

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

(in millions, except per share amounts)

	Three Months Ended June 30,		Change %	Six Months Ended June 30,		Change %
	2022	2021		2022	2021	
Net sales	\$ 2,044	\$ 1,762	16%	\$ 3,936	\$ 3,376	17%
Cost of sales	1,654	1,395		3,167	2,658	
Gross profit	390	367	6%	769	718	7%
Operating expenses	179	167	7%	348	320	9%
Other operating (income)	(4)	(26)		(6)	(28)	
Restructuring/impairment charges	2	4		4	374	
Operating income	213	222	(4%)	423	52	713%
Financing costs	17	19		41	38	
Other non-operating (income)	-	(2)		(1)	(3)	
Income before income taxes	196	205	(4%)	383	17	2153%
Provision for income taxes	51	24		105	79	
Net income (loss)	145	181	(20%)	278	(62)	548%
Less: Net income attributable to non-controlling interests	3	3		6	6	
Net income (loss) attributable to Ingredion	\$ 142	\$ 178	(20%)	\$ 272	\$ (68)	500%

Earnings per common share attributable to Ingredion common shareholders:

Weighted average common shares outstanding:

Basic	66.4	67.2		66.6	67.3	
Diluted	67.1	67.9		67.3	67.3	
Earnings (loss) per common share of Ingredion:						
Basic	\$2.14	\$2.65	(19%)	\$4.08	(\$1.01)	504%
Diluted	\$2.12	\$2.62	(19%)	\$4.04	(\$1.01)	500%

Ingredion Incorporated
Condensed Consolidated Balance Sheets

(in millions, except share and per share amounts)

	<u>June 30, 2022</u> (Unaudited)	<u>December 31, 2021</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 318	\$ 328
Short-term investments	4	4
Accounts receivable – net	1,396	1,130
Inventories	1,403	1,172
Prepaid expenses	56	63
Total current assets	3,177	2,697
Property, plant and equipment – net	2,375	2,423
Intangible assets – net	1,313	1,348
Other assets	524	531
Total assets	\$ 7,389	\$ 6,999

Liabilities and equity

Current liabilities			
Short-term borrowings	\$	652	\$ 308
Accounts payable and accrued liabilities		1,193	1,204
Total current liabilities		1,845	1,512
Long-term debt		1,739	1,738
Other non-current liabilities		537	524
Total liabilities		4,121	3,774
Share-based payments subject to redemption		37	36
Redeemable non-controlling interests		70	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 June 30, 2022 and December 31, 2021		1	1
Additional paid-in capital		1,133	1,158
Less: Treasury stock (common stock; 11,972,479 and 11,154,203 shares at June 30, 2022 and December 31, 2021, respectively) at cost		(1,133)	(1,061)
Accumulated other comprehensive loss		(940)	(897)
Retained earnings		4,085	3,899
Total Ingredion stockholders' equity		3,146	3,100
Non-redeemable non-controlling interests		15	18
Total equity		3,161	3,118
Total liabilities and equity	\$	7,389	\$ 6,999

Ingredion Incorporated
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Six Months Ended June 30,	
	2022	2021
Cash (used for) provided by operating activities:		
Net income (loss)	\$ 278	\$ (62)
Adjustments to reconcile net income (loss) to net cash (used for) provided by operating activities:		
Depreciation and amortization	107	103
Mechanical stores expense	27	27
Deferred income taxes	(2)	(21)
Impairment charge for assets held for sale	-	360
Margin accounts	(5)	(20)
Changes in other trade working capital	(454)	(221)
Other	45	(37)
Cash (used for) provided by operating activities	(4)	129
Cash used for investing activities:		
Capital expenditures and mechanical stores purchases	(144)	(117)
Proceeds from disposal of manufacturing facilities and properties	7	15
Payments for acquisitions, net of cash acquired	-	(40)
Other	1	(15)
Cash used for investing activities	(136)	(157)
Cash provided by (used for) financing activities:		
Proceeds from borrowings, net	38	14
Commercial paper borrowings, net	308	-
Repurchases of common stock, net	(83)	(24)

Purchases of non-controlling interests		(27)		-
(Settlements) issuances of common stock for share-based compensation, net		(1)		9
Dividends paid, including to non-controlling interests		(90)		(93)
Cash provided by (used for) financing activities		145		(94)
Effect of foreign exchange rate changes on cash		(15)		(1)
Decrease in cash and cash equivalents		(10)		(123)
Cash and cash equivalents, beginning of period		328		665
Cash and cash equivalents, end of period	\$	318	\$	542

Ingredion Incorporated
Supplemental Financial Information
(Unaudited)

I. Geographic Information of Net Sales and Operating Income

(in millions, except for percentages)

	Three Months Ended June 30,		Change	Excl. FX	Six Months Ended June 30,		Change	Excl. FX
	2022	2021			2022	2021		
Net Sales								
North America	\$ 1,284	\$ 1,068	20%	21%	\$ 2,458	\$ 2,013	22%	22%
South America	290	268	8%	6%	542	541	0%	(1%)
Asia-Pacific	275	248	11%	19%	547	483	13%	20%
EMEA	195	178	10%	24%	389	339	15%	26%
Total Net Sales	\$ 2,044	\$ 1,762	16%	18%	\$ 3,936	\$ 3,376	17%	19%
Operating Income								
North America	\$ 161	\$ 149	8%	9%	\$ 317	\$ 283	12%	12%

South America	39	33	18%	15%	77	73	5%	3%
Asia-Pacific	21	24	(13%)	(4%)	43	49	(12%)	(4%)
EMEA	29	32	(9%)	6%	60	63	(5%)	8%
Corporate	(35)	(30)	(17%)	(17%)	(69)	(59)	(17%)	(17%)
Sub-total	215	208	3%	7%	428	409	5%	7%
Acquisition/integration costs	-	3			(1)	2		
Restructuring/impairment charges	(2)	(4)			(4)	(14)		
Impairment charge for assets held for sale	-	-			-	(360)		
Other matters	-	15			-	15		
Total Operating Income	\$ 213	\$ 222	(4%)	(1%)	\$ 423	\$ 52	713%	735%

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 (benefit), 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.

Ingredion Incorporated
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 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 amount 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	<u>\$ 142</u>	<u>\$ 2.12</u>	<u>\$ 139</u>	<u>\$ 2.05</u>	<u>\$ 274</u>	<u>\$ 4.06</u>	<u>\$ 265</u>	<u>\$ 3.90</u>

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

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 Smart programs. These charges are net of a \$5 million gain on the sale of Stockton, California land and building that occurred during the second quarter of 2021.

(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 foreign translation losses related to the net assets to be contributed.

(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 Mexico financial statements during the periods.

(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 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 half of 2021, the incremental dilutive share impact of these instruments was 0.6 million shares of common stock equivalents.

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

(in millions, pre-tax)	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	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	<u>\$ 215 \$ 208</u>		<u>\$ 428 \$ 409</u>	

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

(in millions)	Three Months Ended June 30, 2022			Six Months Ended June 30, 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	\$ 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	<u>\$ 198</u>	<u>\$ 53</u>	26.8%	<u>\$ 388</u>	<u>\$ 108</u>	27.8%

(in millions)	Three Months Ended June 30, 2021			Six Months Ended June 30, 2021		
	Income (Loss) 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	\$ 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%
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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.

II. Non-GAAP Information (continued)

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

	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.

II. Non-GAAP Information (continued)

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

	Expected Effective Tax Rate Range	
	for Full-Year 2022	
	<u>Low End of Guidance</u>	<u>High End of Guidance</u>
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	<u>28.0 %</u>	<u>- 29.0 %</u>

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).