



Ingredion Incorporated
5 Westbrook Corporate Center
Westchester, IL 60154

NEWS RELEASE

CONTACTS:

Investors: Noah Weiss, 773-896-5242
Media: Becca Hary, 708-551-2602

INGREDION INCORPORATED REPORTS STRONG SECOND QUARTER RESULTS AND RAISES FULL-YEAR OUTLOOK

- Second quarter 2023 reported and adjusted operating income* grew 18% and 17%, respectively, compared to PY
- Second quarter 2023 reported and adjusted EPS* were \$2.42 and \$2.32, an increase of 14% and 9%, respectively
- The Company raises its full year adjusted EPS outlook to be in the range of \$8.80-\$9.40, up from \$8.70-\$9.40

WESTCHESTER, Ill., August 8, 2023 – [Ingredion Incorporated](#) (NYSE: INGR), a leading global provider of ingredient solutions to the food and beverage manufacturing industry, today reported results for the second quarter of 2023. The results, reported in accordance with U.S. generally accepted accounting principles (“GAAP”) for the second quarter of 2023 and 2022, include items that are excluded from the non-GAAP financial measures that the Company presents.

“Once again, our teams demonstrated an ability to adapt to shifting market dynamics while continuing to drive strong profit growth,” said Jim Zallie, Ingredion’s president and chief executive officer. “The team’s nimbleness to adjust our production to anticipated shifts in customer demand led to robust profit growth and greater cash from operations. Our performance this quarter further demonstrated the value of our diversified ingredients portfolio where North America’s strength in core ingredients and EMEA’s strength in specialties led to record second quarter net sales.”

“Net sales growth of specialty ingredients was driven by price and customer mix. Overall, Ingredion’s specialty ingredients led total net sales growth for the Company, reflecting ongoing demand for healthy and natural ingredients, such as solutions to enable sugar reduction. Our differentiated high-intensity natural sweeteners for low or no-calorie products continue to be recognized for their uncompromised sweetness and flavor profile. Volumes continued to be impacted by inventory rebalancing throughout the food supply chain and shifts in consumer spending behavior.”

“Our updated full-year outlook reflects our confidence to continue to deliver profitable growth this year and execute on our Driving Growth Roadmap, creating long-term value for shareholders,” Zallie concluded.

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

Diluted Earnings Per Share (EPS)

	2Q22	2Q23
Reported EPS	\$2.12	\$2.42
Restructuring/Impairment costs	0.01	-
Tax items and other matters	(0.01)	(0.10)
Adjusted EPS**	\$2.12	\$2.32

Estimated factors affecting changes in Reported and Adjusted EPS

	2Q23
Total items affecting EPS**	0.20
Total operating items	0.40
Margin	0.75
Volume	(0.21)
Foreign exchange	(0.08)
Other income	(0.06)
Total non-operating items	(0.20)
Other non-operating income	(0.02)
Financing costs	(0.15)
Tax Rate	(0.03)
Shares outstanding	(0.01)
Non-controlling interests	0.01

**Totals may not foot due to rounding;

Financial Highlights

- At June 30, 2023, total debt and cash, including short-term investments, were \$2.5 billion and \$263 million, respectively, versus \$2.5 billion and \$239 million, respectively, at December 31, 2022.
- Reported net financing costs for the second quarter were \$30 million versus \$17 million for the year-ago period.
- Reported and adjusted effective tax rates for the quarter were 25.1% and 28.3%, respectively, for the period, compared to 26.0% and 26.8%, respectively, in the year-ago period. The decrease in the reported effective tax rate was primarily driven by the value of the Mexican peso against the U.S. dollar during the three months ended June 30, 2023. The decrease was partially offset by an increase in the Pakistan Super Tax rate.
- Capital expenditures, net were \$153 million, up \$16 million from the year-ago period.

Business Review**Total Ingredient
Net Sales**

\$ in millions	2022	FX Impact	Volume	Price/mix	2023	Change	Change excl. FX
Second Quarter	2,044	(47)	(225)	297	2,069	1%	4%
Year-to-Date	3,936	(110)	(341)	721	4,206	7%	10%

Reported Operating Income

\$ in millions	2022	FX Impact	Business Drivers	Acquisition / Integration	Restructuring / Impairment	Other	2023	Change	Change excl. FX
Second Quarter	213	(7)	43	-	2	-	251	18%	21%
Year-to-Date	423	(19)	138	1	4	(5)	542	28%	33%

Adjusted Operating Income

\$ in millions	2022	FX Impact	Business Drivers	2023	Change	Change excl. FX
Second Quarter	215	(7)	43	251	17%	20%
Year-to-Date	428	(19)	138	547	28%	32%

Net Sales

- Second quarter and year-to-date net sales were up from the year-ago period 1% and 7%, respectively. The increases were driven by both price and product mix, partially offset by volume declines, including active customer mix management, as well as foreign exchange impacts. Excluding foreign exchange impacts, net sales were up 4% and 10%, respectively, for the quarter and year-to-date.

Operating Income

- Second quarter reported and adjusted operating income were both \$251 million, an increase of 18% and 17%, respectively, versus the prior year. The increases were driven by favorable price mix, partially offset by higher raw material and input costs and lower volumes. Excluding foreign exchange impacts, reported and adjusted operating income were up 21% and 20%, respectively, from the same period last year.
- Year-to-date reported and adjusted operating income were \$542 million and \$547 million, respectively, an increase of 28% for each versus the year-ago period. The increases in reported and adjusted operating income were attributable to favorable price mix, partially offset by higher raw material and input costs and lower volume. Excluding foreign exchange impacts, reported and adjusted operating income were up 33% and 32%, respectively, from the same period last year.

North America**Net Sales**

\$ in millions	2022	FX Impact	Volume	Price Mix	2023	Change	Change excl. FX
Second Quarter	1,284	(7)	(124)	189	1,342	5%	5%
Year-to-Date	2,458	(15)	(206)	461	2,698	10%	10%

Segment Operating Income

\$ in millions	2022	FX Impact	Business Drivers	2023	Change	Change excl. FX
Second Quarter	161	(1)	37	197	22%	23%
Year-to-Date	317	(3)	90	404	27%	28%

- Second quarter operating income for North America was \$197 million, an increase of \$36 million from the year-ago period, and year-to-date operating income was \$404 million, an increase of \$87 million from the year-ago period. The increases for both periods were driven by favorable price mix, partially offset by higher input costs and lower volume. Excluding foreign exchange impacts, segment operating income was up 23% and 28%, respectively, for the second quarter and year-to-date.

South America**Net Sales**

\$ in millions	2022	FX Impact	Volume	Price mix	2023	Change	Change excl. FX
Second Quarter	290	(10)	(42)	19	257	-11%	-8%
Year-to-Date	542	(23)	(49)	56	526	-3%	1%

Segment Operating Income

\$ in millions	2022	FX Impact	Business Drivers	2023	Change	Change excl. FX
Second Quarter	39	(1)	(15)	23	-41%	-38%
Year-to-Date	77	(5)	(8)	64	-17%	-10%

- Second quarter operating income for South America was \$23 million, a decrease of \$16 million from the year-ago period, and year-to-date operating income was \$64 million, a decrease of \$13 million from the year-ago period. The decrease in both periods was driven primarily by lower volumes and higher input costs, as well as adverse foreign exchange impact in the Argentina joint venture results. Excluding foreign exchange impacts, segment operating income was -38% and -10%, respectively, for the second quarter and year-to-date.

Asia-Pacific**Net Sales**

\$ in millions	2022	FX Impact	Volume	Price mix	2023	Change	Change excl. FX
Second Quarter	275	(8)	(29)	29	267	-3%	0%
Year-to-Date	547	(21)	(54)	72	544	-1%	3%

Segment Operating Income

\$ in millions	2022	FX Impact	Business Drivers	2023	Change	Change excl. FX
Second Quarter	21	(1)	7	27	29%	33%
Year-to-Date	43	(2)	14	55	28%	33%

- Second quarter operating income for Asia-Pacific was \$27 million, up \$6 million from the year-ago period, and year-to-date operating income was \$55 million, an increase of \$12 million from the year-ago period. The change in both periods was driven by favorable price mix, partially offset by lower volume. Excluding foreign exchange impacts, segment operating income was up 33% for both the quarter and year-to-date.

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

\$ in millions	2022	FX Impact	Volume	Price mix	2023	Change	Change excl. FX
Second Quarter	195	(22)	(30)	60	203	4%	15%
Year-to-Date	389	(51)	(32)	132	438	13%	26%

Segment Operating Income

\$ in millions	2022	FX Impact	Business Drivers	2023	Change	Change excl. FX
Second Quarter	29	(4)	17	42	45%	59%
Year-to-Date	60	(9)	48	99	65%	80%

- Second quarter operating income for EMEA was \$42 million, up \$13 million from the year-ago period, and year-to-date operating income was \$99 million, an increase of \$39 million from the year-ago period. The changes were driven by favorable price mix, partially offset by lower volumes, higher input costs and foreign exchange impacts. Excluding foreign exchange impacts, segment operating income was up 59% and 80%, respectively, for the second quarter and year-to-date.

Dividends and Share Repurchases

In the first half of 2023, the Company paid \$95 million in dividends to shareholders and announced a quarterly dividend of \$0.71 per share that was paid on July 25, 2023. Ingredion considers return of value to shareholders through cash dividends and share repurchases as part of its capital allocation strategy to support total shareholder return.

Third Quarter and Updated 2023 Full-Year Outlook

For the third quarter of 2023, the Company expects net sales growth to be up mid-single digits and operating income to be up high-single digits to low double-digits compared to the third quarter of 2022.

The Company expects its outlook for full-year 2023 reported and adjusted EPS to be in the range of \$8.95 to \$9.55 and \$8.80 to \$9.40, respectively. This expectation excludes acquisition-related integration and restructuring costs, as well as any potential impairment costs.

The Company now expects full-year 2023 net sales to be up mid to high single digits reflecting softer volume demand. Reported and adjusted operating income are both expected to be up high double-digits.

Compared to last year, the 2023 full-year outlook now assumes the following: North America operating income is expected to be up 20% to 25%, with price mix continuing to outpace lower volumes and increasing costs; South America operating income is expected to be down mid to high-single digits, with higher input costs more than offsetting favorable price mix; Asia-Pacific operating income is expected to be up high double-digits, driven by favorable price mix and PureCircle growth, partially offset by higher input costs; and EMEA operating income is expected to be up 40% to 50% driven by favorable price mix. Corporate costs are expected to be up high single digits.

For full year 2023, the Company expects a reported and adjusted effective tax rate of 25.5% to 27.0% and 27.0% to 28.5%, respectively.

Cash from operations for full-year 2023 is now expected to be in the range of \$600 million to \$700 million. Capital expenditures for the full year are expected to be approximately \$300 million.

Conference Call and Webcast Details

Ingredion will host a conference call on Tuesday, August 8, 2023, at 8 a.m. Central Time/9 a.m. Eastern Time, hosted by [Jim Zallie](#), president and chief executive officer, and [Jim Gray](#), executive vice president and chief financial officer. The call will be webcast in real-time and can be accessed at <https://ir.ingredionincorporated.com/events-and-presentations>. A presentation containing additional financial and operating information will be accessible through the Company's website and available to download a few hours prior to the start of the call. A replay will be available for a limited time at <https://ir.ingredionincorporated.com/financial-information/quarterly-results>.

About the Company

Ingredion Incorporated (NYSE: INGR) headquartered in the suburbs of Chicago, is a leading global ingredient solutions provider serving customers in more than 120 countries. With 2022 annual net sales of \$7.9 billion, the Company turns grains, fruits, vegetables and other plant-based materials into value-added ingredient solutions for the food, beverage, animal nutrition, brewing and industrial markets. With Ingredion's Idea Labs[®] innovation centers around the world and approximately 12,000 employees, the Company co-creates with customers and fulfills its purpose of bringing the potential of people, nature and technology together to make life better. Visit [ingredion.com](https://www.ingredion.com) for more information and the latest Company news.

Forward-Looking Statements

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

Forward-looking statements include, among others, any statements regarding the Company's expectations for third quarter 2023 net sales and operating income, full-year 2023 reported and adjusted EPS, net sales, reported and adjusted operating income, segment operating income, corporate costs, reported and adjusted effective tax rate, cash from operations, capital expenditures, and any other statements regarding the Company's prospects and its future operations, financial condition, volumes, cash flows, expenses or other financial items, including management's plans or strategies and objectives for any of the foregoing and any assumptions, expectations or beliefs underlying any of the foregoing.

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

These statements are based on current circumstances or expectations, but are subject to certain inherent risks and uncertainties, many of which are difficult to predict and beyond our control. Although we believe our expectations 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 our subsequent reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission.

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