

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION IN WHOLE OR IN PART IN,
INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A
VIOLATION OF THE RELEVANT LAWS OF SUCH JURISDICTION**

FOR IMMEDIATE RELEASE

3 October 2024

Tate & Lyle PLC

(‘Tate & Lyle’)

**Further information regarding proposed combination of
Tate & Lyle and CP Kelco to create
a leading global speciality food and beverage solutions business**

On 20 June 2024, Tate & Lyle announced the proposed acquisition of the entire issued share capital of (i) CP Kelco U.S.; (ii) CP Kelco China; and (iii) CP Kelco ApS together with each of their respective subsidiaries (together ‘CP Kelco’) a leading provider of pectin, speciality gums and other nature-based ingredients, from J.M. Huber Corporation (‘Huber’) (the ‘Proposed Transaction’ and the ‘Initial Announcement’). The Initial Announcement can be found [here](#).

Under the terms of the Proposed Transaction Tate & Lyle will acquire CP Kelco for total implied headline consideration of US\$1.8 billion (c.£1.4 billion)^{1,2}, subject to customary adjustments.

On 11 July 2024, the Financial Conduct Authority announced changes to the UK Listing Rules, which took effect from 29 July 2024 (the ‘New Listing Rules’). Under the New Listing Rules, completion of the Proposed Transaction is no longer required to be conditional on the approval of Tate & Lyle’s shareholders. Accordingly, Tate & Lyle and Huber have agreed that the condition under the sale and purchase agreement (the ‘SPA’) to seek approval for the Proposed Transaction from Tate & Lyle’s shareholders will no longer apply.

The Proposed Transaction constitutes a ‘significant transaction’ for Tate & Lyle under the New Listing Rules. Tate & Lyle today announces certain additional information relating to the Proposed Transaction as required under the New Listing Rules.

The Proposed Transaction remains conditional on receipt of certain customary regulatory approvals. Completion of the Proposed Transaction is expected to take place before the end of the 2024 calendar year.

ADDITIONAL INFORMATION

Background

Over the last six years, Tate & Lyle has been executing a major strategic transformation to become a growth-focused speciality food and beverage solutions business aligned to attractive structural and growing consumer trends for healthier, tastier and more sustainable food and drink. This transformation was completed with the announcement on 27 June 2024 of the sale of Tate & Lyle’s remaining interest in Primary Products Investments LLC (‘Primient’).

The Proposed Transaction significantly accelerates Tate & Lyle’s strategy to be a leading and differentiated speciality food and beverage solutions business, and to become the solutions partner of choice for customers. It is expected to drive stronger revenue growth and significant adjusted EBITDA margin improvement over the next few years. It is also expected to be accretive to adjusted earnings per share, including cost synergies only, in the second full financial year following completion of the Proposed Transaction, and strongly accretive thereafter.

Strategic rationale for the Proposed Transaction

- The Proposed Transaction combines two highly complementary businesses – Tate & Lyle, a leader in Sweetening, Mouthfeel and Fortification, and CP Kelco, a leader in pectin and speciality gums – to create a leading, global speciality food and beverage solutions business.
- Creates a leader in Mouthfeel, a critical driver of customer solutions, and strengthens Tate & Lyle's expertise across its three core platforms of Sweetening, Mouthfeel and Fortification.
- The combined product portfolio, technical expertise and complementary category offering delivers a compelling customer proposition, significantly enhancing Tate & Lyle's solutions capabilities and increasing the opportunity to benefit from growing global consumer demand for healthier, tastier and more sustainable food and drink.
- Expands Tate & Lyle's offering in its large (US\$19 billion³) and fast-growing (6% CAGR³) speciality food and beverage ingredients addressable market, and unlocks further growth opportunities in its core and adjacent markets.
- Accelerates R&D and innovation through the combination of world-class scientific, technical and applications expertise, driving the development of new ingredients and solutions.
- The combination is underpinned by a shared purpose, values and culture, and a mutual belief in Tate & Lyle's commitment to science, solutions and society.

Huber will become a long-term shareholder (c.16%)⁴ in Tate & Lyle following completion of the Proposed Transaction. The potential for Huber to become a long-term shareholder and participate in the future value creation from the combination of the two businesses was central to unlocking a transaction. Huber will be entitled to appoint two non-executive directors to the Tate & Lyle board (the 'Board'), subject to Huber maintaining certain minimum shareholding thresholds in Tate & Lyle.

Financial effects of the Proposed Transaction

- The Proposed Transaction accelerates the delivery of Tate & Lyle's strategy to create a higher growth business underpinned by an attractive financial algorithm, including:
 - Drive revenue growth towards the higher-end of Tate & Lyle's 4%-6% per annum ambition⁵:
 - *Industry growth*: Increasing consumer demand for healthier, tastier and more sustainable food and drink.
 - *Broader offering*: Accelerate growth from complementary portfolios, platforms and categories.
 - *Stronger capabilities*: Enhanced capabilities to increase innovation and solution selling to customers.
 - Drive significant adjusted EBITDA margin improvement over the next few years:
 - *Cost synergies*: Targeted run-rate cost synergies of at least US\$50 million (£40 million) over the two full financial years following completion.
 - *Margin improvement*: Phased recovery in profitability of CP Kelco.
 - *Solution selling*: Margin accretive solution selling from two or more years following completion.
 - Target to consistently exceed 75% free cash flow conversion⁶.
- The Proposed Transaction is expected to be accretive to adjusted earnings per share, including cost synergies only, in the second full financial year following completion, and strongly accretive thereafter.
- Return on invested capital (ROIC) now expected to exceed Tate & Lyle's weighted average cost of capital (WACC) by the fifth full year following completion.
- Targeted run-rate cost synergies of at least US\$50 million (£40 million) by the end of the second full financial year following completion, with 50% – 60% (or c.US\$25 million) of cost synergies to be realised by the end of the first full financial year following completion. There is also significant opportunity to accelerate revenue growth. Tate & Lyle is targeting revenue synergies of up to

10% of CP Kelco's revenue, to be delivered by the end of the fourth financial year following completion. The cost to deliver these synergies is estimated to be around US\$75 million.

- Net debt to EBITDA leverage anticipated to be approximately 2.3x⁷ at the financial year-end following completion, Tate & Lyle remains within its 1.0x to 2.5x long-term target net debt to EBITDA leverage range with the capacity and flexibility for further investment. Strong cash generation is expected to return net debt to EBITDA leverage to around the mid-point of this long-term target range by the end of the second full financial year following completion.
- No change to Tate & Lyle's existing approach to capital allocation and dividend policy; Tate & Lyle remains committed to maintaining a strong and efficient balance sheet.
- On 20 June 2024 a £215 million (c.US\$270 million) share buyback programme was initiated to return the net cash proceeds from the sale of Tate & Lyle's remaining interest in Primient to shareholders. To date, as of 2 October 2024, 15.8 million shares at a cost of c.£102 million (c.US\$132 million) have been repurchased.

Financial information

The gross assets of CP Kelco as at 31 March 2024 amounted to £1,484 million, with net assets of £1,307 million at the same date (both presented under UK adopted International Accounting Standards ('UK-adopted IFRS')). For the year ended 31 March 2024 under UK-adopted IFRS, revenue of CP Kelco was £603 million, adjusted EBITDA was £106 million, and adjusted profit before tax was £44 million. Adjusted metrics are stated before exceptional items of £11 million and recharges and other intra-group costs from Huber of £9 million. Operating profit of CP Kelco was £25 million and profit before tax was £24 million. This information has been prepared using the unaudited monthly management information of CP Kelco, adjusted to UK-adopted IFRS, for alignment with Tate & Lyle's accounting policies and carve out adjustments have been applied to adjusted metrics.

Assuming the Proposed Transaction completed on 31 March 2024, it is expected to increase the net assets of Tate & Lyle by £452 million representing:

- total assets acquired of £1,303 million (including goodwill and less cash consideration)
- total liabilities of £851 million (including liabilities acquired, new loan facilities drawn down and accrued transaction costs).

In estimating the effect of the Proposed Transaction on the net assets⁸ of Tate & Lyle the principal assumptions are: i) the 31 March 2024 unaudited balance sheet of CP Kelco was extracted from its unaudited management information, adjusted to UK-adopted IFRS, aligned to Tate & Lyle accounting policies and translated into British pounds using foreign exchange rate of £1:US\$1.26; ii) purchase consideration of US\$1.8 billion is assumed, consisting of US\$1.15 billion in cash from new and existing facilities and cash resources, and Tate & Lyle ordinary shares representing a value of US\$0.67 billion⁹; and, iii) no value has been attributed to the deferred consideration to be delivered to Huber by Tate & Lyle of up to 10 million Tate & Lyle ordinary shares, as the amount of shares delivered will be determined by Tate & Lyle's future share price performance, which is currently unknown.

An unaudited pro forma statement of profit before tax for continuing operations has been prepared to illustrate the effect of the Proposed Transaction on Tate & Lyle's pre-tax financial results for continuing operations for the year ended 31 March 2024 as if the Proposed Transaction had occurred on 1 April 2023 being the beginning of the period presented. This is included as Appendix 1. This information has been prepared based on the consolidated income statement of Tate & Lyle for the period ended 31 March 2024 and CP Kelco's unaudited monthly management information for the 12 months ended 31 March 2024. CP Kelco's management information has been converted to IFRS, aligned with Tate & Lyle's accounting policies and presented in British pounds using the average USD to GBP rate for the 12-month period. Pro forma adjustments arising from

the combination have also been reflected as well as the removal of Tate & Lyle's share of the profit of its Primient joint venture (a discontinued operation).

The unaudited pro forma adjusted EBITDA for the year ended 31 March 2024 for the combined business was £434 million (see Appendix 1 for the basis of preparation of the unaudited pro forma financial information and assumptions applied).

By its nature, the unaudited pro forma statement of profit before tax for continuing operations addresses a hypothetical situation and, therefore, does not represent the enlarged group's actual financial results. It may not, therefore, give a true picture of the enlarged group's financial results nor is it indicative of the results that may, or may not, be expected to be achieved in the future. The pro forma financial information has been prepared for illustrative purposes only and in accordance with Annex 20 of the UK Prospectus Regulation Rules. The unaudited pro forma statement of profit before tax for continuing operations does not constitute financial statements within the meaning of Section 434 of the Companies Act.

Trading update

Standalone Tate & Lyle (excluding CP Kelco)

For the five months ended 31 August 2024 Tate & Lyle is seeing positive volume momentum, with trading in line with our expectations.

The outlook for the year ending 31 March 2025 is unchanged. Management continue to expect to deliver in constant currency:

- Revenue slightly lower than the prior year
- EBITDA growth of between 4% and 7%.

CP Kelco

For the eight months ended 31 August 2024, financial performance continues to stabilise with volume well ahead of the comparative period.

Further Information

Your attention is drawn to the further information contained in Appendix 2 (*Risks*) and Appendix 3 (*Additional Information*) of this document.

The whole of this announcement should be read and not solely the information summarised in the front end of this announcement.

Board's views on the Proposed Transaction

The Board of Tate & Lyle believes that the Proposed Transaction is in the best interests of Tate & Lyle's shareholders.

-
1. Based on GBP:USD foreign exchange rate of £1:US\$1.272, as at 5pm BST on 19 June 2024, and a Tate & Lyle share price of 677.0p per share as at close of trading on the same date, being the latest practical date before the announcement of the Proposed Transaction.
 2. Excludes deferred consideration of up to 10 million additional Tate & Lyle ordinary shares to be delivered to Huber approximately two years post-completion of the Proposed Transaction, subject to performance criteria based on Tate & Lyle's share price. For further details see the Initial Announcement.
 3. Speciality ingredient market, market research data, Tate & Lyle and BCG analysis; estimate value growth 2022-26; CAGR is compound annual growth rate.
 4. Based on 401,694,461 shares in issue on 31 March 2024 and including the 75 million Tate & Lyle shares to be issued to Huber at completion of the Proposed Transaction.
 5. Multi-year ambition to 31 March 2028.
 6. Free cash conversion calculated as: free cash flow before capital expenditure divided by adjusted EBITDA.
 7. Leverage of 2.3x excludes the impact of any liability required to be recognised in relation to deferred share consideration.
 8. A fair value assessment of the assets and liabilities acquired, including a valuation of the intangible assets, as required by IFRS 3, has not been performed.
 9. Based on Tate & Lyle share price of 669.5p per share as at close of trading on 2 October 2024 and GBP:USD foreign exchange rate of £1:US\$1.327, as at 5pm BST on the same date.

FOR FURTHER INFORMATION PLEASE CONTACT:

For Tate & Lyle:

Investors and Analysts

Christopher Marsh, VP Investor Relations

Tel: Mobile: +44 (0) 7796 192 688

Media

Nick Hasell, FTI Consulting

Tel: Mobile: +44 (0) 7825 523 383

Tel: Office: +44 (0) 203 727 1340

tate@fticonsulting.com

Greenhill & Co. International LLP

+44 207 198 7400

(Joint Lead Financial Adviser to Tate & Lyle)

Seamus Moorhead

David Wyles

Charlie Stripp

Citigroup Global Markets Limited

+44 207 986 0000

(Joint Lead Financial Adviser and Corporate Broker to Tate & Lyle)

Andrew Seaton

Robert Way

Christopher Wren

For Huber:

Lea Volpe

Vice President, Communications & Community Relations

Tel: Mobile: +1 404 956 4470