

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

(in millions, except per share amounts)	<b>Three Months Ended March 31,</b>		<b>Change %</b>
	2020	2019	
Net sales	\$ 1,543	\$ 1,536	0%
Cost of sales	1,220	1,220	
Gross profit	323	316	2%
Operating expenses	154	150	3%
Other income, net	2	1	
Restructuring/impairment charges	14	4	
Operating income	153	161	(5%)
Financing costs, net	18	22	
Other, non-operating expense (income), net	(1)	-	
Income before income taxes	136	139	(2%)
Provision for income taxes	58	37	
Net income	78	102	(24%)
Less: Net income attributable to non-controlling interests	3	2	
Net income attributable to Ingredion	\$ 75	\$ 100	(25%)

Earnings per common share attributable to Ingredion  
common shareholders:

Weighted average common shares outstanding:

Basic	67.1	66.8
Diluted	67.8	67.4

Earnings per common share of Ingredion:

Basic	\$ 1.12	\$ 1.50	(25%)
Diluted	\$ 1.11	\$ 1.48	(25%)

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

(in millions, except share and per share amounts)	<b>March 31, 2020</b>	<b>December 31, 2019</b>
	<b>(Unaudited)</b>	
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 278	\$ 264
Short-term investments	2	4
Accounts receivable – net	996	977
Inventories	857	861
Prepaid expenses	55	54
<b>Total current assets</b>	<b>2,188</b>	<b>2,160</b>
Property, plant and equipment – net	2,208	2,306
Goodwill	787	801
Other intangible assets – net	427	437
Operating lease assets	147	151
Deferred income tax assets	16	13
Other assets	179	172
<b>Total assets</b>	<b>\$ 5,952</b>	<b>\$ 6,040</b>
<b>Liabilities and equity</b>		
Current liabilities		
Short-term borrowings	\$ 77	\$ 82
Accounts payable and accrued liabilities	860	885
<b>Total current liabilities</b>	<b>937</b>	<b>967</b>
Non-current liabilities	205	220
Long-term debt	1,871	1,766
Non-current operating lease liabilities	115	120
Deferred income tax liabilities	174	195
Share-based payments subject to redemption	23	31
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, 2020 and December 31, 2019	1	1
Additional paid-in capital	1,142	1,137
Less: Treasury stock (common stock; 10,772,260 and 10,993,388 shares at March 31, 2020 and December 31, 2019, respectively) at cost	(1,028)	(1,040)
Accumulated other comprehensive loss	(1,322)	(1,158)
Retained earnings	3,813	3,780
<b>Total Ingredion stockholders' equity</b>	<b>2,606</b>	<b>2,720</b>
Non-controlling interests	21	21
<b>Total equity</b>	<b>2,627</b>	<b>2,741</b>
<b>Total liabilities and equity</b>	<b>\$ 5,952</b>	<b>\$ 6,040</b>

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

(in millions)	<b>For the Three Months Ended March 31,</b>	
	<b>2020</b>	<b>2019</b>
<b>Cash provided by operating activities:</b>		
Net income	\$ 78	\$ 102
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	54	51
Mechanical stores expense	13	13
Deferred income taxes	-	5
Margin accounts	(20)	1
Changes in other trade working capital	(85)	(171)
Other	25	17
<b>Cash provided by operating activities</b>	<b>65</b>	<b>18</b>
<b>Cash used for investing activities:</b>		
Capital expenditures and mechanical stores purchases, net proceeds on disposals	(98)	(80)
Payments for acquisitions, net of cash acquired	-	(41)
Short-term investments	2	3
<b>Cash used for investing activities</b>	<b>(96)</b>	<b>(118)</b>
<b>Cash used for financing activities:</b>		
Proceeds from borrowings (payments on), net	102	8

Repurchases of common stock, net	-	63
Issuances of common stock for share-based compensation, net of settlements	2	(1)
Dividends paid, including to non-controlling interests	(42)	(42)
Cash provided by financing activities	62	28
Effect of foreign exchange rate changes on cash	(17)	-
Increase (decrease) in cash and cash equivalents	14	(72)
Cash and cash equivalents, beginning of period	264	327
Cash and cash equivalents, end of period	\$ 278	\$ 255

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

**I. Geographic Information of Net Sales and Operating Income**

(in millions, except for percentages)	Three Months Ended		Change	Change Excl. FX
	2020	2019		
Net Sales				
North America	\$ 963	\$ 951	1%	1%
South America	237	228	4%	15%
Asia-Pacific	189	203	(7%)	(4%)
EMEA	154	154	0%	6%
Total Net Sales	\$ 1,543	\$ 1,536	0%	3%
Operating Income				
North America	\$ 125	\$ 125	0%	0%
South America	26	18	44%	61%
Asia-Pacific	20	20	0%	0%
EMEA	27	24	13%	21%
Corporate	(31)	(21)	(48%)	(48%)
Sub-total	167	166	1%	4%
Acquisition/integration costs	-	(1)		
Restructuring/impairment charges	(14)	(4)		
Total Operating Income	\$ 153	\$ 161	(5%)	(2%)

## II. Non-GAAP Information

To supplement the consolidated financial results prepared in accordance with 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 cost, Mexico discrete tax 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 other companies. A reconciliation of each non-GAAP historical financial measure to the most comparable GAAP measure is provided in the tables below.

**Ingredion Incorporated ("Ingredion")**  
**Reconciliation of GAAP Net Income 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		Three Months Ended	
	March 31, 2020		March 31, 2019	
	(in millions)	Diluted EPS	(in millions)	Diluted EPS
Net income attributable to Ingredion	\$ 75	\$ 1.11	\$ 100	\$ 1.48
Add back:				
Acquisition/integration costs, net of income tax benefit of \$-million for the three months ended March 31, 2020 and 2019 (i)	-	-	1	0.01
Restructuring/impairment charges, net of income tax benefit of \$3 million and \$1 million for the three months ended March 31, 2020 and 2019, respectively (ii)	11	0.16	3	0.05

Discrete tax item - Mexico (iii)	22	0.32	(1)	(0.01)
Non-GAAP adjusted net income attributable to Ingredion	<u>\$ 108</u>	<u>\$ 1.59</u>	<u>\$ 103</u>	<u>\$ 1.53</u>

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

#### Notes

(i) The 2019 period includes costs related to the acquisition and integration of the business acquired from Western Polymer, LLC.

(ii) During the first quarter in 2020, the Company recorded \$14 million of pre-tax restructuring/impairment charges, consisting of \$9 million of restructuring related expenses as part of the Cost Smart cost of sales program and \$5 million of employee-related and other costs, including professional services, associated with our Cost Smart SG&A program. During the first quarter in 2019, the Company recorded \$4 million of pre-tax restructuring charges, comprised of \$3 million of employee-related severance and other costs as part of the Cost Smart SG&A program and \$1 million in restructuring expenses as part of the Cost Smart cost of sales program in relation to the cessation of wet-milling at the Stockton, California plant.

(iii) The discrete tax item represents the impact of the Company's use of the U.S. dollar as the functional currency for its subsidiaries in Mexico. Mexico's effective tax rate is strongly influenced by the remeasurement of the Mexican peso financial statements into U.S. dollars. A \$22 million discrete tax provision was recorded for the three months ended March 31, 2020 as a result of the movement of the Mexican peso against the U.S. dollar during the period, compared to a \$1 million discrete tax benefit recorded for the three months ended March 31, 2019.

#### **II. Non-GAAP Information (continued)**

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

(in millions, pre-tax)	Three Months Ended March 31,	
	2020	2019
Operating income	\$ 153	\$ 161
Add back:		
Acquisition/integration costs (i)	-	1
Restructuring/impairment charges (ii)	14	4

Non-GAAP adjusted operating income

\$ 167 \$ 166

For notes (i) through (ii) see notes (i) through (ii) 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.

**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, 2020		
	Income before Income Taxes (a)	Provision for Income Taxes (b)	Effective Income Tax Rate (b / a)
As Reported	\$ 136	\$ 58	42.6%
Add back:			
Restructuring/impairment charges (ii)	14	3	
Discrete tax item - Mexico (iii)	-	(22)	
Adjusted Non-GAAP	\$ 150	\$ 39	26.0%

Three Months Ended March 31, 2019		
Income before	Provision for	Effective Income

(in millions)	Income Taxes (a)	Income Taxes (b)	Tax Rate (b / a)
As Reported	\$ 139	\$ 37	26.6%
Add back:			
Acquisition/integration costs (i)	1	-	
Restructuring/impairment charges (ii)	4	1	
Discrete tax item - Mexico (iii)	-	1	
Adjusted Non-GAAP	\$ 144	\$ 39	27.1%

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

## 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)**

	<b>Anticipated Effective Tax Rate Range for Full Year 2020</b>	
	<b>Low End</b>	<b>High End</b>
GAAP ETR	28.5%	32.0%
Add:		
Restructuring/impairment charges (ii)	0.9%	0.9%
Discrete tax item - Mexico (iii)	-2.8%	-5.2%



Other tax matters (iv)	0.5%	0.5%
Impact of adjustment on Effective Tax Rate (v)	-1.1%	-1.2%
Adjusted ETR	26.0%	27.0%

Above is a reconciliation of our anticipated full year 2020 GAAP ETR to our anticipated full year 2020 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, acquisition and integration costs, impairment and restructuring costs, and certain other special items. We generally exclude these items 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.

(ii) Reflects current estimates for 2020 restructuring charges related to the Cost Smart cost of sales & SG&A programs. As specific projects within these programs are approved, the estimates will be reviewed and may be subject to revision.

(iii) Estimated impact of the change in the value of the Mexican peso against the U.S. dollar. Because the Company uses the U.S. dollar as the functional currency for its subsidiaries in Mexico, its effective tax rate is strongly influenced by the remeasurement of the Mexican peso financial statements into U.S. dollars. The change in the Mexican peso produced substantial taxable translation gains or losses on net-U.S.-dollar-monetary assets held in Mexico for which there are no corresponding gain in pre-tax income.

(iv) This relates to other tax settlements and the reversal of interest and penalties for tax reserves.

(v) Indirect impact of tax rate after items (ii) through (iv).