

Ingredion Incorporated ("Ingredion")
Condensed Consolidated Statements of Income (Loss)
(Unaudited)

(in millions, except per share amounts)

	Three Months Ended March 31,		Change %
	2022	2021	
Net sales	\$ 1,892	\$ 1,614	17%
Cost of sales	1,513	1,263	
Gross profit	379	351	8%
Operating expenses	169	153	10%
Other operating (income)	(2)	(2)	
Restructuring/impairment charges	2	370	
Operating income (loss)	210	(170)	224%
Financing costs	24	19	
Other non-operating income	(1)	(1)	
Income (loss) before income taxes	187	(188)	199%
Provision for income taxes	54	55	
Net income (loss)	133	(243)	155%
Less: Net income attributable to non-controlling interests	3	3	
Net income (loss) attributable to Ingredion	\$ 130	\$ (246)	153%
Earnings per common share attributable to Ingredion common shareholders:			
Weighted average common shares outstanding:			
Basic	66.9	67.3	
Diluted	67.6	67.3	
Earnings (loss) per common share of Ingredion:			
Basic	\$ 1.94	(\$ 3.66)	153%
Diluted	\$ 1.92	(\$ 3.66)	152%

**Ingredion Incorporated ("Ingredion")
Condensed Consolidated Balance Sheets**

(in millions, except share and per share amounts)

	<u>March 31, 2022</u> (Unaudited)	<u>December 31, 2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 324	\$ 328
Short-term investments	5	4
Accounts receivable – net	1,431	1,130
Inventories	1,306	1,172
Prepaid expenses	63	63
Total current assets	3,129	2,697
Property, plant and equipment – net	2,446	2,423
Intangible assets – net	1,339	1,348
Other assets	521	531
Total assets	\$ 7,435	\$ 6,999
Liabilities and equity		
Current liabilities		
Short-term borrowings	\$ 514	\$ 308
Accounts payable and accrued liabilities	1,207	1,204
Total current liabilities	1,721	1,512
Long-term debt	1,739	1,738
Other non-current liabilities	561	524
Total liabilities	4,021	3,774
Share-based payments subject to redemption	31	36
Redeemable non-controlling interests	71	71
Equity		
Ingredion stockholders' equity:		
Preferred stock – authorized 25,000,000 shares – \$0.01 par value, none issued	-	-
Common stock – authorized 200,000,000 shares – \$0.01 par value, 77,810,875 shares issued at March 31, 2022 and December 31, 2021	1	1
Additional paid-in capital	1,160	1,158

Less: Treasury stock (common stock; 11,464,034 and 11,154,203 shares at March 31, 2022 and December 31, 2021, respectively) at cost	(1,091)	(1,061)
Accumulated other comprehensive loss	(763)	(897)
Retained earnings	3,986	3,899
Total Ingredient stockholders' equity	3,293	3,100
Non-redeemable non-controlling interests	19	18
Total equity	3,312	3,118
Total liabilities and equity	\$ 7,435	\$ 6,999

Ingredion Incorporated ("Ingredion")
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	For the Three Months Ended March 31,	
	2022	2021
Cash (used for) provided by operating activities:		
Net income (loss)	\$ 133	\$ (243)
Adjustments to reconcile net income (loss) to net cash (used for) provided by operating activities:		
Depreciation and amortization	53	52
Mechanical stores expense	13	14
Deferred income taxes	3	(4)
Impairment charge for assets held for sale	-	360
Margin accounts	28	(16)
Changes in other trade working capital	(290)	(130)
Other	8	(11)
Cash (used for) provided by operating activities	(52)	22
Cash used for investing activities:		
Capital expenditures and mechanical stores purchases	(85)	(65)
Proceeds from disposal of manufacturing facilities and properties	5	2
Other	4	(1)
Cash used for investing activities	(76)	(64)

Cash provided by (used for) financing activities:

Proceeds from borrowings, net	24	10
Commercial paper borrowings, net	178	-
Repurchases of common stock, net	(39)	(14)
(Settlements) issuances of common stock for share-based compensation, net	(1)	7
Dividends paid, including to non-controlling interests	(43)	(43)
Cash provided by (used for) financing activities	119	(40)
Effect of foreign exchange rate changes on cash	5	(7)
Decrease in cash and cash equivalents	(4)	(89)
Cash and cash equivalents, beginning of period	328	665
Cash and cash equivalents, end of period	\$ 324	\$ 576

**Ingredion Incorporated ("Ingredion")
Supplemental Financial Information
(Unaudited)**

I. Geographic Information of Net Sales and Operating Income

(in millions, except for percentages)

	Three Months Ended March 31,		Change	Change Excl. FX
	2022	2021		
Net Sales				
North America	\$ 1,174	\$ 945	24 %	24 %
South America	252	273	(8 %)	(8 %)
Asia-Pacific	272	235	16 %	21 %
EMEA	194	161	20 %	28 %
Total Net Sales	\$ 1,892	\$ 1,614	17 %	19 %
Operating Income				
North America	\$ 156	\$ 134	16 %	16 %
South America	38	40	(5 %)	(8 %)
Asia-Pacific	22	25	(12 %)	(4 %)
EMEA	31	31	0 %	10 %
Corporate	(34)	(29)	(17 %)	(17 %)
Sub-total	213	201	6 %	8 %

Acquisition/integration costs	(1)	(1)		
Restructuring/impairment charges	(2)	(10)		
Impairment charge for assets held for sale	-	(360)		
Total Operating Income	\$ 210	\$ (170)	224 %	226 %

II. 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 provision (benefit), 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.

Ingredion Incorporated ("Ingredion")
Reconciliation of GAAP Net Income (Loss) attributable to Ingredion and Diluted Earnings Per Share ("EPS") to
Non-GAAP Adjusted Net Income attributable to Ingredion and Adjusted Diluted EPS
(Unaudited)

	Three Months Ended March 31, 2022		Three Months Ended March 31, 2021	
	(in millions)	Diluted EPS	(in millions)	Diluted EPS
Net income (loss) attributable to Ingredion	\$ 130	\$ 1.92	\$ (246)	\$ (3.66)
Add back:				
Acquisition/integration costs, net of \$ - million income tax benefit for the three months ended March 31, 2022 and 2021 (i)	1	0.01	1	0.01

Restructuring/impairment charges, net of income tax benefit of \$ - million and \$2 million for the three months ended March 31, 2022 and 2021, respectively (ii)	2	0.03	8	0.12
Impairment on assets held for sale, net of \$ - million of income tax benefit for the three months ended March 31, 2021 (iii)	-	-	360	5.35
Tax (benefit) provision - Mexico (iv)	(1)	(0.01)	3	0.05
Diluted share impact (v)	-	-	-	(0.02)
Non-GAAP adjusted net income attributable to Ingredion	\$ 132	\$ 1.95	\$ 126	\$ 1.85

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

Notes

(i) During the first quarter of 2022, the Company recorded pre-tax acquisition and integration charges of \$1 million for our acquisition and integration of KaTech, as well as our investment in the Arcor joint venture. During the first quarter of 2021, the Company recorded pre-tax acquisition and integration charges of \$1 million for our acquisition of PureCircle Limited.

(ii) During the first quarter of 2022, the Company recorded \$2 million of remaining pre-tax restructuring-related charges for the Cost Smart program. During the first quarter of 2021, the Company recorded \$10 million of pre-tax restructuring/impairment charges, consisting of \$5 million of employee-related and other costs, including professional services, associated with our Cost Smart SG&A program, \$3 million of restructuring-related charges as part of our Cost Smart Cost of sales program, primarily in North America, and \$2 million of employee-related and other costs related to the Arcor joint venture.

(iii) During the first quarter of 2021, the Company recorded a \$360 million held for sale impairment charge related to entering the Arcor 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 foreign translation losses related to the net assets to be contributed.

(iv) The Company recorded a tax benefit of \$1 million for the first quarter of 2022, and a tax provision of \$3 million for the first quarter of 2021, 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.

(v) When GAAP net income is negative and Non-GAAP Adjusted net income is positive, 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 quarter of 2021, the incremental dilutive share impact of these instruments was 0.6 million shares of common stock equivalents.

Ingredion Incorporated ("Ingredion")
Reconciliation of GAAP Operating Income (Loss) to Non-GAAP Adjusted Operating Income
(Unaudited)

(in millions, pre-tax)	Three Months Ended	
	March 31,	
	2022	2021
Operating income (loss)	\$ 210	\$ (170)
Add back:		
Acquisition/integration costs (i)	1	1
Restructuring/impairment charges (ii)	2	10
Impairment on assets held for sale (iii)	-	360
Non-GAAP adjusted operating income	\$ 213	\$ 201

For notes (i) through (iii), see notes (i) through (iii) 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.

II. Non-GAAP Information (continued)

Ingredion Incorporated ("Ingredion") Reconciliation of GAAP Effective Income Tax Rate to Non-GAAP Adjusted Effective Income Tax Rate (Unaudited)

(in millions)	Three Months Ended March 31, 2022		
	Income before Income Taxes (a)	Provision for Income Taxes (b)	Effective Income Tax Rate (b / a)
As Reported	\$ 187	\$ 54	28.9%
Add back:			

Acquisition/integration costs (i)	1	-	
Restructuring/impairment charges (ii)	2	-	
Tax item - Mexico (vi)	-	1	
Adjusted Non-GAAP	<u>\$ 190</u>	<u>\$ 55</u>	28.9%

(in millions)	Three Months Ended March 31, 2021		
	Income (Loss) before Income Taxes (a)	Provision for Income Taxes (b)	Effective Income Tax Rate (b / a)
As Reported	\$ (188)	\$ 55	(29.3%)
Add back:			
Acquisition/integration costs (i)	1	-	
Restructuring/impairment charges (ii)	10	2	
Impairment on assets held for sale (iii)	360	-	
Tax item - Mexico (iv)	-	(3)	
Adjusted Non-GAAP	<u>\$ 183</u>	<u>\$ 54</u>	29.5%

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.

II. Non-GAAP Information (continued)

Ingredion Incorporated ("Ingredion")
Reconciliation of Anticipated GAAP Diluted Earnings per Share ("GAAP EPS")
to Anticipated Adjusted Diluted Earnings per Share ("Adjusted EPS")

(Unaudited)

	Anticipated EPS Range for Full Year 2022	
	Low End	High End
GAAP EPS	\$ 6.80	\$ 7.40
Add:		
Acquisition/integration costs (i)	0.02	0.02
Restructuring/impairment charges (ii)	0.04	0.04
Tax benefit- Mexico (iii)	(0.01)	(0.01)
Adjusted EPS	\$ 6.85	\$ 7.45

Above is a reconciliation of our anticipated full year 2022 diluted EPS to our anticipated 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 special items. We generally exclude these adjustments from our adjusted EPS guidance. For these reasons, we are more confident in our ability to predict adjusted EPS than we are in our ability to predict 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 Arcor joint venture.
- (ii) Remaining pre-tax restructuring-related charges for the Cost Smart programs.
- (iii) Tax benefit 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.

II. Non-GAAP Information (continued)

Ingredion Incorporated ("Ingredion")
Reconciliation of Reported U.S. GAAP Effective Tax Rate ("GAAP ETR")
to Anticipated Adjusted Effective Tax Rate ("Adjusted ETR")
(Unaudited)

	Anticipated Effective Tax Rate Range for Full Year 2022			
	Low End	%	High End	%
GAAP ETR	27.0	%	30.5	%
Add:				
Acquisition/integration costs (i)	-	%	-	%
Restructuring/impairment charges (ii)	0.1	%	0.1	%
Tax item - Mexico (iv)	-	%	-	%
Impact of adjustment on Effective Tax Rate and other tax matters (vi)	0.9	%	(1.1)	%
Adjusted ETR	28.0	%	29.5	%

Above is a reconciliation of our anticipated full year 2022 GAAP ETR to our anticipated 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 special items. We generally exclude these adjustments from our adjusted ETR guidance. For these reasons, we are more confident in our ability to predict adjusted ETR than we are in our ability to predict GAAP ETR.

For items (i) through (iv), see footnotes 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.

(vi) Indirect impact of tax rate after items (i) through (iv) and other tax matters.