

Ingredion Incorporated
Condensed Consolidated Statements of Income
(Unaudited)

(in millions, except per share amounts)	Three Months Ended December 31,		Change %	Twelve Months Ended December 31,		Change %
	2022	2021		2022	2021	
Net sales	\$ 1,987	\$ 1,755	13%	\$ 7,946	\$ 6,894	15%
Cost of sales	1,636	1,465		6,452	5,563	
Gross profit	351	290	21%	1,494	1,331	12%
Operating expenses	187	184	2%	715	668	7%
Other operating expense (income)	9	(5)		13	(34)	
Restructuring/impairment charges and related adjustments	(2)	25		4	387	
Operating income	157	86	83%	762	310	146%
Financing costs	34	16		99	74	
Other non-operating (income)	(1)	(8)		(5)	(12)	
Income before income taxes	124	78	59%	668	248	169%
Provision for income taxes	9	10		166	123	
Net income	115	68	69%	502	125	302%
Less: Net income attributable to non-controlling interests	1	1		10	8	
Net income attributable to Ingredion	\$ 114	\$ 67	70%	\$ 492	\$ 117	321%
Earnings per common share attributable to Ingredion common shareholders:						
Weighted average common shares outstanding:						
Basic	65.8	66.8		66.2	67.1	
Diluted	66.7	67.6		67.0	67.8	
Earnings per common share of Ingredion:						
Basic	\$ 1.73	\$ 1.00	73%	\$ 7.43	\$ 1.74	327%
Diluted	\$ 1.71	\$ 0.99	73%	\$ 7.34	\$ 1.73	324%

Ingredion Incorporated
Condensed Consolidated Balance Sheets

(in millions, except share and per share amounts)	December 31, 2022	December 31, 2021
	(Unaudited)	
Assets		
Current assets		
Cash and cash equivalents	\$ 236	\$ 328
Short-term investments	3	4
Accounts receivable – net	1,411	1,130
Inventories	1,597	1,172
Prepaid expenses	62	63
Total current assets	3,309	2,697
Property, plant and equipment – net	2,407	2,423
Intangible assets – net	1,301	1,348
Other assets	544	531
Total assets	\$ 7,561	\$ 6,999
Liabilities and equity		
Current liabilities		
Short-term borrowings	\$ 543	\$ 308
Accounts payable and accrued liabilities	1,339	1,204
Total current liabilities	1,882	1,512
Long-term debt	1,940	1,738
Other non-current liabilities	477	524
Total liabilities	4,299	3,774
Share-based payments subject to redemption	48	36
Redeemable non-controlling interests	51	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 issued at December 31, 2022 and December 31, 2021	1	1
Additional paid-in capital	1,132	1,158
Less: Treasury stock (common stock: 12,116,920 and 11,154,203 shares at December 31, 2022 and December 31, 2021, respectively) at cost	(1,148)	(1,061)

Accumulated other comprehensive loss	(1,048)	(897)
Retained earnings	4,210	3,899
Total Ingredient stockholders' equity	3,147	3,100
Non-redeemable non-controlling interests	16	18
Total equity	3,163	3,118
Total liabilities and equity	\$ 7,561	\$ 6,999

Ingredient Incorporated
Condensed Consolidated Statements of Cash Flows
(Unaudited)

(in millions)	Twelve Months Ended December 31,	
	2022	2021
Cash provided by operating activities:		
Net income	\$ 502	\$ 125
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	215	220
Mechanical stores expense	55	55
Impairment on disposition of assets	-	340
Deferred income taxes	(3)	(61)
Margin accounts	(44)	(32)
Changes in other trade working capital	(620)	(248)
Other	47	(7)
Cash provided by operating activities	<u>152</u>	<u>392</u>
Cash used for investing activities:		
Capital expenditures and mechanical stores purchases	(300)	(300)
Proceeds from disposal of manufacturing facilities and properties	7	18
Payments for acquisitions, net of cash acquired	(29)	(40)
Other	2	(13)
Cash used for investing activities	<u>(320)</u>	<u>(335)</u>
Cash provided by (used for) financing activities:		
Proceeds from borrowings, net	293	(390)
Commercial paper borrowings, net	140	250
(Repurchases) of common stock, net	(103)	(49)
Purchases of non-controlling interests	(46)	-
Dividends paid, including to non-controlling interests	(181)	(184)
Cash provided by (used for) financing activities	<u>103</u>	<u>(373)</u>

Effect of foreign exchange rate changes on cash	(27)	(21)
Decrease in cash and cash equivalents	(92)	(337)
Cash and cash equivalents, beginning of period	328	665
Cash and cash equivalents, end of period	\$ 236	\$ 328

Ingredion Incorporated
Supplemental Financial Information
(Unaudited)

I. Geographic Information of Net Sales and Operating Income

(in millions, except for percentages)	Three Months Ended		Change	Change	Twelve Months Ended		Change	Change		
	December 31,				Excl. FX	December 31,			FX	
	2022	2021				2022				2021
Net Sales										
North America	\$ 1,214	\$ 1,041	17%	17%	\$ 4,934	\$ 4,137	19%	20%		
South America	289	256	13%	15%	1,124	1,057	6%	7%		
Asia-Pacific	282	269	5%	14%	1,107	997	11%	19%		
EMEA	202	189	7%	22%	781	703	11%	25%		
Total Net Sales	<u>\$ 1,987</u>	<u>\$ 1,755</u>	<u>13%</u>	<u>17%</u>	<u>\$ 7,946</u>	<u>\$ 6,894</u>	<u>15%</u>	<u>18%</u>		
Operating Income										
North America	\$ 122	\$ 84	45%	48%	\$ 565	\$ 487	16%	17%		
South America	44	30	47%	53%	169	138	22%	24%		
Asia-Pacific	23	17	35%	47%	93	87	7%	17%		
EMEA	20	20	—%	15%	110	106	4%	19%		
Corporate	(41)	(38)	(8)%	(8)%	(150)	(133)	(13)%	(13)%		
Sub-total	168	113	49%	57%	787	685	15%	19%		
Acquisition/integration costs	-	(2)			(1)	(3)				
Restructuring/impairment charges	-	(25)			(4)	(47)				
Impairment on disposition of assets	-	-			-	(340)				
Other matters	(11)	-			(20)	15				
Total Operating Income	<u>\$ 157</u>	<u>\$ 86</u>	<u>83%</u>	<u>93%</u>	<u>\$ 762</u>	<u>\$ 310</u>	<u>146%</u>	<u>155%</u>		

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) provision, 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 attributable to Ingredion and Diluted Earnings Per Share (“EPS”) to
Non-GAAP Adjusted Net Income attributable to Ingredion and Adjusted Diluted EPS
(Unaudited)

	<u>Three Months Ended</u> <u>December 31, 2022</u>		<u>Three Months Ended</u> <u>December 31, 2021</u>		<u>Twelve Months Ended</u> <u>December 31, 2022</u>		<u>Twelve Months Ended</u> <u>December 31, 2021</u>	
	<u>(in millions)</u>	<u>Diluted EPS</u>	<u>(in millions)</u>	<u>Diluted EPS</u>	<u>(in millions)</u>	<u>Diluted EPS</u>	<u>(in millions)</u>	<u>Diluted EPS</u>
Net income attributable to Ingredion	\$ 114	\$ 1.71	\$ 67	\$ 0.99	\$ 492	\$ 7.34	\$ 117	\$ 1.73
Add back:								
Acquisition/integration costs (i)	4	0.06	1	0.01	5	0.08	7	0.10
Restructuring/impairment charges (ii)	—	—	19	0.28	3	0.05	36	0.53
Impairment on disposition of assets (iii)	—	—	—	—	—	—	340	5.01
Other matters (iv)	8	0.12	(12)	(0.18)	15	0.22	(22)	(0.32)
Fair value adjustments to equity investments (v)	—	—	(5)	(0.07)	—	—	(5)	(0.07)
Tax item - Mexico (vi)	(2)	(0.03)	2	0.03	(4)	(0.06)	6	0.09
Other tax matters (vii)	(14)	(0.21)	2	0.03	(12)	(0.18)	(27)	(0.40)

Non-GAAP adjusted net income attributable to Ingredion	\$	110	\$	1.65	\$	74	\$	1.09	\$	499	\$	7.45	\$	452	\$	6.67
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Net income, EPS and tax rates may not foot or recalculate due to rounding.

Notes

- (i) During the three and twelve months ended December 31, 2022, we recorded \$4 million and \$5 million, respectively, of pre-tax acquisition and integration charges primarily related to our investment in the Argentina joint venture. During the three and twelve months ended December 31, 2021, we recorded pre-tax acquisition and integration charges of \$2 million and \$3 million, respectively, for our acquisitions of the PureCircle, KaTech and Verdient Foods businesses, as well as our investments with the Amyris and Argentina joint ventures.
- (ii) During the twelve months ended December 31, 2022, we recorded \$4 million of remaining pre-tax restructuring-related charges for the Cost Smart programs. During the three and twelve months ended December 31, 2021, we recorded pre-tax restructuring-related charges of \$25 million and \$47 million, respectively, primarily related to our Cost Smart programs.
- (iii) During the twelve months ended December 31, 2021, we recorded a \$340 million net asset impairment charge related to the contribution of Ingredion's Argentina operations to the Argentina joint venture.
- (iv) During the three and twelve months ended December 31, 2022, we recorded pre-tax charges of \$11 million and \$20 million, respectively, primarily related to the impacts of a U.S.-based work stoppage. During the twelve months ended December 31, 2021, we recorded a pre-tax benefit of \$15 million for certain indirect tax credits that the Brazilian Supreme Court affirmed in May 2021 that we are entitled to receive.
- (v) During the three and twelve months ended December 31, 2021, we recorded a net pre-tax fair value adjustment of \$6 million to our equity investments.
- (vi) We recorded tax benefits of \$2 million and \$4 million for the three and twelve months ended December 31, 2022, respectively, and tax provisions of \$2 million and \$6 million for the three and twelve months ended December 31, 2021, respectively, as a result of the movement of the Mexican peso against the U.S. dollar and its impact on the remeasurement of our Mexico financial statements during the periods.
- (vii) In the fourth quarter of 2022, we recognized an income tax benefit of \$20 million for certain Brazilian state grants we received between 2018 and 2021, which were previously taxable. Other adjustments relate to the impacts of prior year tax liabilities and contingencies, as well as the tax results of the above non-GAAP addbacks.

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

(in millions, pre-tax)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
Operating income	\$ 157	\$ 86	\$ 762	\$ 310
Add back:				
Acquisition/integration costs (i)	-	2	1	3
Restructuring/impairment charges (ii)	-	25	4	47

Impairment on disposition of assets (iii)	-	-	-	340
Other matters (iv)	11	-	20	(15)
Non-GAAP adjusted operating income	<u>\$ 168</u>	<u>\$ 113</u>	<u>\$ 787</u>	<u>\$ 685</u>

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

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

(in millions)	Three Months Ended December 31, 2022			Twelve Months Ended December 31, 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	\$ 124	\$ 9	7.3%	\$ 668	\$ 166	24.9%
Add back:						
Acquisition/integration costs (i)	4	-		5	-	
Restructuring/impairment charges (ii)	-	-		4	1	
Other matters (iv)	11	3		20	5	
Tax item - Mexico (vi)	-	2		-	4	
Other tax matters (vii)	-	14		-	12	
Adjusted Non-GAAP	<u>\$ 139</u>	<u>\$ 28</u>	20.1%	<u>\$ 697</u>	<u>\$ 188</u>	27.0%

(in millions)	Three Months Ended December 31, 2021			Twelve months ended December 31, 2021		
	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	\$ 78	\$ 10	12.8%	\$ 248	\$ 123	49.6%
Add back:						
Acquisition/integration costs (i)	2	1		3	(3)	
Restructuring/impairment charges (ii)	25	6		47	11	
Impairment on disposition of assets (iii)	-	-		340	-	
Other matters (iv)	-	12		(15)	7	
Fair value adjustments to equity investments (v)	(6)	(1)		(6)	(1)	
Tax item - Mexico (vi)	-	(2)		-	(6)	
Other tax matters (vii)	-	(2)		-	27	
Adjusted Non-GAAP	\$ 99	\$ 24	24.2%	\$ 617	\$ 158	25.6%

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