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# Second Quarter 2022 Earnings Call

**Jim Zallie**
President and CEO

**James Gray**
Executive Vice President and CFO

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## 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 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.

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 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 beyond our control. Although we believe our expectations expressed or implied 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 the impact of COVID-19 on the demand for our products and our financial results; 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, including, particularly, economic, currency and political conditions in South America and economic and political conditions in Europe, 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; the availability of raw materials, including potato starch, tapioca, gum Arabic, and the specific varieties of corn upon which some of our products are based, and our ability to pass along potential increases in the cost of corn or other raw materials to customers; energy costs and availability, including energy issues in Pakistan; 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; 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; operating difficulties at our manufacturing facilities; 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; effects of the conflict between Russia and Ukraine, including impacts on the availability and prices of raw materials and energy supplies and volatility in exchange and interest rates; 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, 2021, our Quarterly Report on Form 10-Q for the quarterly period ended March 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

Second Quarter 2022 Earnings Call
CEO Perspective

# Agenda

- CEO Perspective
- CFO Financial Update
- Advancing the **DRIVINGROWTH** Roadmap
- Questions & Answers

**Specialty Growth Platforms**

STARCH-BASED TEXTURIZERS

CLEAN AND SIMPLE INGREDIENTS

PLANT-BASED PROTEINS

SUGAR REDUCTION AND SPECIALTY SWEETENERS

FOOD SYSTEMS

# Q2 2022: Outstanding top-line performance outpaced higher input costs

## Second Quarter Net Sales

**+16%**

Absent FX impacts
+18%

## Second Quarter Adjusted Op Income

**+3%**

Absent FX impacts
+7%

# Strong and consistent net sales performance in Q2

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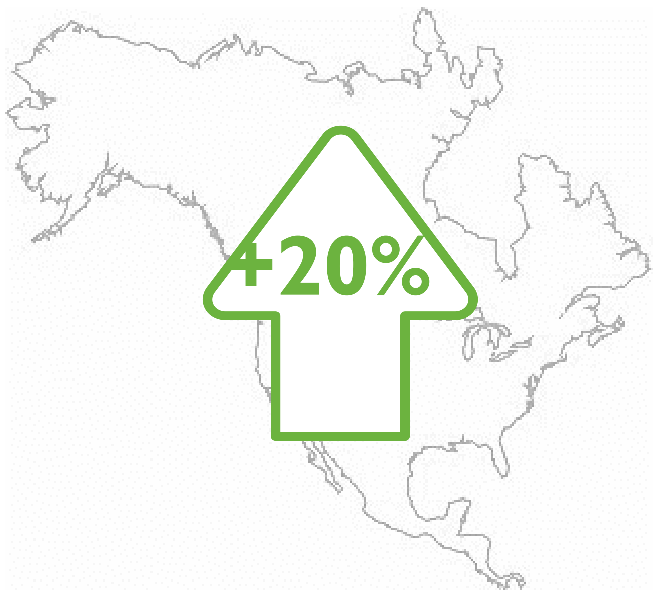
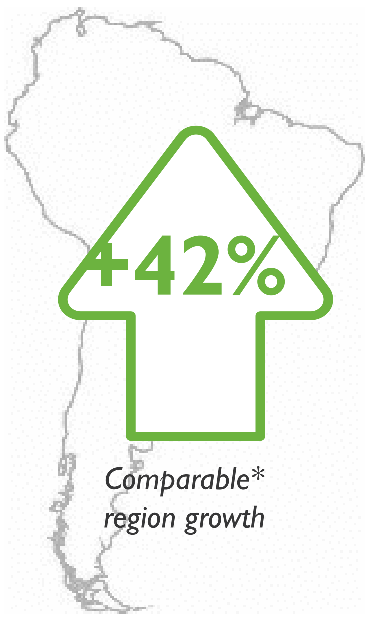
## North America




*Absent FX Impacts* 21%

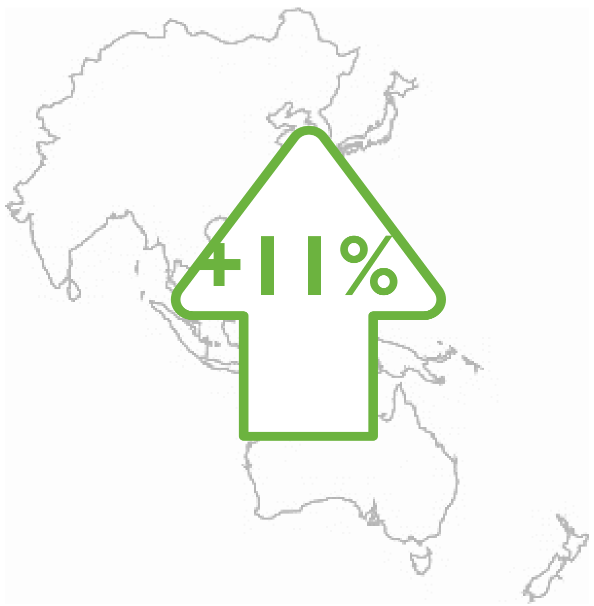
## South America




38%

*8% reported growth, reflects Argentina JV volume impact*

## Asia-Pacific



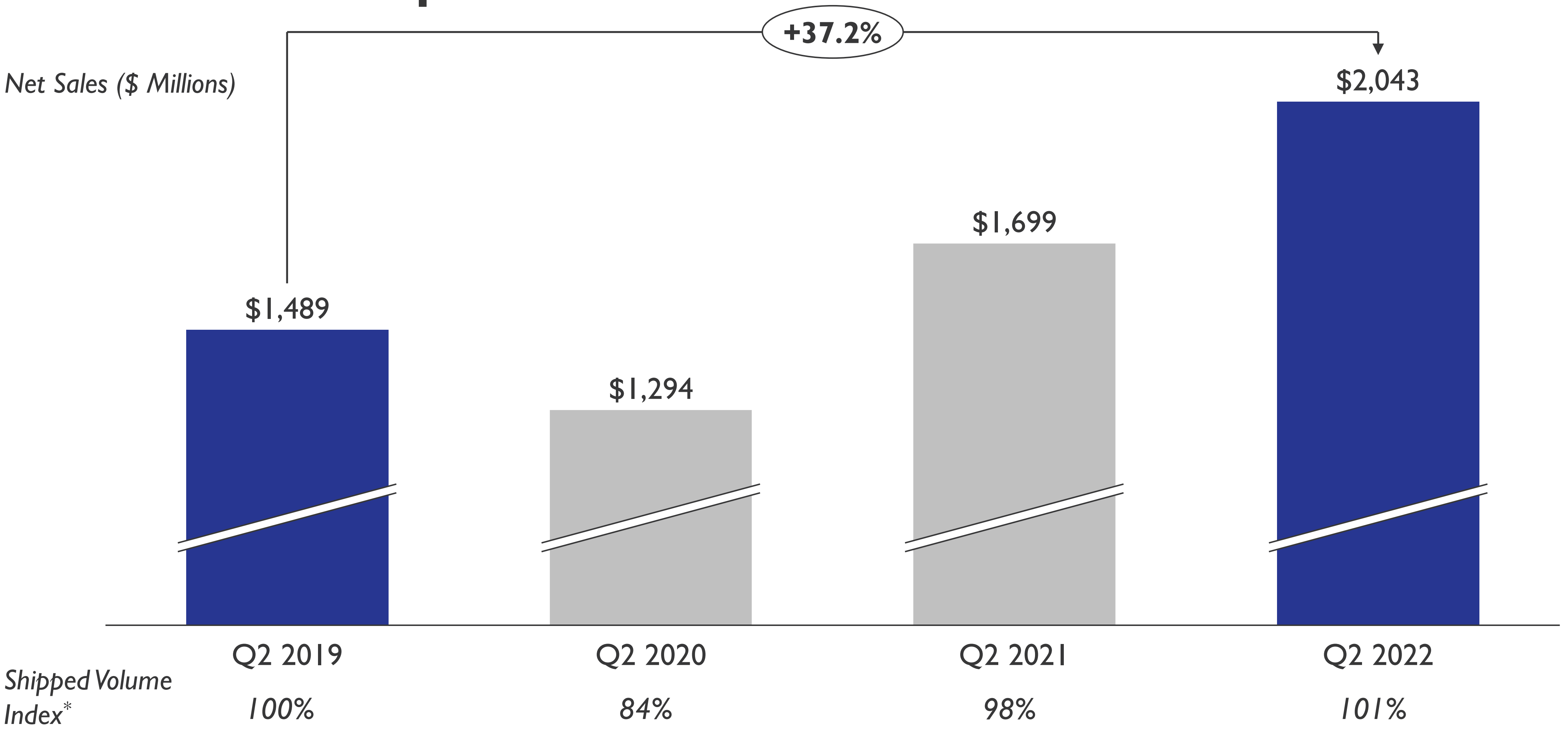

19%

## EMEA


24%

*South America comparable net sales excludes Argentina JV volume impact. Net sales growth of 42%, includes price mix increase of 23%, FX impact of 4%, and volume increase of 15%. South America reported net sales growth of 8%, and 6% absent FX impacts, includes price mix increase of 18%, offset by volume decline of -12%

# Q2 2022 shipped volumes have returned to pre-COVID levels on a comparable basis






*Shipped Volume Index presents on comparable basis and excludes coproducts, Ethanol volume (Closed Q1 2020) and impact of Argentina JV presentation change (Q3 2021)

# Strengthening our strategic pillars in Q2 2022

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## Specialties Growth

- Global Specialties net sales **grew mid-double digits**
- YTD net sales grew across all growth platforms:
  - **Texturizing 16%**
  - **Plant-based protein >185%**
  - **Sugar reduction 25%**

## Commercial Excellence

- Implemented automation of order receiving, product allocation and order confirmation process to most **effectively manage customer demand**
- **Dynamic pricing** and updated **contract terms**

## Cost Competitiveness through Operational Excellence

- **Expanded commodity risk coverage** to further mitigate raw material volatility
- **Increasing production** while navigating supply chain disruptions

# Accelerating Our Purpose Driven and People-Centric Growth Culture

- 2021 global sustainability report, **"Making Life Better,"** details our progress against our 2030 goals

**Partnering with Customers**

Committed to advancing regenerative agriculture practices by sustainably sourcing 100% of corn, tapioca, potato, stevia and pulses by 2025

- Participated in low carbon farming program in Brazil with HEINEKEN and other suppliers aimed at reducing GHG
  - 25% reduction of emissions in scope

Achieve 25% reduction in GHG emissions by 2030

**Reconfiguring Operations**

- Successfully exited coal at Argo in Illinois
  - Reduced Company carbon footprint by approximately 8%

- 2021 Diversity, Equity, and Inclusion report, **"Beyond Belonging,"** underscores our commitment to ESG and human capital

# YTD Specialties showed very strong double-digit growth across all four regions

## NORTH AMERICA

**+20%**
vs 8% in 2021

Growth in **starch-based texturizers** and **clean and simple** ingredients

## SOUTH AMERICA

**+22%**
vs 27% in 2021

Growth in **starch-based texturizers** and **specialty sweeteners**

## EUROPE, MIDDLE EAST AND AFRICA

**+15%**
vs 20% in 2021

Growth in **food systems** and **starch-based texturizers**

## ASIA-PACIFIC

**+13%**
vs 40% in 2021

Growth in tapioca and rice-based **starch-based texturizers** and **sugar reduction**

*Specialty Net Sales: Growth calculated on June YTD 2022, 2021 and 2022 reported third party net sales, respectively.

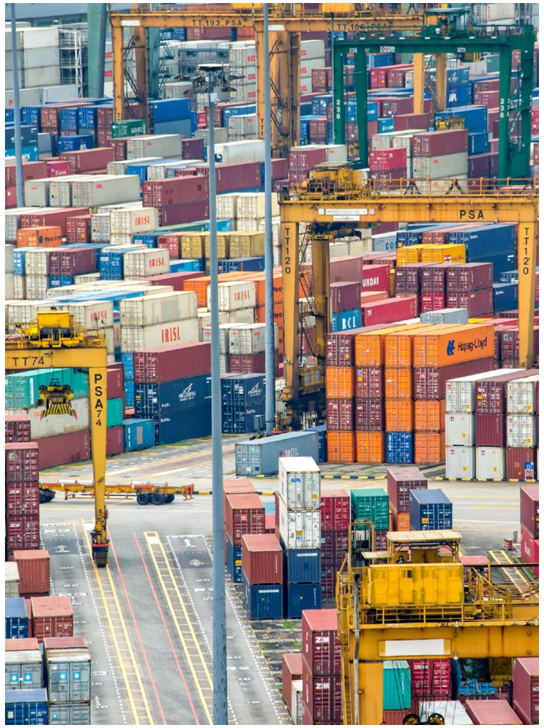
# PureCircle momentum continues

- Sugar Reduction and Specialty Sweetener **up strong double-digits**
- PureCircle customer wins driving results
  - **28% Q2 net sales growth** over prior year
  - Positive operating income
- Increased ownership from 75% to 82% during the quarter

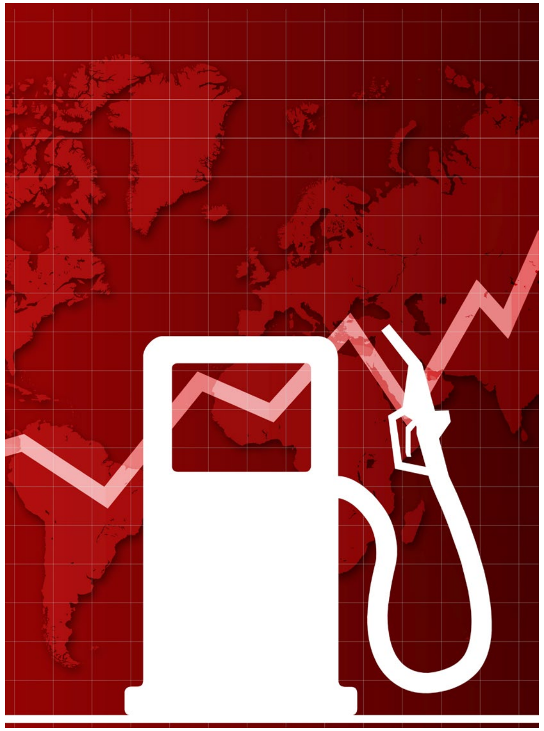
# Navigating a challenging business landscape

| Pandemic Recovery | | Ukraine Conflict | |
|---|---|---|---|


Inflation



Supply chain
and labor



Energy

FX

# James Gray

## Executive Vice President and CFO

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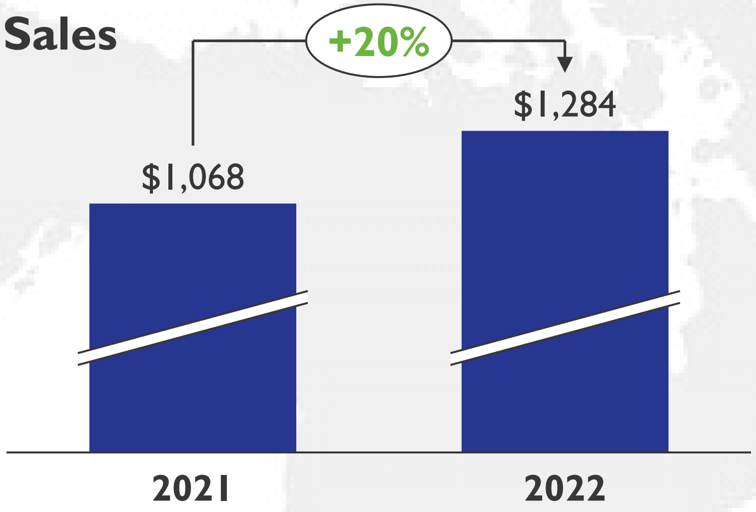
CFO Perspective

# Q2: Regional performance: North America and South America

## North America

### Net Sales



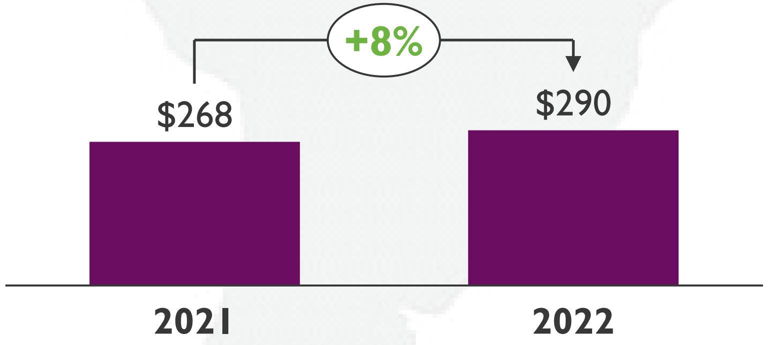

- Strong price mix leading to 20% net sales growth
- Up 21% excluding foreign currency impacts

### Operating Income

- $161 million, up $12 million
- Strong price mix and higher volume offsets higher corn and input costs

## South America

### Net Sales




- Up 6% excluding foreign currency impacts
- Up 42% excluding Argentina JV volume impact

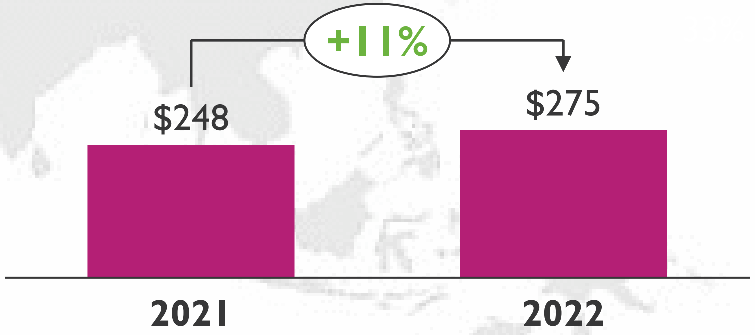
### Operating Income

- $39 million, up $6 million
- Favorable price mix offsets higher corn and input costs

# Q2: Regional performance: Asia-Pacific and EMEA

## Asia-Pacific

### Net Sales



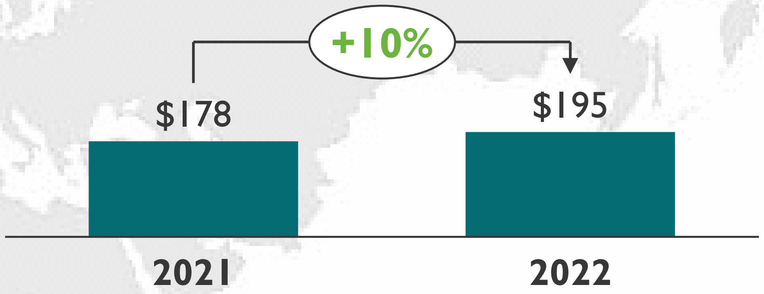

- Up 19% excluding foreign currency impacts

### Operating Income

- $21 million, down $3 million
- Weakness in Korea and impact of COVID-19 lockdowns in China

## EMEA

### Net Sales




- Up 24% excluding foreign currency impacts

### Operating Income

- $29 million, down $3 million
- Strong price mix in Europe, offset by higher input costs in Pakistan and foreign exchange impacts

# Q2 Highlights: Income statement

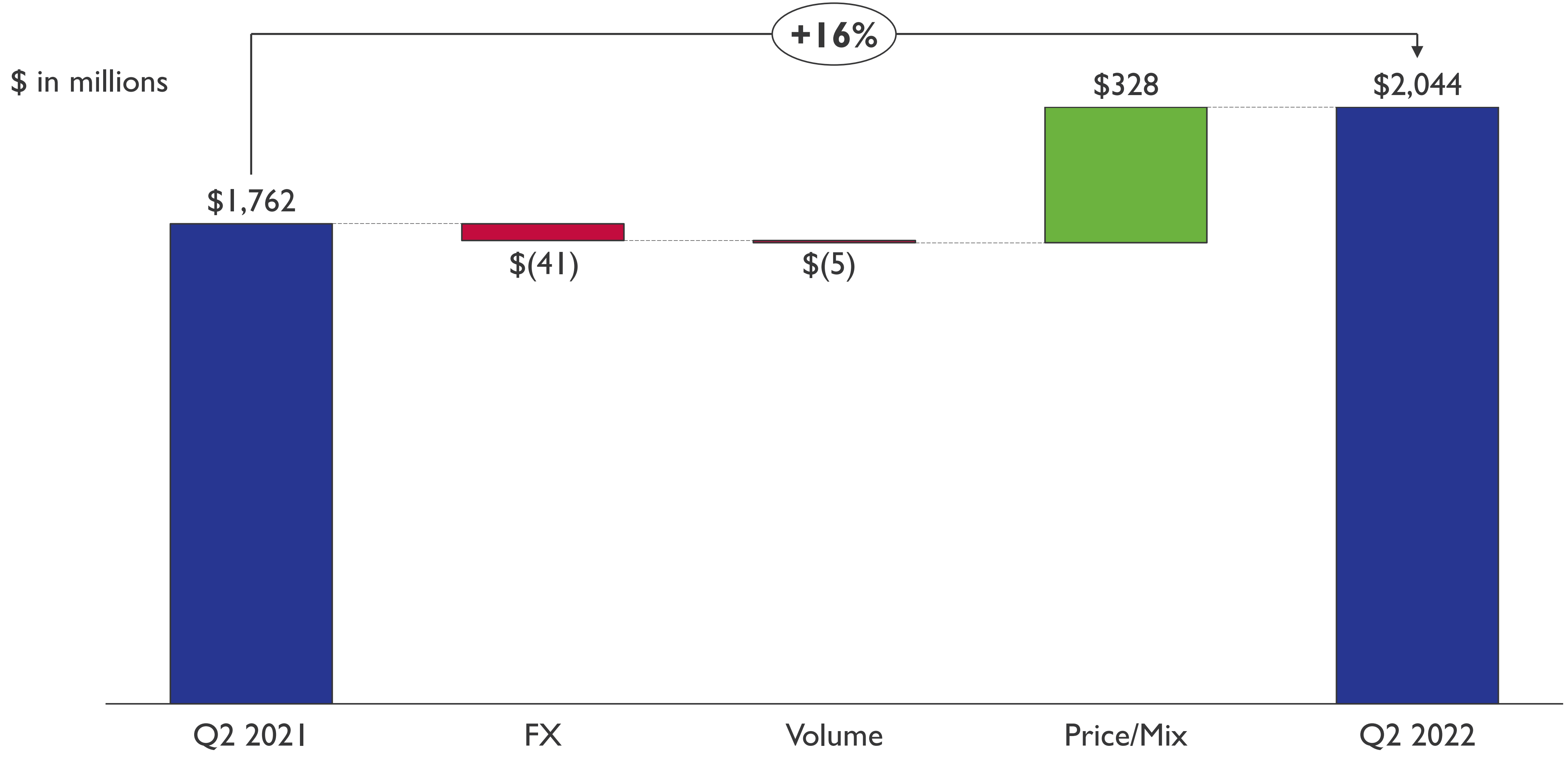
| $ in millions, unless noted | Q2 2021 | Q2 2022 | Change |
|---|---|---|---|
| **Net Sales** | $1,762 | $2,044 | +16% |
| **Gross Profit** | $367 | $390 | +6% |
| *Gross Profit Margin* | *20.8%* | *19.1%* | *(170)Bps* |
| **Reported Operating Income** | $222 | $213 | $(9) |
| **Reported Diluted EPS** | $2.62 | $2.12 | $(0.50)/share |
| **Adjusted Operating Income*** | $208 | $215 | +3% |
| **Adjusted Diluted EPS*** | $2.05 | $2.12 | $0.07/share |

Totals may not foot due to rounding

*See appendix for a reconciliation of these non-GAAP financial measures to the comparable. GAAP financial measures.

# Q2: Net Sales bridge

*Strong growth demonstrating excellent price management*




Totals may not foot due to rounding

# Q2: Net Sales variance by region

| | Foreign Exchange | Volume | Price Mix | Net Sales Change |
|---|---|---|---|---|
| North America | -1% | 1% | 20% | 20% |
| South America* | 2% | -12% | 18% | 8%** |
| Asia-Pacific | -8% | 4% | 15% | 11% |
| EMEA | -14% | 4% | 20% | 10% |
| Ingredion* | -2% | 0% | 18% | 16% |

Totals may not foot due to rounding
*Reported net sales above include presentation change for the Argentina JV
**South America comparable net sales excluding Argentina JV volume impact result in net sales growth of 42%, including price mix increase of 23%, FX impact of 4%, and volume increase of 15%.

# Q2: EPS bridge

| Amounts are dollars/share | |
|---|---|
| **2021 Reported Diluted EPS** | **$ 2.62** |
| *Restructuring/Impairment Costs* | *0.03* |
| *Acquisition/Integration Costs* | *0.02* |
| *Tax and other matters* | *(0.62)* |
| **2021 Adjusted Diluted EPS*** | **$ 2.05** |
| | |
| **2022 Adjusted Diluted EPS*** | **$ 2.12** |
| *Restructuring/Impairment Costs* | *(0.01)* |
| *Acquisition/Integration Costs* | |
| *Tax items and other matters* | *0.01* |
| **2022 Reported Diluted EPS** | **$ 2.12** |

| | |
|---|---|
| Margin | $ 0.24 |
| Volume** | (0.11) |
| Foreign Exchange Rates | (0.07) |
| Other Income | 0.01 |
| **Changes from Operations** | **$ 0.07** |

| | |
|---|---|
| Other Non-Operating Income | $ (0.01) |
| Financing Costs | 0.02 |
| Non-controlling Interests | 0.00 |
| Tax Rate | (0.03) |
| Shares Outstanding | 0.02 |
| **Non-Operational Changes** | **$ 0.00** |

Totals may not foot due to rounding

*See appendix for a reconciliation of these non-GAAP financial measures to the comparable. GAAP financial measures.

**Related to the joint venture in Argentina

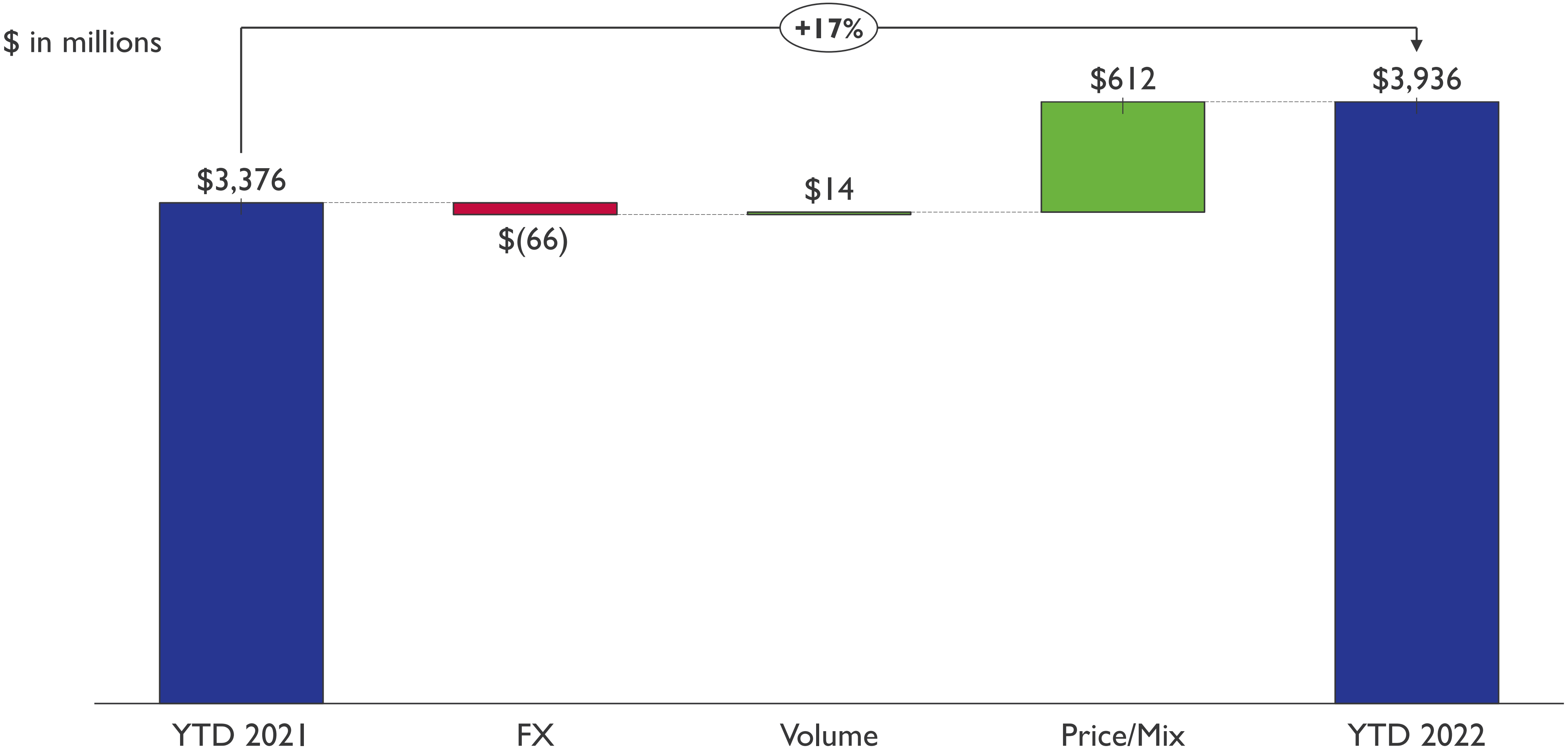
# YTD highlights: Income statement

| $ in millions, unless noted | YTD 2021 | YTD 2022 | Change |
|---|---|---|---|
| **Net Sales** | $3,376 | $3,936 | +17% |
| **Gross Profit** | $718 | $769 | +7% |
| *Gross Profit Margin* | *21.3%* | *19.5%* | *(180) bps* |
| **Reported Operating Income** | $52 | $423 | $371 |
| **Reported Diluted EPS** | $(1.01) | $4.04 | $5.05/share |
| **Adjusted Operating Income*** | $409 | $428 | +5% |
| **Adjusted Diluted EPS*** | $3.90 | $4.06 | $0.16/share |

Totals may not foot due to rounding

*See appendix for a reconciliation of these non-GAAP financial measures to the comparable. GAAP financial measures.

# YTD: Net Sales bridge




Totals may not foot due to rounding

# YTD: EPS bridge

| Amounts are dollars/share | |
|---|---|
| **2021 Reported Diluted EPS** | **$ (1.01)** |
| *Acquisition/Integration Costs* | *$ 0.02* |
| *Impairment/Restructuring Costs* | *$ 0.15* |
| *Impairment*** | *$ 5.35* |
| *Other Matters* | *$(0.58)* |
| *Diluted share impact* | *$(0.03)* |
| **2021 Adjusted Diluted EPS*** | **$ 3.90** |
| | |
| **2022 Adjusted Diluted EPS*** | **$ 4.06** |
| *Impairment/Restructuring Costs* | *$ (0.03)* |
| *Acquisition/Integration Costs/Other* | *$ (0.01)* |
| *Other Matters* | *$ 0.02* |
| **2022 Reported Diluted EPS** | **$ 4.04** |

| | |
|---|---|
| Margin | $ 0.44 |
| Volume | (0.13) |
| Foreign Exchange Rates | (0.11) |
| Other Income | 0.02 |
| **Changes from Operations** | **$ 0.22** |

| | |
|---|---|
| Other Non-Operating Income | $(0.01) |
| Financing Costs | (0.03) |
| Non-controlling Interests | 0.01 |
| Tax Rate | (0.03) |
| Shares Outstanding | 0.00 |
| **Non-Operational Changes** | **$(0.06)** |

Totals may not foot due to rounding
*See appendix for a reconciliation of these non-GAAP financial measures to the comparable. GAAP financial measures.
** Related to the Argentina joint venture announcement, reported results reflect $360 million assets held for sale impairment charge, including $311 million of cumulative translation loss

# Cash used for operations and cash deployment

| $ millions | |
|---|---|
| Net Income | $278 |
| Depreciation and amortization | $107 |
| Working capital | $(454) |
| Other | $65 |
| **Cash used for operations** | **$(4)** |
| | |
| **Cash deployment** | |
| Capital expenditures, net | $(137) |
| Dividend payments, including to non-controlling interests | $(90) |
| Repurchases of common stock, net | $(83) |
| Purchases of non-controlling interests | $(27) |

Totals may not foot due to rounding

# Updating Full Year 2022 adjusted EPS expectations

2022
Full
year

- Anticipated 2022 adjusted EPS* $6.90 to $7.45; excluding acquisition-related integration and restructuring costs, as well as any potential impairment costs
- Expect net sales to be up mid-double-digits
- Expect adjusted operating income to be up low double-digits
- 2022 financing costs expected to be in the range of $88 million to $93 million
- Expect adjusted effective tax rate between 28.0% and 29.0%
- Expect cash flow from operations in the range of $300 million to $360 million
- Capital expenditures expected to be between $290 million and $320 million
- Diluted weighted average shares outstanding expected to be in range of 67 million to 68 million

*See appendix for a reconciliation of these non-GAAP financial measures to the comparable. GAAP financial measures.

# 2022 Full year regional outlook and Q3 preview

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**2022 vs. 2021**

| | |
|---|---|
| **North America** | • Expect net sales to be up 15% - 20%<br>• Expect operating income to be up low to mid-double digits |
| **South America** | • Expect net sales to be up low double-digits<br>• Expect operating income to be up low double-digits<br>• Reflects reported impact of Argentina joint venture |
| **Asia-Pacific** | • Expect net sales to be up 10% - 15%<br>• Expect operating income to be flat |
| **EMEA** | • Expect net sales to be up 10% - 15%<br>• Expect operating income to be flat to down low single-digits |

**Q3 2022**

**INGR Q3 2022**

- Expect Q3 net sales to be up high teens and operating income to be up high single-digits

# Our roadmap for value creation

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## DRIVINGROWTH

**Customer Co-Creation and Consumer Preferred Innovation**

VALUE CREATION

### Specialty Growth Platforms

- STARCH-BASED TEXTURIZERS
- CLEAN AND SIMPLE INGREDIENTS
- PLANT-BASED PROTEINS
- SUGAR REDUCTION AND SPECIALTY SWEETENERS
- FOOD SYSTEMS

**Core Food and Industrial Ingredients**

**Supply Chain and Operational Excellence**

**Sustainable and Trusted Sourcing**

**Purpose and Performance Driven Culture**

VALUE CREATION

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We bring the potential of people, nature and technology together to **make life better.**

# Q&A


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# Upcoming Investor Activities

**Barclays Consumer Staples Conference**
*September 6, 2022*

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**Morningstar Behind the Moat Conference**
*September 7, 2022*

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**Baird Global Industrial Conference**
*November 8, 2022*

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**Stephens Annual Investment Conference**
*November 15, 2022*

# Appendix

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# 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 (benefit) provision, and certain other special 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; therefore, the 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

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| | Three Months Ended June 30, 2022 | | Three Months Ended June 30, 2021 | | Six Months Ended June 30, 2022 | | Six Months Ended June 30, 2021 | |
|---|---|---|---|---|---|---|---|---|
| | (in millions) | Diluted EPS | (in millions) | Diluted EPS | (in millions) | Diluted EPS | (in millions) | Diluted EPS |
| Net income (loss) attributable to Ingredion | $ 142 | $ 2.12 | $ 178 | $ 2.62 | $ 272 | $ 4.04 | $ (68) | $ (1.01) |
| Add back: | | | | | | | | |
| Acquisition/integration costs, net of an insignificant amout of income taxes for the three and six months ended June 30, 2022 and net of income tax expense of $4 million for the three and six months ended June 30, 2021 (i) | - | - | 1 | 0.02 | 1 | 0.01 | 2 | 0.02 |
| Restructuring/impairment charges, net of income tax benefit of $1 million for the three and six months ended June 30, 2022, and net of income tax benefit of $2 million and $4 million for the three and six months ended June 30, 2021, respectively (ii) | 1 | 0.01 | 2 | 0.03 | 3 | 0.03 | 10 | 0.15 |
| Impairment on assets held for sale, net of $ - million of income tax benefit for the six months ended June 30, 2021 (iii) | - | - | - | - | - | - | 360 | 5.35 |
| Other matters, net of income tax expense of $5 million for the three and six months ended June 30, 2021 (iv) | - | - | (10) | (0.15) | - | - | (10) | (0.15) |
| Tax (benefit) - Mexico (v) | - | - | (4) | (0.06) | (1) | (0.01) | (1) | (0.01) |
| Other tax matters (vi) | (1) | (0.01) | (28) | (0.41) | (1) | (0.01) | (28) | (0.42) |
| Diluted share impact (vii) | - | - | - | - | - | - | - | (0.03) |
| Non-GAAP adjusted net income attributable to Ingredion | $ 142 | $ 2.12 | $ 139 | $ 2.05 | $ 274 | $ 4.06 | $ 265 | $ 3.90 |

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

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Notes

(i) During the six months ended June 30, 2022, we recorded $1 million of pre-tax acquisition and integration charges related to our acquisition and integration of KaTech, as well as our investment in the Argentina joint venture. During the three and six months ended June 30, 2021, we recorded a net pre-tax acquisition and integration gain of $3 million and $2 million, respectively, for our acquisition of PureCircle Limited, as well as our investment in the Argentina joint venture.

(ii) During the three and six months ended June 30, 2022, we recorded $2 million and $4 million, respectively, of remaining pre-tax restructuring-related charges for the Cost Smart program.

During the three and six months ended June 30, 2021, we recorded pre-tax restructuring-related charges of $4 million and $14 million, respectively, for our Cost

(iii) During the first quarter of 2021, we recorded a $360 million held for sale impairment charge related to entering the Argentina joint venture. The impairment charge primarily reflected a $49 million write-down of contributed net assets to the agreed upon fair value and a $311 million valuation allowance for the cumulative

(iv) During the second quarter of 2021, we recorded a pre-tax benefit of $15 million to reflect a ruling the Brazilian Supreme Court issued in May 2021 that affirmed that we were entitled to certain indirect taxes.

(v) We recorded a tax benefit of $1 million for the six months ended June 30, 2022, and tax benefits of $4 million and $1 million for the three and six months ended June 30, 2021, respectively, as a result of the movement of the Mexican peso against the U.S. dollar and its impact on the remeasurement of the Company's

(vi) This item relates to prior year tax liabilities and contingencies, the reversal of tax liabilities related to certain unremitted earnings from foreign subsidiaries and tax results of the above non-GAAP addbacks.

(vii) When GAAP net income is negative and Non-GAAP Adjusted net income is positve, adjusted diluted weighted average common shares outstanding will include any options, restricted share units, or performance share units that would be otherwise dilutive. During the first half of 2021, the incremental dilutive share impact

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

| (in millions, pre-tax) | Three Months Ended June 30, 2022 | Three Months Ended June 30, 2021 | Six Months Ended June 30, 2022 | Six Months Ended June 30, 2021 |
|---|---|---|---|---|
| Operating income | $ 213 | $ 222 | $ 423 | $ 52 |
| Add back: | | | | |
| Acquisition/integration costs (i) | - | (3) | 1 | (2) |
| Restructuring/impairment charges (ii) | 2 | 4 | 4 | 14 |
| Impairment on assets held for sale (iii) | - | - | - | 360 |
| Other matters (iv) | - | (15) | - | (15) |
| Non-GAAP adjusted operating income | $ 215 | $ 208 | $ 428 | $ 409 |

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

Totals may not foot due to rounding

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

Ingredion
Be what's next.

| | Three Months Ended June 30, 2022 | | | Six Months Ended June 30, 2022 | | |
|---|---|---|---|---|---|---|
| (in millions) | 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 | $ 196 | $ 51 | 26.0% | $ 383 | $ 105 | 27.4% |
| Add back: | | | | | | |
| Acquisition/integration costs (i) | - | - | | 1 | - | |
| Restructuring/impairment charges (ii) | 2 | 1 | | 4 | 1 | |
| Tax item - Mexico (v) | - | - | | - | 1 | |
| Other tax matters (vi) | - | 1 | | - | 1 | |
| Adjusted Non-GAAP | $ 198 | $ 53 | 26.8% | $ 388 | $ 108 | 27.8% |

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

Totals may not foot due to rounding

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

| (in millions) | Three Months Ended June 30, 2021 Income (Loss) before Income Taxes (a) | Three Months Ended June 30, 2021 Provision for Income Taxes (b) | Three Months Ended June 30, 2021 Effective Income Tax Rate (b / a) | Six Months Ended June 30, 2021 Income before Income Taxes (a) | Six Months Ended June 30, 2021 Provision for Income Taxes (b) | Six Months Ended June 30, 2021 Effective Income Tax Rate (b / a) |
|---|---|---|---|---|---|---|
| As Reported | $ 205 | $ 24 | 11.7% | $ 17 | $ 79 | 464.7% |
| Add back: | | | | | | |
| Acquisition/integration costs (i) | (3) | (4) | | (2) | (4) | |
| Restructuring/impairment charges (ii) | 4 | 2 | | 14 | 4 | |
| Impairment on assets held for sale (iii) | - | - | | 360 | - | |
| Other matters (iv) | (15) | (5) | | (15) | (5) | |
| Tax item - Mexico (v) | - | 4 | | - | 1 | |
| Other tax matters (vi) | - | 28 | | - | 28 | |
| Adjusted Non-GAAP | $ 191 | $ 49 | 25.7% | $ 374 | $ 103 | 27.5% |

For notes (i) through (vi), see notes (i) through (vi) included in the Reconciliation of GAAP Net Income (Loss) 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 2022 | |
|---|---|---|
| | Low End of Guidance | High End of Guidance |
| GAAP EPS | $ 6.95 | $ 7.35 |
| Add: | | |
| Acquisition/integration costs (i) | 0.01 | 0.01 |
| Restructuring/impairment charges (ii) | 0.03 | 0.03 |
| Tax item - Mexico (iii) | (0.08) | 0.07 |
| Other tax matters (iv) | (0.01) | (0.01) |
| Adjusted EPS | $ 6.90 | $ 7.45 |

Above is a reconciliation of our expected full-year 2022 diluted EPS to our expected full-year 2022 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, adjustments to GAAP EPS for acquisition and integration costs, impairment and restructuring costs, and certain other items. We generally exclude these adjustments 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.

These adjustments to GAAP EPS for 2022 include the following:

(i) Pre-tax acquisition and integration charges for our acquisition and integration of KaTech, as well as our investment in the Argentina joint venture.

(ii) Remaining pre-tax restructuring-related charges for the Cost Smart programs.

(iii) Tax (benefit) expense as a result of the movement of the Mexican peso against the U.S. dollar and its impact on the remeasurement of the Company's Mexico financial statements during the period.

(iv) This item relates to prior year tax liabilities and contingencies.

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

| | Expected Effective Tax Rate Range for Full-Year 2022 | | | |
|---|---|---|---|---|
| | Low End of Guidance | | High End of Guidance | |
| GAAP ETR | 27.0 | % | 29.5 | % |
| Add: | | | | |
| Acquisition/integration costs (i) | - | % | - | % |
| Restructuring/impairment charges (ii) | 0.2 | % | 0.2 | % |
| Tax item - Mexico (iii) | 0.9 | % | (0.6) | % |
| Other Tax Matters (iv) | 0.2 | % | 0.2 | % |
| Impact of adjustment on Effective Tax Rate (v) | (0.3) | % | (0.3) | % |
| Adjusted ETR | 28.0 | % | 29.0 | % |

Above is a reconciliation of our expected full-year 2022 GAAP ETR to our expected full-year 2022 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 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.

These adjustments to GAAP ETR for 2022 include the following:

(i) Tax impact on acquisition and integration charges for our acquisition and integration of KaTech, as well as our investment in the Argentina joint venture.

(ii) Tax impact on remaining restructuring-related charges for the Cost Smart programs.

(iii) Tax benefit (expense) as a result of the movement of the Mexican peso against the U.S. dollar and its impact to the remeasurement of the Company's Mexico financial statements during the periods.

(iv) This item relates to prior year tax liabilities and contingencies.

(v) Indirect impact of tax rate after items (i) and (ii).

Totals may not foot due to rounding