Ingredion

Fourth Quarter 2016 Earnings Call

February 2, 2017

Ilene Gordon, Chairman, President, and CEO

Jack Fortnum, Executive Vice President and CFO

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 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," "propels," "opportunity," "potential" or other similar expressions or the negative thereof. All statements other than statements of historical facts in this release or referred to in this release 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, paper, corrugated, 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, particularly United States tax reform; operating difficulties; availability of raw materials, including potato starch, tapioca, gum arabic and the specific varieties of corn upon which our products are based; our ability to develop new products and services at a rate or of a quality sufficient to meet expectations; energy issues in Pakistan; boiler reliability; our ability to effectively integrate and operate acquired businesses; 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 TIC Gums that could cause actual results and developments to differ from expectations include: the anticipated benefits of the acquisition, including synergies, may not be realized; and the integration of TIC Gum's operations with those of Ingredion 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, 2015 and subsequent reports on Forms 10-Q and 8-K.

Perspective on Full-year 2016

- Business model and strategy are working
- Strong results
  - Record EPS and operating income
  - Record cash flow from operations
  - Specialty sales 26% of net sales
  - Operational efficiencies and global optimization
  - Volume flat; -2% from Port Colborne sale, +2% acquisitions
  - Improved price/product mix of 6%
- Continue to deploy cash to advance strategic blueprint
  - 11% dividend increase
  - Higher-value specialty production expansion
  - Acquisitions

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TIC Gums acquisition deepens and expands our texture capabilities

- Complementary, higher-value specialty products and systems
- Expertise in texture and sensory appeal of foods and beverages meets growing consumer eating and drinking trends
- Builds on Ingredion's work in formulating for clean and simple product labels
- Address growing consumer needs in digestive health and energy management with certified-organic gums and soluble fibers

162 **tailored systems/blends** for bakery, beverage, confectionery, sauces and salad dressings

20 **processed hydrocolloids**, such as gum acacia, guar gum and xanthan gum, including organic and quality certified options

44 **other hydrocolloids**

North America business highlights

- Fourth quarter
  - North America operating income $137M, up $20M
  - Overall volumes were down 6%; Port Colborne sale and network rebalancing
  - Improved price/product mix
    - Specialty sales
    - Margin expansion in our core ingredients
  - Improvements in operational efficiencies

- Full-year record operating income of $611 million

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South America business highlights

- Fourth quarter
  - South America operating income $29M, up $2M
  - Improved price/mix and good cost discipline partially offset by 2% lower volumes and higher input costs
  - Continued pricing actions to recover inflationary costs
  - Accelerated network optimization

- Full-year operating income of $89 million

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Asia Pacific business highlights

- Fourth quarter
  - $25M of operating income, down $2M
  - Overall volume up 3%
  - Price/mix down from lower input costs and customer mix timing
  - Strong specialty sales in Japan and Southeast Asia
  - Capacity expansion online

- Full-year record operating income of $111 million

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Europe/Middle East/Africa (EMEA) business highlights

- Fourth quarter
  - $26M of operating income, down $1M
  - Overall volume up 2%
  - Currency headwinds and higher input costs lagged price/mix

- Full-year record operating income of $106 million

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Fourth quarter 2016
Income statement highlights

$ in millions, unless noted	4Q 2015	4Q 2016	Change
Net Sales	$ 1,405	$ 1,399	$ (6)
Gross Profit	$ 313	$ 339	$ 26
Gross Profit Margin	*22.3%*	*24.2%*	*190 bps.*
Reported Operating Income	$ 173	$ 189	$ 16
Adjusted Operating Income*	$ 177	$ 194	$ 17
Reported Diluted EPS	$ 1.42/share	$ 1.26/share	$ (0.16)/share
Adjusted Diluted EPS*	$ 1.42/share	$ 1.67/share	$ 0.25/share

Totals 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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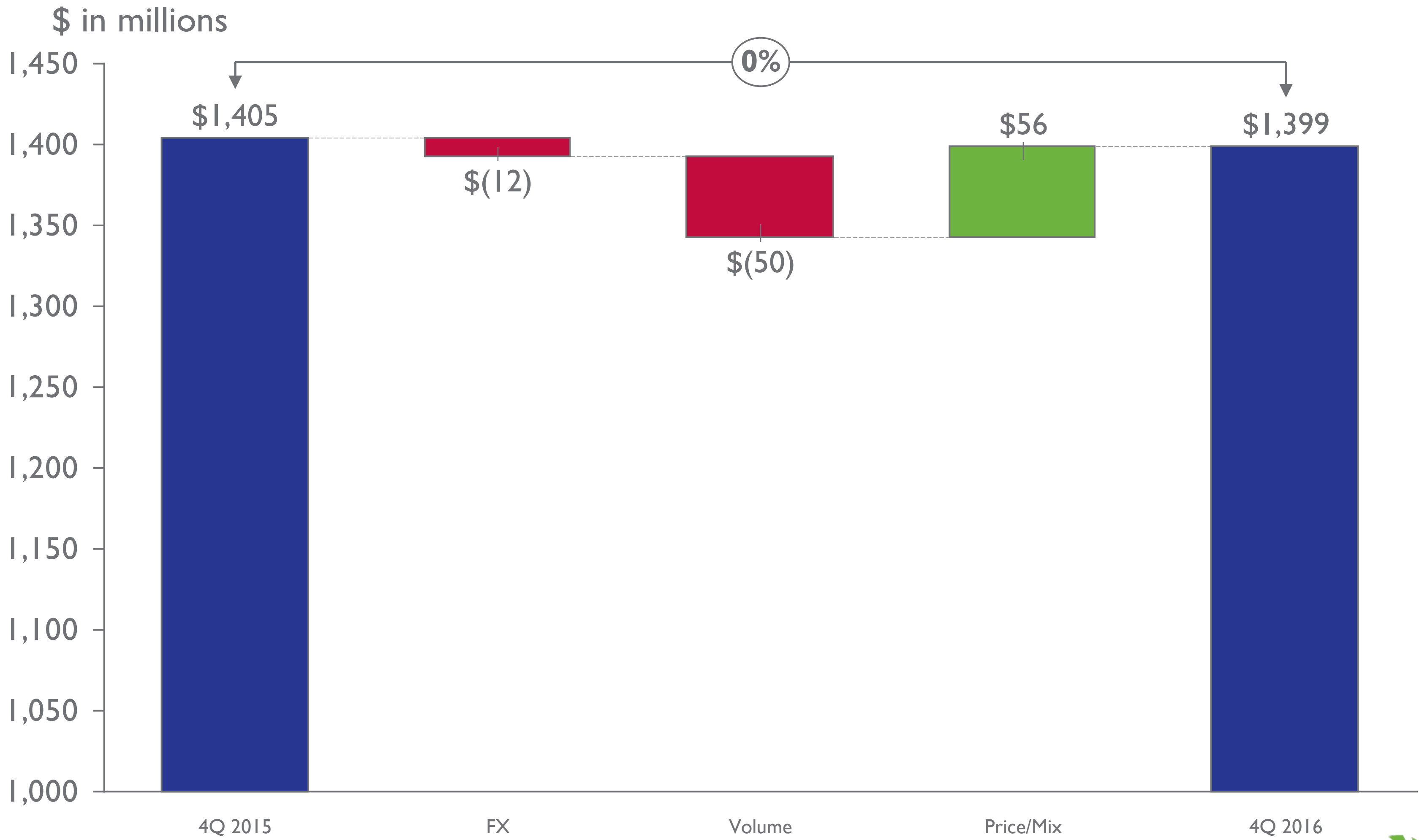
Fourth quarter 2016
Net Sales bridge



Totals may not foot due to rounding

Fourth quarter 2016
Net sales variance by region

	Foreign Exchange	Volume	Price/mix	Net Sales Change
North America	–	-6%	3%	**-3%**
South America	-3%	-2%	17%	**12%**
Asia Pacific	1%	3%	-7%	**-3%**
EMEA	-4%	2%	1%	**-1%**
Ingredion	**–**	**-4%**	**4%**	**–**

Totals may not foot due to rounding

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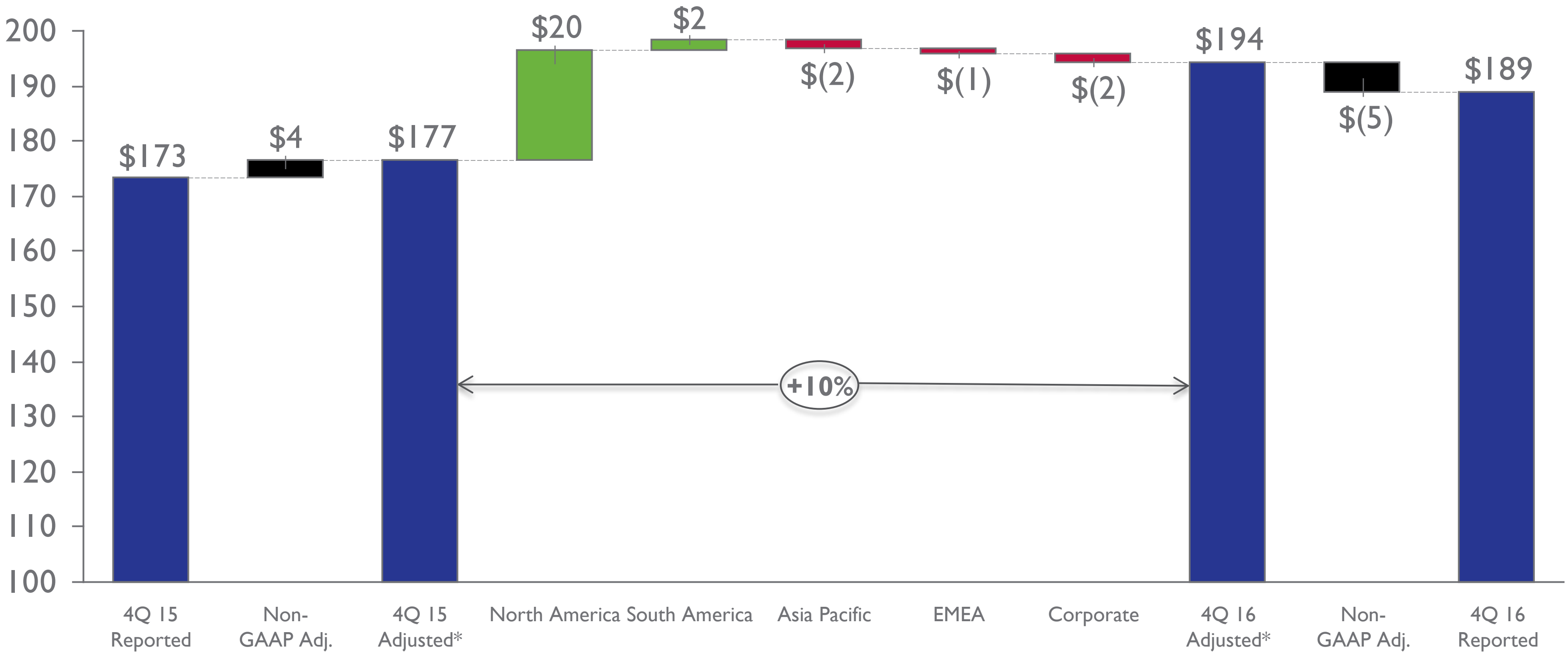
Fourth quarter 2016
Operating income bridge

$ in millions



	North America	South America	Asia Pacific	EMEA	Corporate
2016 Q4 OI	$137	$29	$25	$26	$(22)

Totals 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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Fourth quarter 2016 EPS bridge

Amounts are dollars/share	
Q4 2015 Reported Diluted EPS	**$1.42**
Acquisition/Integration Costs	*0.03*
Impairment/Restructuring Costs	*0.04*
Litigation Settlement	*0.06*
Gain on Sale of plant	*(0.12)*
Q4 2015 Adjusted Diluted EPS*	**$1.42**
Q4 2016 Adjusted Diluted EPS*	**$1.67**
Acquisition/Integration Costs	*(0.01)*
Impairment/Restructuring Costs	*(0.03)*
U.S./Canada Tax Settlement	*(0.36)*
Q4 2016 Reported Diluted EPS	**$1.26**

Margin	$ 0.20
Volume	(0.03)
Foreign Exchange Rates	(0.01)
Other Income / (Expense)	0.01
Changes from Operations	$ 0.17

Financing Costs	$ (0.01)
Non-controlling Interests	–
Tax Rate	0.12
Shares Outstanding	(0.03)
Non-Operational Changes	$ 0.08

Totals may not foot due to rounding

*See appendix for a reconciliation of these non-GAAP financial measures to U.S. GAAP measures.

FY 2016
Income statement highlights

$ in millions, unless noted	FY 15	FY 16	Change
Net Sales	$ 5,621	$ 5,704	$ 83
Gross Profit	$ 1,242	$ 1,402	$ 160
Gross Profit Margin	*22.1%*	*24.6%*	*250 bps.*
Reported Operating Income	$ 660	$ 808	$ 148
Adjusted Operating Income*	$ 706	$ 830	$ 124
Reported Diluted EPS	$ 5.51/share	$ 6.55/share	$ 1.04/share
Adjusted Diluted EPS*	$ 5.88/share	$ 7.13/share	$ 1.25/share

Totals 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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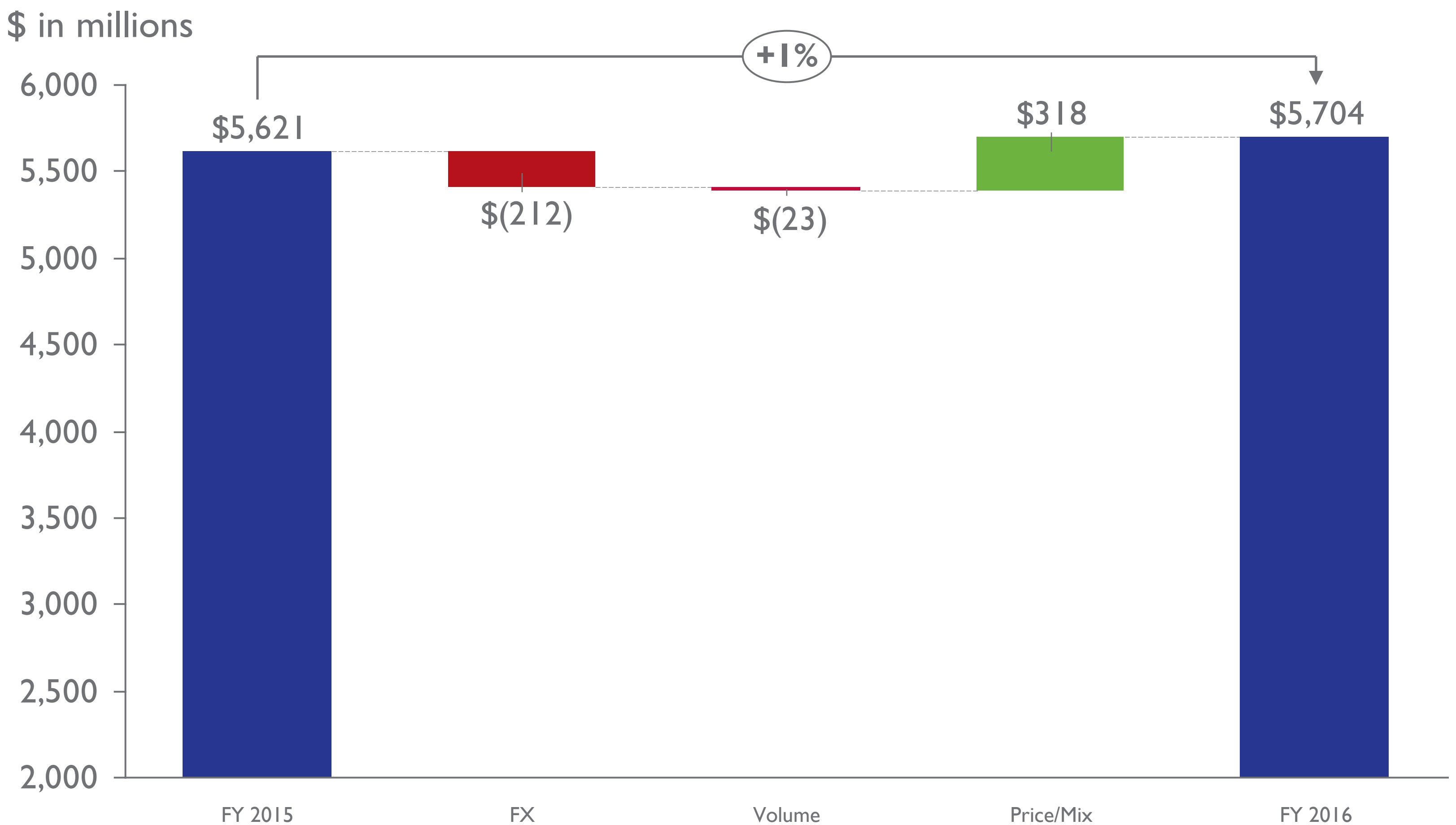
FY 2016 net sales bridge



Totals may not foot due to rounding

FY 2016
Net sales variance by region

	Foreign Exchange	Volume	Price/mix	Net Sales Change
North America	–	-1%	4%	**3%**
South America	-17%	-5%	22%	**–**
Asia Pacific	-2%	3%	-4%	**-3%**
EMEA	-3%	6%	-1%	**2%**
Ingredion	**-5%**	**–**	**6%**	**1%**

Totals may not foot due to rounding

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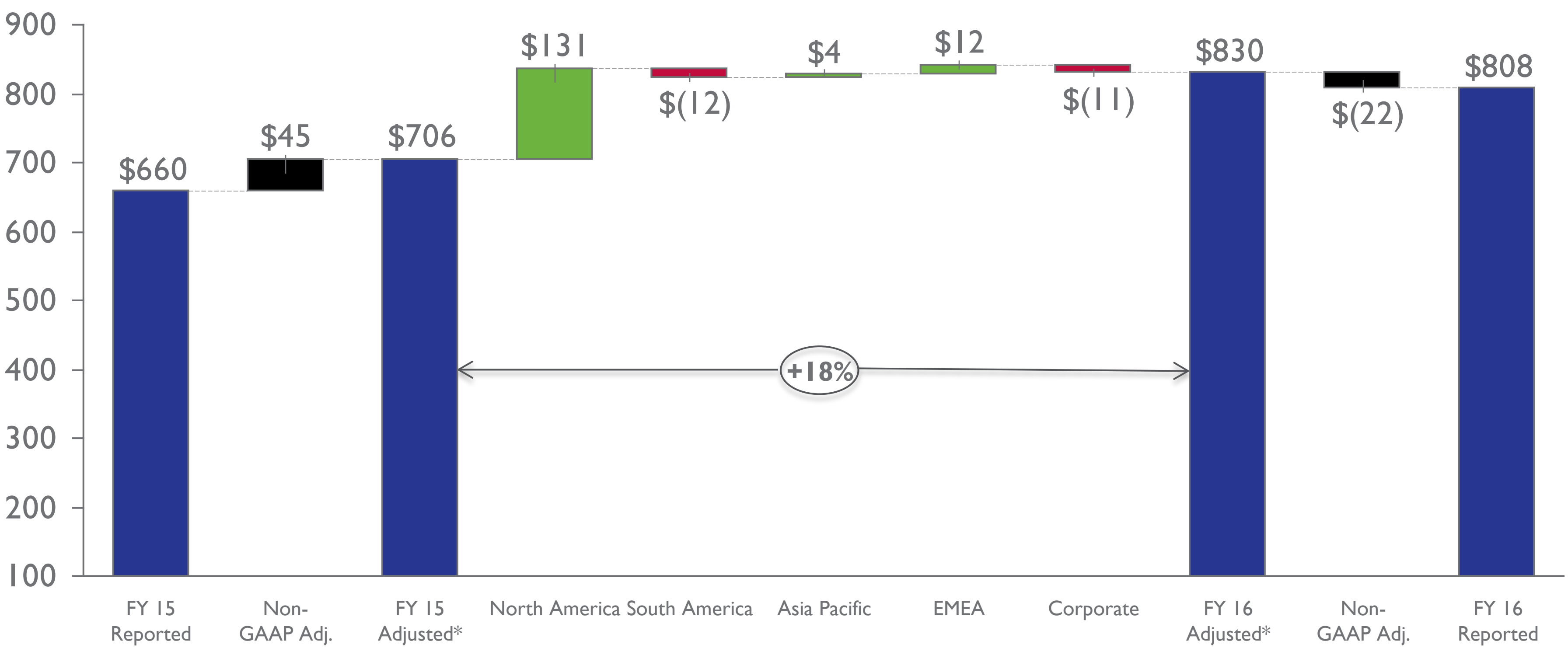
FY 2016
Operating income bridge

$ in millions



	North America	South America	Asia Pacific	EMEA	Corporate
2016 OI	$611	$89	$111	$106	$(86)

Totals 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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FY 2016 EPS bridge

Amounts are dollars/share	
FY 2015 Reported Diluted EPS	**$5.51**
Acquisition/Integration Costs	*0.19*
Impairment/Restructuring Costs	*0.25*
Litigation Settlement	*0.06*
Gain on Sale of plant	*(0.12)*
FY 2015 Adjusted Diluted EPS*	**$5.88**
FY 2016 Adjusted Diluted EPS*	**$7.13**
Acquisition/Integration Costs	*(0.03)*
Impairment/Restructuring Costs	*(0.20)*
U.S./Canada Tax Settlement	*(0.36)*
FY 2016 Reported Diluted EPS	**$6.55**

Margin	$ 1.11
Volume	0.15
Foreign Exchange Rates	(0.16)
Other Income	0.06
Changes from Operations	$ 1.16

Financing Costs	$ (0.04)
Non-controlling Interests	(0.02)
Tax Rate	0.26
Shares Outstanding	(0.11)
Non-Operational Changes	$ 0.09

Totals 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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2017 Income Statement guidance

- Anticipated 2017 adjusted EPS $7.40 - $7.80 per share; excluding acquisition-related, integration, and restructuring costs, as well as any potential impairment costs
  - Net sales expected to be up versus last year
  - Volumes expected to be up versus last year
  - Anticipated currency headwinds outside the U.S. of $0.10-$0.20
  - Corporate expenses expected to be higher
  - Financing costs anticipated to be higher than 2016
  - Effective adjusted annual tax rate estimated to be in range of 29%-31%
  - Shares outstanding expected to be in range of 74.1-74.5 million

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Regional outlook

North America

- Net sales expected to be up versus 2016
- Volumes expected to be up versus 2016
- Operating income expected to be up versus 2016

South America

- Net sales expected to be up due versus 2016
- Continued focus on cost management and optimization opportunities
- Operating income expected to be up versus 2016

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Regional outlook

Asia Pacific

- Net sales expected to be up versus 2016; volume growth expected to offset pass through of lower input costs and expected FX headwinds
- Operating income growth anticipated to be up versus 2016; anticipated specialty volume growth expected to offset anticipated FX headwinds

EMEA

- Net sales expected to be flat versus 2016 as anticipated volume growth throughout the region is expected to offset anticipated FX
- Operating income anticipated to be slightly up versus prior year; anticipated specialty and core volume growth and improved price/mix are expected to offset anticipated FX headwinds

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FY 2016 cash provided by operations & cash deployment

Amounts are in millions	
Net Income	$ 496
Depreciation and Amortization	$ 196
Working Capital	$ (9)
Other	$ 87
Cash Provided by Operations	**$ 771**

Cash Deployment

*Capital Expenditures, net**	*$ (283)*
*Dividend Payments***	*$ (141)*
*Payments for Acquisitions and Investments****	*$ (409)*

Totals may not foot due to rounding
* Net of proceeds on disposals
** Including to non-controlling interest
*** Net of cash acquired

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2017 Cash flow guidance

- Expect strong generation of cash from operations in the range of $800-$850 million
  - Assumes minimal impact from margin accounts
- Anticipate capital expenditures of approximately $300-$325 million
- Strong balance sheet offers opportunities

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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

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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 acquisition and integration costs, impairment and restructuring costs, and certain other special items. The Company generally 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.

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

	Three Months Ended December 31, 2016 (in millions)	EPS	Three Months Ended December 31, 2015 (in millions)	EPS	Year Ended December 31, 2016 (in millions)	EPS	Year Ended December 31, 2015 (in millions)	EPS
Net income attributable to Ingredion	$93.7	$1.26	$104.0	$1.42	$484.9	$6.55	$402.2	$5.51
Add back:								
Income tax settlement (i)	27.0	0.36	-	-	27.0	0.36	-	-
Impairment/restructuring charges, net of income tax benefit of $1.5 million and $4.7 million for the quarter and year ended December 31, 2016 and $1.2 million and $9.7 million for the quarter and year ended December 31, 2015, respectively (ii)	2.5	0.03	2.6	0.04	14.6	0.20	18.3	0.25
Integration / acquisition costs, net of income tax benefit of $0.5 million and $1.1 million for the quarter and year ended December 31, 2016 and $0.2 million and $2.9 million for the quarter and year ended December 31, 2015, respectively (iii)	0.9	0.01	0.6	0.01	1.9	0.03	7.2	0.10
Litigation settlement, net of income tax benefit of $2.5 million (iv)	-	-	4.3	0.06	-	-	4.3	0.06
Gain on sale of plant, net of income taxes of $0.9 million (v)	-	-	(8.9)	(0.12)	-	-	(8.9)	(0.12)
Charge for fair value mark-up of acquired inventory, net of income tax benefit of $0.7 million and $3.8 million, respectively (vi)	-	-	1.1	0.02	-	-	6.4	0.09
Non-GAAP adjusted net income	$124.1	$1.67	$103.7	$1.42	$528.4	$7.13	$429.5	$5.88

II. Non-GAAP Information (continued)

Notes

(i) The Company has been pursuing relief from double taxation under the US and Canadian tax treaty for the years 2004 through 2013. During the fourth quarter of 2016, a tentative agreement was reached between the two countries for the specific issues being contested. During the fourth quarter, the Company recorded income tax expense of $27 million as a result of the settlement and related reserve.

(ii) During the fourth quarter of 2016, the Company recorded a $4 million pre-tax restructuring charge consisting of $3 million for employee severance-related costs in North America and $1 million of employee severance-related and other costs associated with the execution of IT outsourcing contracts. For full year 2016, the Company recorded a $19 million pre-tax restructuring charge consisting of $11 million of employee severance-related and other costs associated with the execution of IT outsourcing contracts, $6 million of employee severance-related costs associated with the Company's optimization initiatives in North America and South America and $2 million of costs attributable to the Port Colborne plant sale. In the fourth quarter of 2015, the Company recorded a $4 million pre-tax restructuring charge consisting of transition costs related to our Port Colborne plant sale and severance costs related to the Penford acquisition. For full year 2015, the Company recorded $28 million of pre-tax impairment/restructuring costs consisiting of a $10 million charge for impaired assets and $2 million of employee severance-related costs associated with our manufacturing network optimization in Brazil, $4 million of employee severance-related and other costs associated with our Port Colborne plant sale and $12 million for employee severance-related costs associated with the Penford acquisition.

(iii) The 2016 and 2015 periods include costs related to the acquisition and integration of the businesses acquired from Penford and/or Kerr. Additionally, the 2016 periods include costs related to the acquisitions of TIC Gums Incorporated and Shandong Huanong Specialty Corn Development Co., Ltd and the pending acquisition of Sun Flour Industry Co, Ltd.

(iv) The 2015 periods include costs relating to a litigation settlement.

(v) The 2015 periods include a gain from the sale of our Port Colborne plant.

(vi) The 2015 periods include the flow-through of costs assocated with the sale of Penford and/or Kerr inventory that was adjusted to fair value at the acquisition date in accordance with business combination accounting rules.

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

(in millions)	Three Months Ended December 31, 2016	Three Months Ended December 31, 2015	Year Ended December 31, 2016	Year Ended December 31, 2015
Operating income	$188.8	$173.3	$808.2	$660.2
Add back:				
Impairment/restructuring charges (ii)	4.0	3.8	19.3	28.0
Acquisition/integration costs (iii)	1.4	0.7	3.0	10.1
Litigation settlement (iv)	-	6.8	-	6.8
Gain on sale of plant (v)	-	(9.8)	-	(9.8)
Charge for fair value mark-up of acquired inventory (vi)	-	1.8	-	10.2
Non-GAAP adjusted operating income	$194.2	$176.6	$830.5	$705.5

For notes (ii) through (vi) see notes (ii) through (vi) included in the Reconcilation of GAAP Net Income and Diluted EPS to Non-GAAP Adjusted Net Income and Adjusted Diluted EPS

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

	Income before Income Taxes (a) 2016		Provision for Income Taxes (b) 2016		Effective Income Tax Rate (b/a) 2016	
(Dollars in millions)	Fourth Qtr	Full Year	Fourth Qtr	Full Year	Fourth Qtr	Full Year
As Reported	$ 170.6	$ 741.8	$ 74.0	$ 245.7	43.4%	33.1%
Add (deduct):						
Income tax settlement (i)	-	-	(27.0)	(27.0)		
Restructuring charges (ii)	4.0	19.3	1.5	4.7		
Acquisition / integration costs (iii)	1.4	3.0	0.5	1.1		
Adjusted non-GAAP	$ 176.0	$ 764.1	$ 49.0	$ 224.5	27.8%	29.4%

For notes (i) through (vi) see notes (i) through (vi) included in the Reconcilation of GAAP Net Income and Diluted EPS to Non-GAAP Adjusted Net Income and Adjusted Diluted EPS.

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

(Dollars in millions)	Income before Income Taxes (a) 2015		Provision for Income Taxes (b) 2015		Effective Income Tax Rate (b/a) 2015	
	Fourth Qtr	Full Year	Fourth Qtr	Full Year	Fourth Qtr	Full Year
As Reported	$ 155.8	$ 598.6	$ 48.6	$ 186.9	31.2%	31.2%
Add (deduct):						
Impairment/restructuring charges (ii)	3.8	28.0	1.2	9.7		
Acquisition / integration costs (iii)	0.7	10.1	0.2	2.9		
Litigation settlement (iv)	6.8	6.8	2.5	2.5		
Gain on sale of plant (v)	(9.8)	(9.8)	(0.9)	(0.9)		
Charge for fair value mark-up of acquired inventory (vi)	1.8	10.2	0.7	3.8		
Adjusted non-GAAP	$ 159.1	$ 643.9	$ 52.3	$ 204.9	32.9%	31.8%

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Reconciliation of 2016 GAAP diluted earnings per share (“EPS”) to non-GAAP expected adjusted diluted earnings per share (“adjusted EPS”)

	Expected EPS Range for Full Year 2017	
	Low End	High End
GAAP EPS (a)	$7.28	$7.68
Add:		
Charge for fair value markup of acquired inventory (b)	0.08	0.08
Restructuring charges	0.04	0.04
Expected Adjusted EPS	$7.40	$7.80

Above is a reconciliation of our full year 2017 to our expected 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/or significance. These amounts include, but are not limited to, acquisition and integration costs, impairment and restructuring costs, and certain other special items. We generally exclude these items from our adjusted EPS guidance.

(a) For the reasons stated above, we are more confident in our ability to predict adjusted EPS than we are in our ability to predict EPS. Therefore, we do not provide guidance concerning GAAP EPS.

(b) Includes the flow-through of costs assocated with the sale of TIC inventory that was adjusted to fair value at the acquisition date in accordance with business combination accounting rules.

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Reconciliation of non-GAAP ROCE metric as of December 2016

Return on Capital Employed (dollars in millions)	2016	2015
Total equity *	$ 2,180	$ 2,207
Add:		
Cumulative translation adjustment *	1,025	701
Share-based payments subject to redemption*	24	22
Total debt *	1,838	1,821
Less:		
Cash and cash equivalents *	(434)	(580)
Capital employed * (a)	$ 4,633	$ 4,171
Operating income	$ 808	$ 660
Adjusted for:		
Impairment/restructuring charges	19	28
Acquisition /integration costs	3	10
Charge for fair value mark-up of acquired inventory	—	10
Litigation settlement	—	7
Gain on sale of plant	—	(10)
Adjusted operating income	$ 830	$ 705
Income taxes (at effective tax rates of 29.4% in 2016, 31.8% in 2015, and 28.3% in 2014)**	(244)	(224)
Adjusted operating income, net of tax (b)	$ 586	$ 481
Return on Capital Employed (b/a)	12.6%	11.5%

**Balance sheet amounts used in computing capital employed represent beginning of period balances.*

***The effective income tax rate for 2016 and 2015 excludes the impacts of impairment/restructuring charges, acquisitions and integration related costs, a litigation settlement cost and a gain on the sale of a plant. Including these items, the Company's effective income tax rate for 2016 and 2015 was 33.1 percent and 31.2 percent, respectively. Please see slides 29 and 30 which reconcile our effective income tax rate under US GAAP to the adjusted income tax rate.*

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