



# Fourth Quarter and Full Year 2023 Earnings Call

**Jim Zallie**  
President and CEO

**James Gray**  
Executive Vice President and CFO



## Non-GAAP Financial Measures

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

## Forward-Looking Statements

This 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 full-year 2024 reported and adjusted EPS, net sales, reported and adjusted operating income, corporate costs, reported and adjusted effective tax rate, cash from operations, working capital, capital expenditures, the Company’s expectations for 2024 first quarter net sale and reported and adjusted operating income, 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 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, or the occurrence of other significant events beyond our control; the impact of impairment charges on our goodwill or long-lived assets; changes in government policy, law, or regulation and costs of legal compliance, including compliance with environmental regulation; changes in our tax rates or exposure to additional income tax liability; increases in our borrowing costs that could result from increased interest rates; our ability to raise funds at reasonable rates and other factors affecting our access to sufficient funds for future growth and expansion; security breaches with respect to information technology systems, processes, and sites; volatility in the stock market and other factors that could adversely affect our stock price; risks affecting the continuation of our dividend policy; and our ability to maintain effective internal control over financial reporting.

Our forward-looking statements speak only as of the date on which they are made, and we do not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of the statement as a result of new information or future events or developments. If we do update or correct one or more of these statements, investors and others should not conclude that we will make additional updates or corrections. For a further description of these and other risks, see “Risk Factors” and other information included in our Annual Report on Form 10-K for the year ended December 31, 2022, and our subsequent reports on Form 10-Q and Form 8-K filed with the Securities and Exchange Commission.



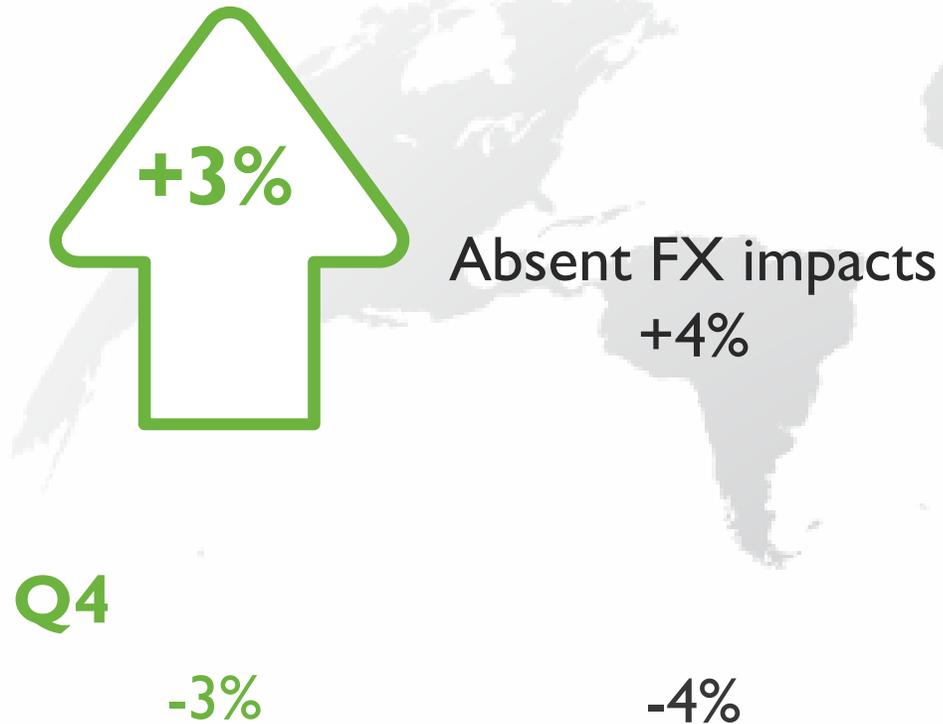
# Jim Zallie

## President and CEO

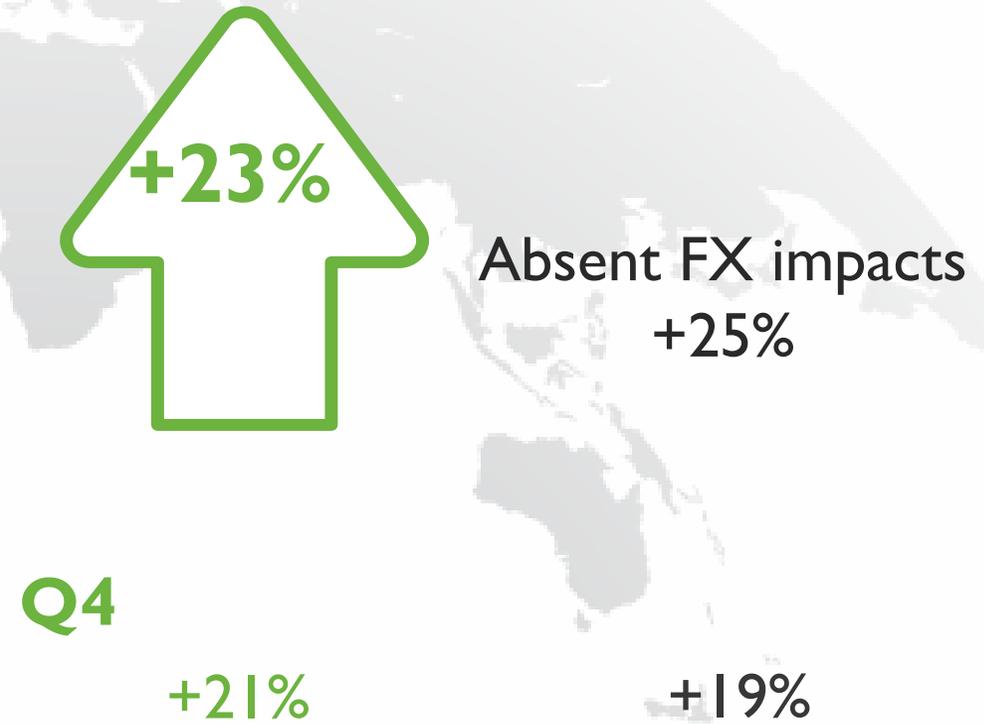
Fourth Quarter and Full Year 2023  
Earnings Call  
CEO Perspective

# Strong operating performance driven by pricing actions and proactive cost savings initiatives

## FY Net Sales



## FY Adjusted Op Income



# Strong execution across our four strategic pillars

## Specialties Growth

- **FY** global specialties net sales grew greater than **4% vs. prior year**
- **Specialties grew** to **34%** of net sales
- **Specialties margins** continued to **expand** in Q4 and for FY
- **FY** growth platform net sales performance highlights:
  - **Food Systems +14%**
  - **Pharma and Personal Care +10%**



## Commercial Excellence

- Idea Lab **customer engagements +26%** for FY 2023
- Advanced **go-to-market capabilities** through global training
- Supply chain and customer intimacy investments deliver **strong NPS**, underpinned by improvements in service delivery



## Cost Competitiveness through Operational Excellence

- Procurement category strategies and savings **gaining momentum**
- **Record employee safety** performance
- **Managed inventory** in line with demand
- **Improved on-time** delivery/service levels



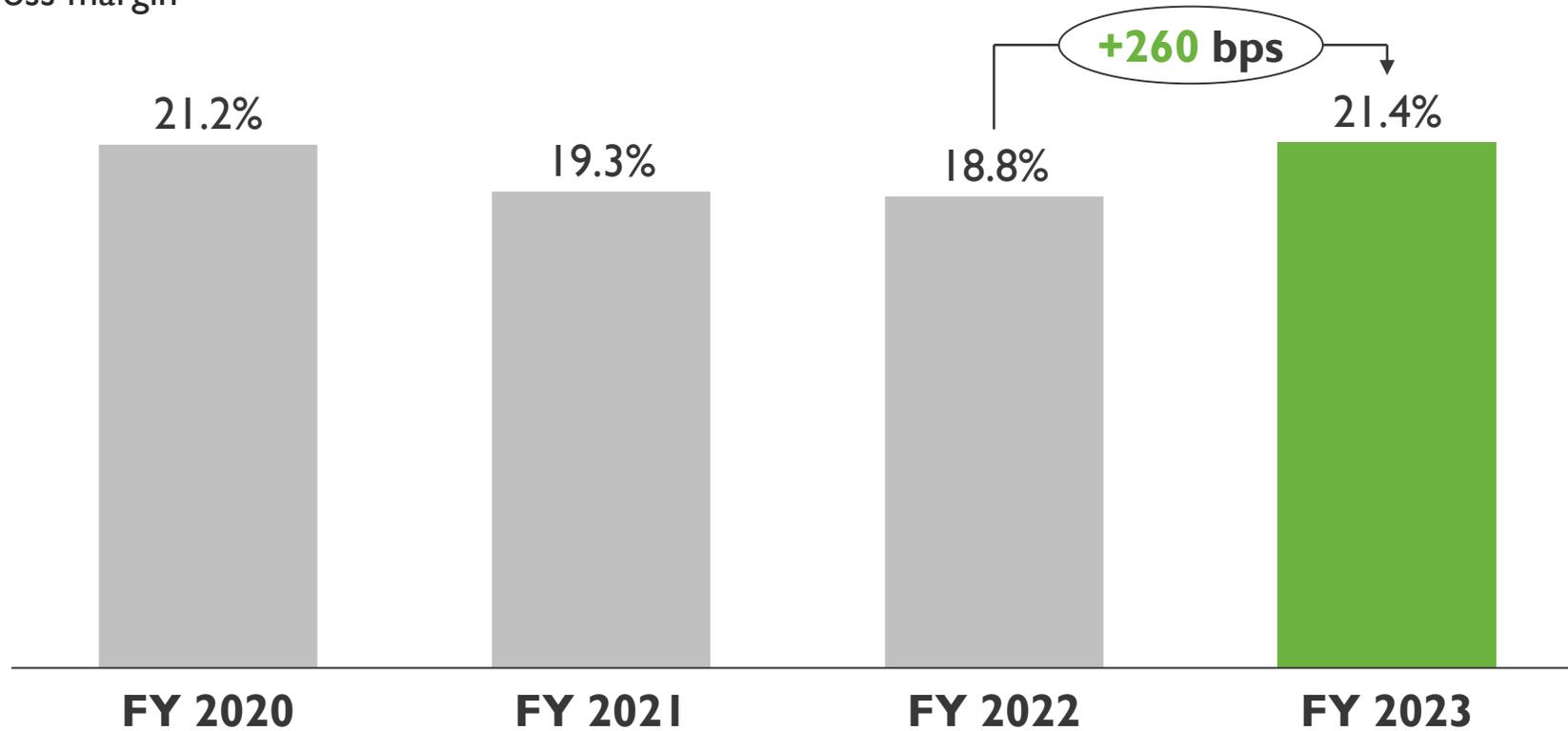
## Purpose-Driven and People-Centric Growth Culture

- Earned **perfect score** in Human Rights Campaign Foundation's 2023-2024 Corporate Equality Index
- Once again **recognized** on Fortune's **Most Admired Companies List**
- Achieved **66% sustainable sourcing** for **five priority crops** progressing toward 100% target by 2025



# Continued gross margin strength due to price and customer mix, as well as cost savings initiatives

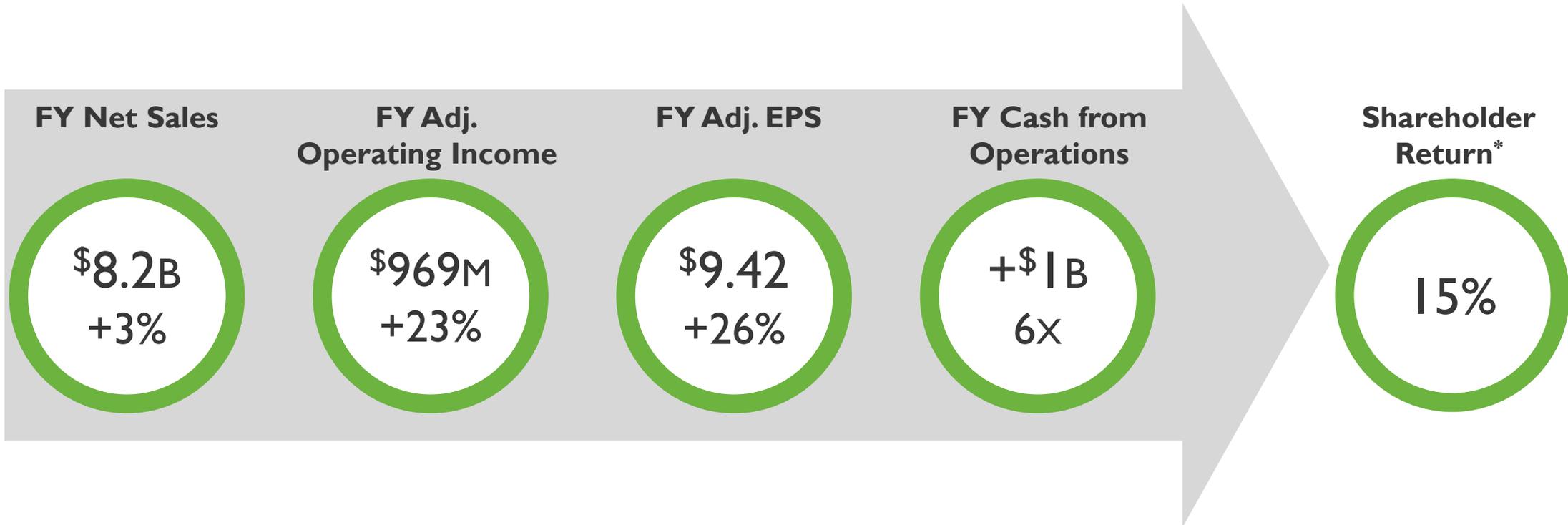
Gross margin



*6<sup>th</sup> consecutive  
quarter-over-quarter  
gross margin  
expansion*

# Record year of earnings despite challenging market environment

*Excellent collaboration across functions and businesses to achieve strategic goals*





# James Gray

## Executive Vice President and CFO

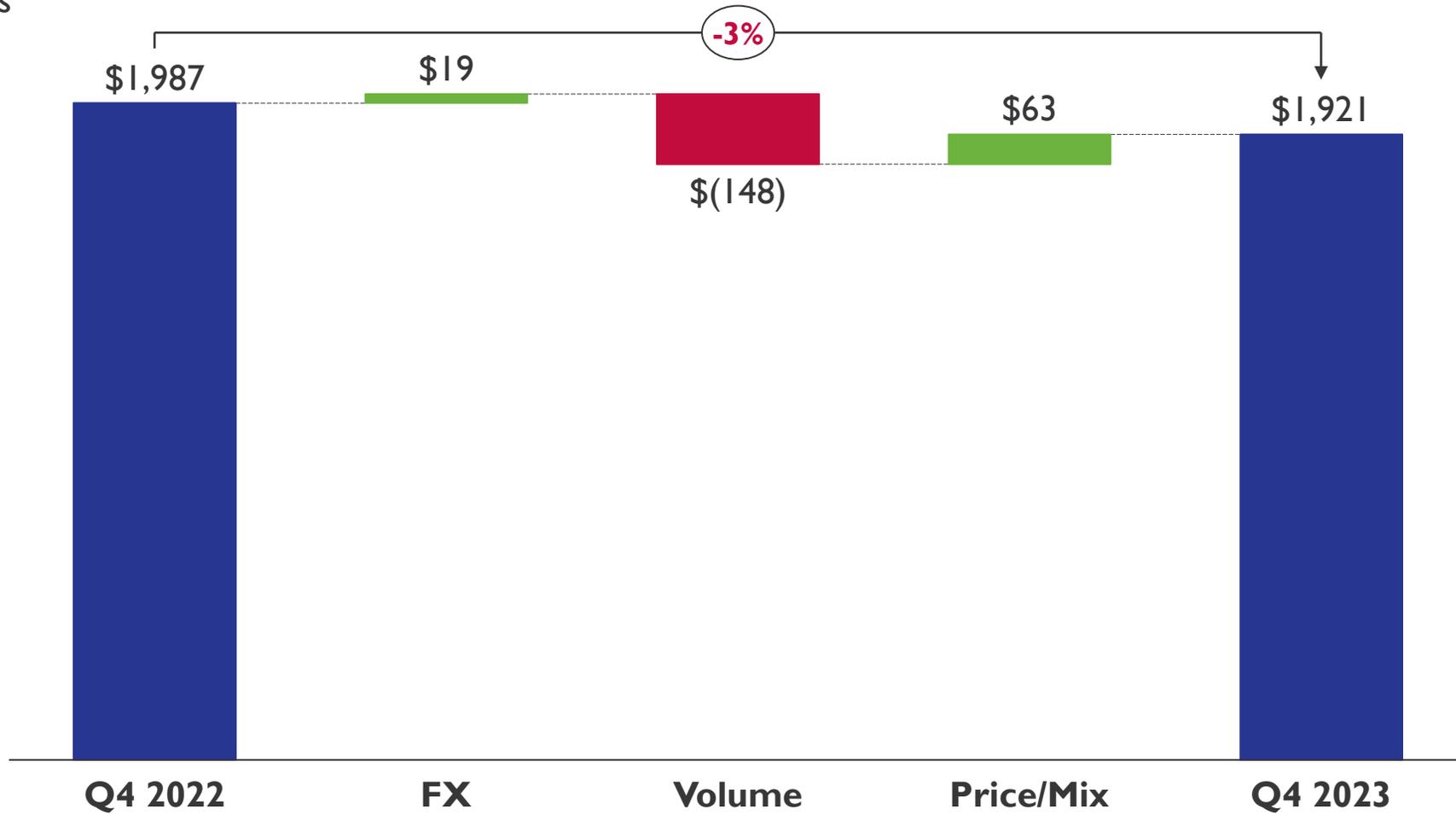
Fourth Quarter and Full Year 2023  
Earnings Call  
Financial Update

# Q4 highlights: Income statement

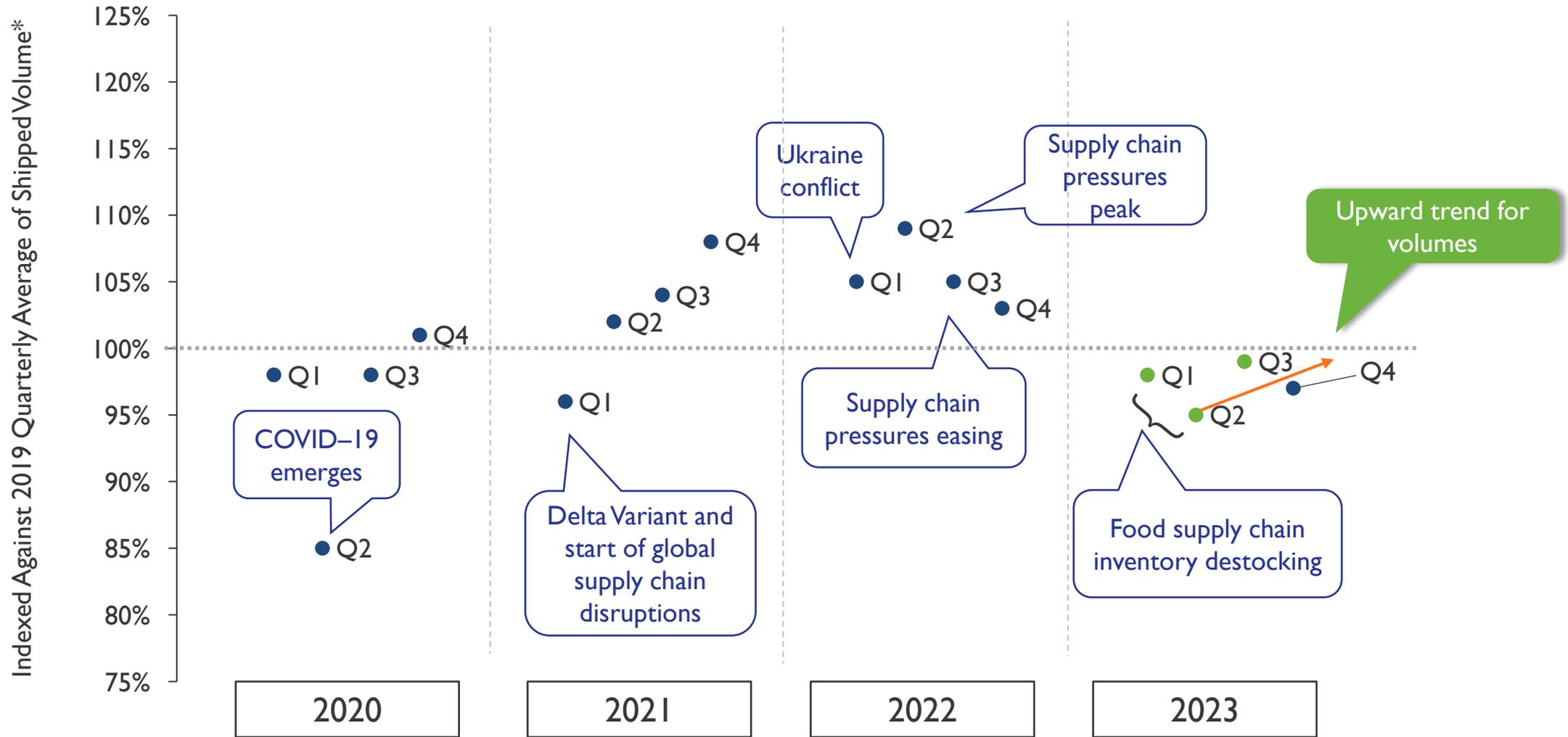
\$ in millions, unless noted	Q4 2022	Q4 2023	Change
<b>Net Sales</b>	\$1,987	\$1,921	-3%
<b>Gross Profit</b>	\$351	\$400	+14%
<i>Gross Profit Margin</i>	17.7%	20.8%	310 bps
<b>Reported Operating Income</b>	\$157	\$202	+29%
<b>Reported Diluted EPS</b>	\$1.71	\$1.97	\$0.26/share
<b>Adjusted Operating Income*</b>	\$168	\$203	+21%
<b>Adjusted Diluted EPS*</b>	\$1.65	\$1.97	\$0.32/share

# Q4: Net sales bridge

\$ in millions



# Quarterly volume trends



## Q4: Net sales variance by region

	Foreign Exchange	Volume	Price Mix	Net Sales Change
<b>North America</b>	0%	-10%	8%	-2%
<b>South America</b>	9%	1%	-18%	-8%
<b>Asia-Pacific</b>	1%	-4%	0%	-3%
<b>EMEA</b>	-5%	-12%	12%	-5%
<b>Ingredion</b>	1%	-7%	3%	-3%

# Q4: EPS bridge

Amounts are dollars/share	
<b>2022 Reported Diluted EPS</b>	<b>\$ 1.71</b>
<i>Restructuring/Impairment Costs</i>	<i>0.00</i>
<i>Acquisition/Integration Costs</i>	<i>0.06</i>
<i>Tax and other matters</i>	<i>(0.12)</i>
<b>2022 Adjusted Diluted EPS*</b>	<b>\$ 1.65</b>
<b>2023 Adjusted Diluted EPS*</b>	<b>\$ 1.97</b>
<i>Restructuring/Impairment Costs</i>	<i>(0.02)</i>
<i>Acquisition/Integration Costs</i>	<i>0.00</i>
<i>Tax items and other matters</i>	<i>0.02</i>
<b>2023 Reported Diluted EPS</b>	<b>\$ 1.97</b>

Margin	\$ 0.94
Volume	(0.76)
Foreign Exchange Rates	0.03
Other Income	0.20
<b>Changes from Operations</b>	<b>\$ 0.41</b>

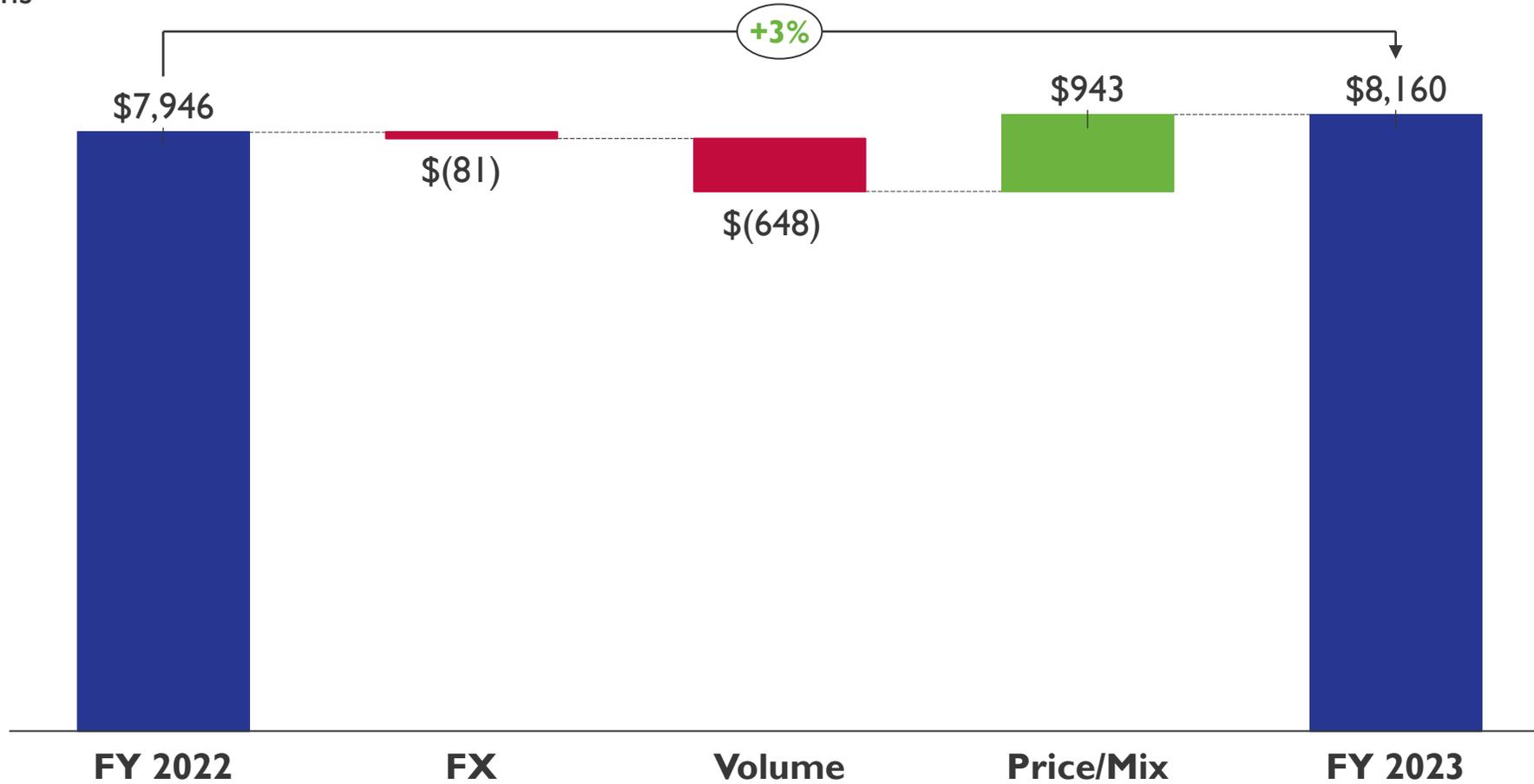
Other Non-Operating Income	\$ (0.03)
Financing Costs	0.05
Non-controlling Interests	(0.02)
Tax Rate	(0.10)
Shares Outstanding	0.01
<b>Non-Operational Changes</b>	<b>\$ (0.09)</b>

# Full-year highlights: Income statement

\$ in millions, unless noted	FY 2022	FY 2023	Change
<b>Net Sales</b>	\$7,946	\$8,160	+3%
<b>Gross Profit</b>	\$1,494	\$1,749	+17%
<i>Gross Profit Margin</i>	18.8%	21.4%	260 bps
<b>Reported Operating Income</b>	\$762	\$957	+26%
<b>Reported Diluted EPS</b>	\$7.34	\$9.60	\$2.26/share
<b>Adjusted Operating Income*</b>	\$787	\$969	+23%
<b>Adjusted Diluted EPS*</b>	\$7.45	\$9.42	\$1.97/share

# Full year: Net sales bridge

\$ in millions



# Full year: Net sales variance by region

	Foreign Exchange	Volume	Price Mix	Net Sales Change
North America	-1%	-8%	14%	5%
South America	2%	-6%	-2%	-6%
Asia-Pacific	-2%	-7%	7%	-2%
EMEA	-9%	-10%	24%	5%
<b>Ingredion</b>	-1%	-8%	12%	3%

# Full year: EPS bridge

Amounts are dollars/share	
<b>2022 Reported Diluted EPS</b>	<b>\$ 7.34</b>
<i>Restructuring/Impairment Costs</i>	<i>0.05</i>
<i>Acquisition/Integration Costs</i>	<i>0.08</i>
<i>Tax and other matters</i>	<i>(0.02)</i>
<b>2022 Adjusted Diluted EPS*</b>	<b>\$ 7.45</b>
<b>2023 Adjusted Diluted EPS*</b>	<b>\$ 9.42</b>
<i>Restructuring/Impairment Costs</i>	<i>(0.12)</i>
<i>Acquisition/Integration Costs</i>	<i>0.00</i>
<i>Tax items and other matters</i>	<i>0.30</i>
<b>2023 Reported Diluted EPS</b>	<b>\$ 9.60</b>

Margin	\$ 3.78
Volume	(1.65)
Foreign Exchange Rates	(0.16)
Other Income	0.02
<b>Changes from Operations</b>	<b>\$ 1.99</b>

Other Non-Operating Income	\$ (0.10)
Financing Costs	(0.21)
Non-controlling Interests	0.01
Tax Rate	0.28
Shares Outstanding	0.00
<b>Non-Operational Changes</b>	<b>\$ (0.02)</b>

# Full year cash from operations and capital allocation

<b>\$ millions</b>	
Net Income	\$651
Depreciation and amortization	\$219
Working capital	\$67
Other	\$120
<b>Cash from operations</b>	<b>\$1,057</b>
<b>Capital allocation</b>	
Capital expenditures, net	\$(314)
<b>To Shareholders</b>	
Dividend payments to INGR Shareholders	\$(194)
Repurchases of common stock, net	\$(101)

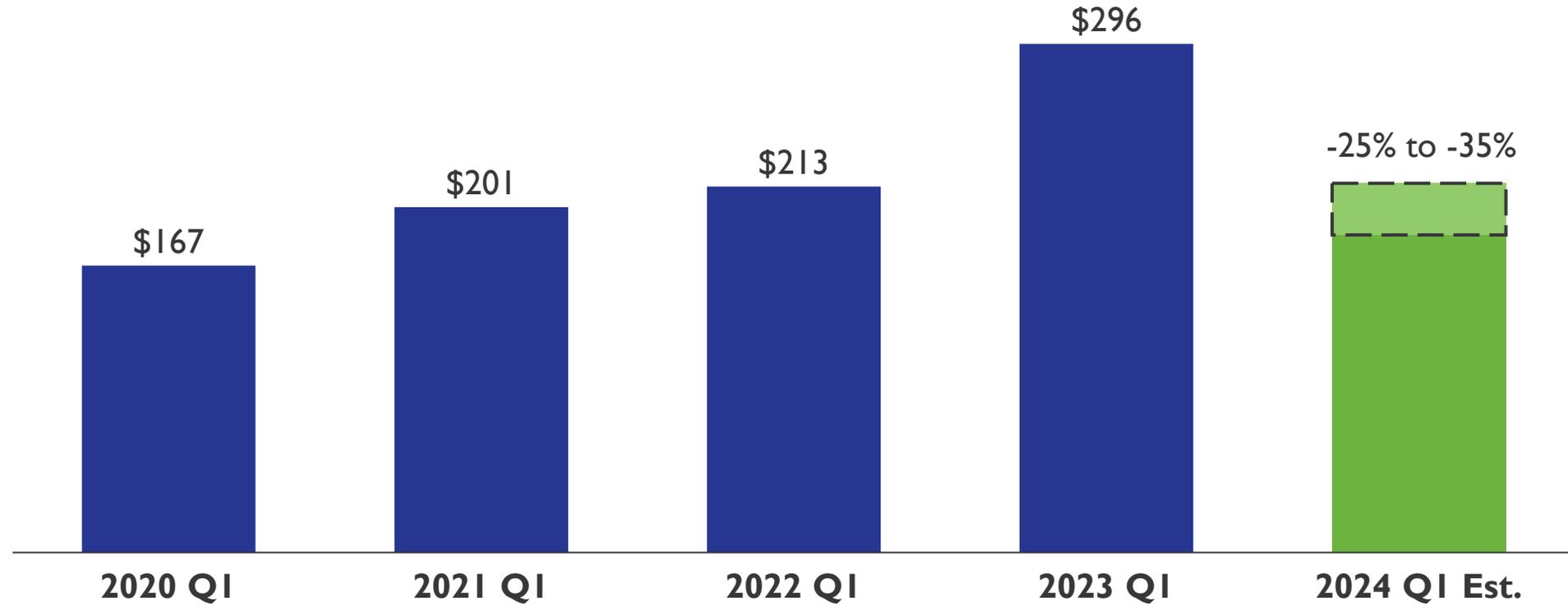
# Full year 2024 outlook



<b>Net Sales</b>	Flat to up low single-digits
<b>Adjusted Operating Income*</b>	Up mid-single-digits
<b>Financing costs</b>	\$95 – \$115 million
<b>Adjusted effective tax rate*</b>	25.5% – 26.5%
<b>Reported EPS</b>	\$10.20 to \$11.15
<b>Adjusted EPS*</b>	\$9.15 to \$9.85
<b>Diluted weighted avg. shares outstanding</b>	66.0 – 67.0 million shares
<b>Cash from operations</b>	\$750 - \$900 million
<b>CAPEX</b>	Approximately \$340 million

# Q1 2024 expected to be lower than prior year including Argentina devaluation impact

Adj. operating income\*



# Record year in 2023 and continued growth momentum into 2024

- Delivered record year in 2023
  - Strong profit growth and year-over-year gross margin expansion
  - Record cash from operations at over \$1B dollars
- Customer destocking has largely run its course
- Business remains resilient and our teams are operating with agility
- Closed S. Korea divestiture on February 1, 2024
- Continuing to return value to shareholders
  - Ninth consecutive annual increase in dividend rate
  - Opportunistic share repurchases



# Reorganizing business operations to match market growth opportunities



**Texture & Healthful  
Solutions**



**Food & Industrial  
Ingredients US/Can**



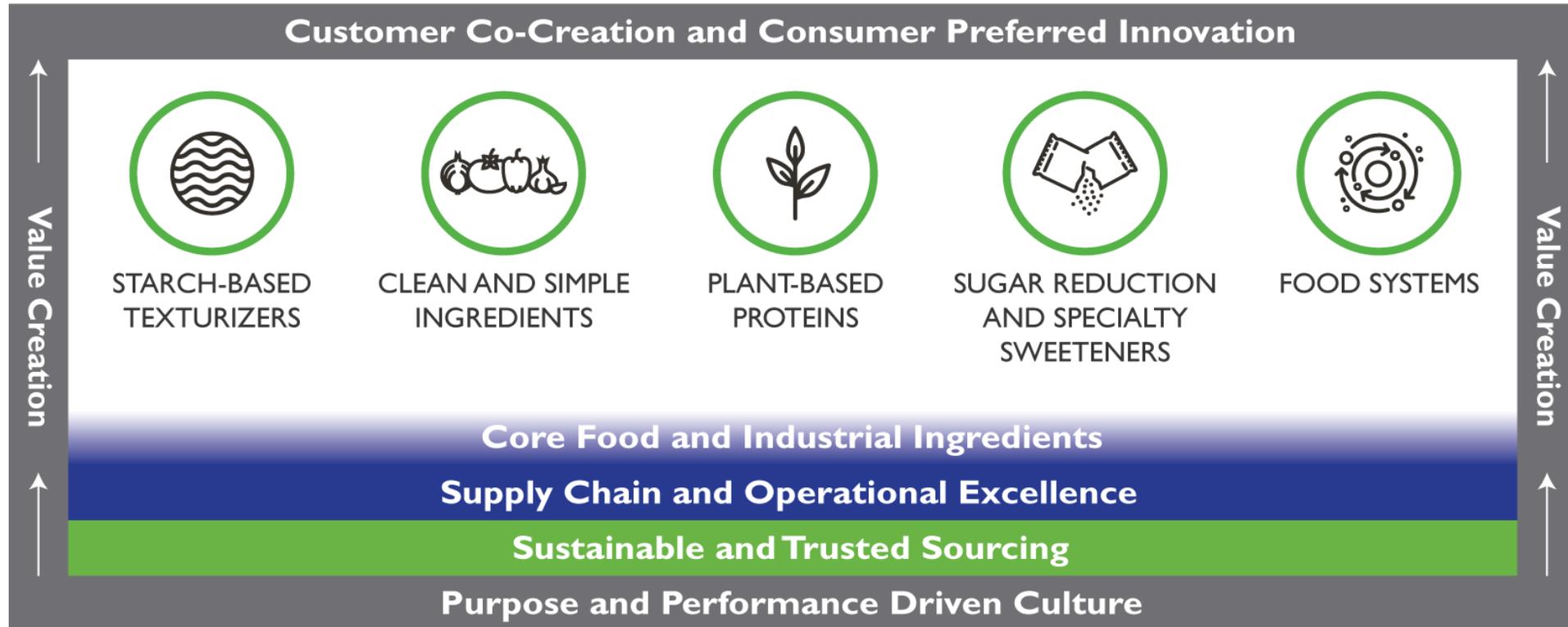
**Food & Industrial  
Ingredients LATAM**



**Other**

# Questions & Answers

## DRIVINGGROWTH



# Upcoming investor activities

## **CAGNY 2024**

*Boca Raton | February 21, 2024*

---

## **JP Morgan Consumer Ingredients Day**

*London | March 12, 2024*

---

## **BNP Paribas Exane 12<sup>th</sup> Consumer Ingredients Conference**

*London | March 13, 2024*

---

## **London non-deal roadshow**

*London | March 14, 2024*



# Appendix

## Non-GAAP Information

To supplement the consolidated financial results prepared in accordance with U.S. generally accepted accounting principles (“GAAP”), we use non-GAAP historical financial measures, which exclude certain GAAP items such as acquisition and integration costs, restructuring and impairment costs, Mexico tax items, and other specified items. We generally use the term “adjusted” when referring to these non-GAAP amounts.

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

Non-GAAP financial measures are not prepared in accordance with GAAP; so our non-GAAP information is not necessarily comparable to similarly titled measures presented by other companies. A reconciliation of each non-GAAP financial measure to the most comparable GAAP measure is provided in the tables below.



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

	Three Months Ended December 31, 2023		Three Months Ended December 31, 2022		Twelve Months Ended December 31, 2023		Twelve Months Ended December 31, 2022	
	(in millions)	Diluted EPS	(in millions)	Diluted EPS	(in millions)	Diluted EPS	(in millions)	Diluted EPS
Net income attributable to Ingredion	\$ 131	\$ 1.97	\$ 114	\$ 1.71	\$ 643	\$ 9.60	\$ 492	\$ 7.34
Add back:								
Acquisition/integration costs (i)	—	—	4	0.06	—	—	5	0.08
Restructuring/impairment costs (ii)	1	0.02	—	—	8	0.12	3	0.05
Other matters (iii)	—	—	8	0.12	1	0.01	15	0.22
Tax item - Mexico (iv)	—	—	(2)	(0.03)	(15)	(0.22)	(4)	(0.06)
Other tax matters (v)	(1)	(0.02)	(14)	(0.21)	(6)	(0.09)	(12)	(0.18)
Non-GAAP adjusted net income attributable to Ingredion	<u>\$ 131</u>	<u>\$ 1.97</u>	<u>\$ 110</u>	<u>\$ 1.65</u>	<u>\$ 631</u>	<u>\$ 9.42</u>	<u>\$ 499</u>	<u>\$ 7.45</u>

*Net income, EPS and tax rates may not foot or recalculate due to rounding.*

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

## Notes

- (i) During the three and twelve months ended December 31, 2022, we recorded \$4 million and \$5 million, respectively, of pre-tax acquisition and integration charges primarily related to our investment in the Argentina joint venture.
- (ii) During the three and twelve months ended December 31, 2023, we recorded \$1 million and \$10 million, respectively, of pre-tax charges primarily related to an other-than-temporary impairment on our equity method investments. During the twelve months ended December 31, 2022, we recorded \$4 million of remaining pre-tax restructuring-related charges for our Cost Smart programs.
- (iii) During the twelve months ended December 31, 2023, we recorded pre-tax charges of \$5 million primarily related to the impacts of a U.S.-based work stoppage. This was partially offset by \$4 million of insurance recoveries. During the three and twelve months ended December 31, 2022, we recorded pre-tax charges of \$11 million and \$20 million, respectively, primarily related to the impacts of a U.S.-based work stoppage.
- (iv) During the twelve months ended December 31, 2023, we recorded a tax benefit of \$15 million. We also recorded tax benefits of \$2 million and \$4 million for the three and twelve months ended December 31, 2022, respectively. These benefits were a result of the movement of the Mexican peso against the U.S. dollar and its impact on the remeasurement of our Mexico financial statements during the periods.
- (v) This item relates to net prior year tax liabilities and contingencies, impacts from the Pakistan Super Tax, IRS Notice 2023-55, and tax results of the above non-GAAP addbacks. These were offset by interest on previously recognized tax benefits for certain Brazilian local incentives which were previously taxable.

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

(pre-tax)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2023	2022	2023	2022
Operating income	\$ 202	\$ 157	\$ 957	\$ 762
Add back:				
Acquisition/integration costs (i)	—	—	—	1
Restructuring/impairment costs (ii)	1	—	11	4
Other matters (iii)	—	11	1	20
Non-GAAP adjusted operating income	<u>\$ 203</u>	<u>\$ 168</u>	<u>\$ 969</u>	<u>\$ 787</u>

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

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

	Three Months Ended December 31, 2023			Twelve Months Ended December 31, 2023		
	Income before Income Taxes (a)	Provision for Income Taxes (b)	Effective Income Tax Rate (b/a)	Income before Income Taxes (a)	Provision for Income Taxes (b)	Effective Income Tax Rate (b/a)
As Reported	\$ 176	\$ 43	24.4%	\$ 839	\$ 188	22.4%
Add back:						
Acquisition/integration costs (i)	—	—		—	—	
Restructuring/impairment costs (ii)	1	—		11	3	
Other matters (iii)	—	—		1	—	
Tax item - Mexico (iv)	—	—		—	15	
Other tax matters (v)	—	1		—	6	
Adjusted Non-GAAP	<u>\$ 177</u>	<u>\$ 44</u>	24.9%	<u>\$ 851</u>	<u>\$ 212</u>	24.9%

Totals may not foot due to rounding

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

	Three Months Ended December 31, 2022			Twelve months ended December 31, 2022		
	Income before Income Taxes (a)	Provision for Income Taxes (b)	Effective Income Tax Rate (b/a)	Income before Income Taxes (a)	Provision for Income Taxes (b)	Effective Income Tax Rate (b/a)
As Reported	\$ 124	\$ 9	7.3%	\$ 668	\$ 166	24.9%
Add back:						
Acquisition/integration costs (i)	4	—		5	—	
Restructuring/impairment costs (ii)	—	—		4	1	
Other matters (iii)	11	3		20	5	
Tax item - Mexico (iv)	—	2		—	4	
Other tax matters (v)	—	14		—	12	
Adjusted Non-GAAP	<u>\$ 139</u>	<u>\$ 28</u>	20.1%	<u>\$ 697</u>	<u>\$ 188</u>	27.0%

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

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

	Expected EPS Range for Full-Year 2024	
	Low End of Guidance	High End of Guidance
GAAP EPS	\$ 10.20	\$ 11.15
Add:		
Gain on divestiture, net of tax	(1.05)	(1.30)
Adjusted EPS	<u>\$ 9.15</u>	<u>\$ 9.85</u>

Above is a reconciliation of our expected full-year 2024 diluted EPS to our expected full-year 2024 adjusted diluted EPS. The amounts above may not reflect certain future charges, costs and/or gains that are inherently difficult to predict and estimate due to their unknown timing, effect and significance, such as acquisition and integration costs, impairment and restructuring costs, and certain other items that we generally exclude from our adjusted EPS guidance. For these reasons, we are more confident in our ability to forecast adjusted EPS than we are in our ability to forecast GAAP EPS.

The adjustment to GAAP EPS for 2024 includes the after tax net (gain) on the sale of our South Korea business.

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

	Expected Effective Tax Rate Range for Full-Year 2024	
	Low End of Guidance	High End of Guidance
GAAP ETR	24.0%	26.0%
Add:		
Gain on divestiture	1.5%	0.5%
Adjusted ETR	25.5%	26.5%

Above is a reconciliation of our expected full-year 2024 GAAP ETR to our expected full-year 2024 adjusted ETR. The amounts above may not reflect certain future charges, costs and/or gains that are inherently difficult to predict and estimate due to their unknown timing, effect and/or significance. These amounts may include, but are not limited to, adjustments to GAAP ETR for acquisition and integration costs, impairment and restructuring costs, and certain other items. We generally exclude these adjustments from our adjusted ETR guidance. For these reasons, we are more confident in our ability to forecast adjusted ETR than we are in our ability to forecast GAAP ETR.

The adjustment to GAAP ETR for 2024 includes the impact of the sale of our South Korea business.