales are expected to be up, partially offset by FX
- Volumes are expected to be up from 2014
- 2015 adjusted EPS is expected to be $5.60 - $5.90 per share; includes anticipated accretion resulting from the Penford and Kerr transactions of $0.08-$0.12 per share but excludes acquisition-related costs
  - Anticipated currency headwinds outside the U.S. of $0.35-$0.40
  - Corporate expenses expected to normalize; up year-over-year
  - Financing costs anticipated to be slightly higher than 2014
  - Effective annual tax rate estimated to be approximately 29-31%
  - The 2014 accelerated share repurchase is accretive to earnings in 2015

Regional outlook

North America

- Net sales expected to be up versus prior year
- Volume expected to be up versus prior year
- Operating income still expected to be up double digits
- Penford integration on-track; underlying business performing as expected
- Pending acquisition of Kerr further strengthens our higher-value ingredient portfolio

South America

- Net sales expected to be down as anticipated FX headwinds and slow economic growth more than offset planned pricing increases
- Continued focus on cost management
- Operating income expected to be in line with last year

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Regional outlook

Asia Pacific

- Net sales expected to be down versus prior year as FX headwinds offset anticipated volume growth
- Modest growth in operating income anticipated with expected volume and favorable price/mix partially offset by FX headwinds

EMEA

- Net sales expected to be down versus prior year as FX headwinds offset anticipated volume growth
- Operating income anticipated to be down with prior year; FX headwinds expected to offset anticipated volume growth and improved price/mix

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First half cash provided by operations

Amounts are in millions	
Net Income	$ 195
Depreciation and Amortization	$ 96
Working Capital	$(104)
Other	$ 61
Cash Provided by Operations	**$ 248**

Uses of cash

Capital Expenditures, net	*$*	*(128)*
*Dividend Payments**	*$*	*(63)*
Share repurchase, net	*$*	*(25)*

* Including to non-controlling interests
Note: Amounts may not foot due to rounding.

2015 cash flow guidance

- Expect to generate strong cash from operations of approximately $650 - $700 million
  - Assumes minimal impact from margin accounts
- Anticipate capital expenditures of approximately $300 million
- Strong balance sheet offers opportunities for acquisitions and/or further share repurchases

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Kerr acquisition well-aligned to our strategic blueprint

Kerr Concentrates, Inc.

- **Complementary higher-value specialty products** addressing growing consumer trends, including clean label, natural, wholesome, simple ingredients, health and wellness, gluten-free, and non-GMO
- **Presence** in fruits and vegetables with multiple functionalities
- Expected to be **EPS neutral in first year**
  - 2014 revenues of $66 million
  - High single-digit growth rates; gross margin high teens
  - ~ $100 million transaction price; 10 times EBITDA
- Anticipated revenue **synergies**
  - Opportunities to enhance portfolio with Ingredion's advanced technologies and new-product development capabilities
  - Expect to grow the Kerr business through our broad customer network and global presence

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Our Strategic Blueprint

A LEADING GLOBAL SUPPLIER OF INGREDIENT SOLUTIONS

SHAREHOLDER VALUE CREATION

Organic Growth

Broadening Ingredient Portfolio

Geographic Scope

OPERATING EXCELLENCE

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Questions and Answers

Appendix

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

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

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

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

	Three Months Ended June 30, 2015		Three Months Ended June 30, 2014		Six Months Ended June 30, 2015		Six Months Ended June 30, 2014	
	(in millions)	EPS	(in millions)	EPS	(in millions)	EPS	(in millions)	EPS
Net income attributable to Ingredion	$106.7	$1.47	$102.6	$1.35	$190.3	$2.62	$175.2	$2.31
Add back:								
Restructuring charge, net of income tax benefit of $4.0 million	-	-	-	-	6.4	0.09	-	-
Acquisition/integration costs, net of income tax benefit of $1.3 million and $2.2 million, respectively	2.7	0.04	-	-	5.6	0.08	-	-
Charge for fair value mark-up of acquired inventory, net of income tax benefit of $1.2 million and $2.3 million, respectively	2.1	0.03	-	-	4.0	0.05	-	-
Non-GAAP adjusted net income	$111.5	$1.53	$102.6	$1.35	$206.3	$2.83	$175.2	$2.31

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

(in millions)	Three Months Ended June 30, 2015	Three Months Ended June 30, 2014	Six Months Ended June 30, 2015	Six Months Ended June 30, 2014
Operating income	$172.5	$162.6	$312.0	$284.9
Add back:				
Restructuring charge	-	-	10.4	-
Acquisition/integration costs	4.0	-	7.8	-
Charge for fair value mark-up of acquired inventory	3.3	-	6.3	-
Non-GAAP adjusted operating income	$179.8	$162.6	$336.5	$284.9

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

	Income before Income Taxes (a) 2015		Provision for Income Taxes (b) 2015		Effective Income Tax Rate (b/a) 2015	
(Dollars in millions)	Second Qtr	First Half	Second Qtr	First Half	Second Qtr	First Half
As Reported	$ 156.2	$ 281.6	$ 47.3	$ 87.1	30.3%	30.9%
Add back:						
Restructuring charge	-	10.4	-	4.0		
Acquisition / integration costs	4.0	7.8	1.3	2.2		
Charge for fair value mark-up of acquired inventory	3.3	6.3	1.2	2.3		
Adjusted non-GAAP	$ 163.5	$ 306.1	$ 49.8	$ 95.6	30.5%	31.2%

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

(Dollars in millions)	Income before Income Taxes (a) 2014 Full Year		Provision for Income Taxes (b) 2014 Full Year		Effective Income Tax Rate (b/a) 2014 Full Year
As Reported	$	520.1	$	156.8	30.2%
Add back:					
Impairment charge		32.8		-	
Acquisition costs		2.1		0.4	
Adjusted non-GAAP	$	555.0	$	157.2	28.3%

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

	Year Ended December 31, 2014 (in millions)	EPS
Net income attributable to Ingredion	$354.9	$4.74
Add back:		
Impairment charge	32.8	0.44
Acquisition costs, net of income tax benefit of $0.4 million for the year ended December 31, 2014	1.7	0.02
Non-GAAP adjusted net income	$389.4	$5.20

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