

**4 May 2020 – Tate & Lyle PLC**

## **TATE & LYLE TRADING UPDATE FOR APRIL IN RELATION TO COVID-19**

### **Introduction**

Tate & Lyle will issue its results for the year ended 31 March 2020 on 21 May 2020. The Group performed well during the year with each trading division exceeding the prior year's performance. Accordingly, we expect to announce results slightly ahead of our guidance coming into the year.

While trading in March showed limited impact from the Covid-19 pandemic, the lockdowns in place in many countries across the world throughout April, most notably in our largest markets of the US and Europe, have led to some significant changes in demand patterns for our products. This statement provides an update on trading in April based on the information currently available and the actions we are taking.

Our priorities continue to be the health, safety and wellbeing of our colleagues, their families and the local communities where we operate, and to serve our customers in these difficult times. Strict hygiene and protective measures are in place across our business, we are working closely with our customers to respond quickly to their changing needs and all our manufacturing facilities have remained fully operational during the pandemic.

### **Trading in April 2020**

Food & Beverage Solutions and Sucralose continued to perform well with volume for Food & Beverage Solutions in line with the comparative period and Sucralose 18% higher due to phasing of customer orders. Earlier in the month, demand was strong for ingredients used in packaged and shelf-stable foods as consumers in North America and Europe filled their pantries for consumption at home. As the month progressed, this was offset by lower demand for products consumed out-of-home, such as in the food service sector in North America.

Primary Products volume was significantly impacted by the first full month of lockdown in the US. Bulk sweetener volume was 26% lower from reduced out-of-home consumption as bars, cinemas, restaurants and sporting events were either shut or cancelled. Industrial starch volume was 9% lower reflecting reduced demand for paper and packaging following the closure of schools, offices and a general decline in economic activity. Commodities were also impacted as ethanol prices decreased sharply.

The financial impact of lower demand was partially mitigated by prompt actions taken in March to optimise cash and reduce costs as we saw the pandemic unfolding. These included freezing salary increases and recruitment, stopping non-essential discretionary spend and reprioritising capital commitments.

We will provide more information when we announce our full-year results on 21 May 2020 and going forward as necessary.

### **Strong balance sheet**

We continue to have a strong financial position and balance sheet. Our leverage is low with net debt / EBITDA of 0.9x at 31 March 2020 (0.6x on a covenant basis) and strong liquidity with access to over US\$1 billion through cash on hand and a revolving credit facility. We also have significant covenant headroom on borrowings (covenant: net debt / EBITDA not greater than 3.5x) and no debt maturity until 2023.

### **Nick Hampton, Chief Executive of Tate & Lyle said:**

“I am delighted with our performance over the last financial year and the progress we are making executing our strategy and living our purpose.

I am also very proud of the way we have responded to the unprecedented challenges of Covid-19. From the outset of the pandemic, our priority has been to look after our employees and local communities, keep our operations running and support our customers. The fact that all our manufacturing facilities have remained fully operational during the pandemic and customer orders have continued to be fulfilled, often at very short notice, is a testament to the commitment and skill of all our employees.

Tate & Lyle is a resilient business that meets challenges head-on. I am confident that with the strength of our portfolio, people and operating capabilities we will navigate this period successfully and that our future prospects remain strong.”

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### **For more information contact Tate & Lyle PLC:**

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### **About Tate & Lyle:**

Tate & Lyle is a global provider of solutions and ingredients for food, beverage and industrial markets.

Tate & Lyle operates through two global divisions, Food & Beverage Solutions and Primary Products, supported by the Innovation and Commercial Development and Global Operations teams. Food & Beverage Solutions is focused on growth by building leading positions globally in the categories of beverages, dairy, and soups, sauces and dressings. Primary Products is focused on delivering steady earnings and generating cash.

Food & Beverage Solutions consists of: Texturants, including speciality starches; Sweeteners, including low- and no-calorie sweeteners; and a Health and Wellness portfolio comprising mainly speciality fibres; and Stabilisers and Functional Systems, which are bespoke ingredient blends that ensure foods retain their structure.

Primary Products consists of high-volume sweeteners, industrial starches and fermentation products (primarily acidulants). It also sells co-products from the corn milling process as animal nutrition.

Tate & Lyle is listed on the London Stock Exchange under the symbol TATE.L. American Depositary Receipts trade under TATYY. In the year to 31 March 2019, Tate & Lyle sales totalled £2.8 billion. For more information, please visit <http://www.tateandlyle.com> or follow Tate & Lyle on Twitter or LinkedIn.