

## Our business

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

Inspired by our **purpose of Improving Lives for Generations**, we work with our customers to make food and drink **healthier and tastier**.

Through our **expertise in key categories**, we deliver **sweetness, texture and fibre enrichment** to products enjoyed by millions of people every day.

## An integrated business



## Investment case

### Our Purpose – Improving Lives for Generations

We believe we can successfully **grow our business** and have a **positive impact on society**



Supporting healthy living



Building thriving communities



Caring for our planet

## A Clear Strategy

### FOOD & BEVERAGE SOLUTIONS

TOP AND BOTTOM LINE GROWTH

By building leading positions in:

- Three global categories – beverage, dairy, and soups, sauces and dressings
- Two or three additional categories in each region where we have local expertise

### SUCRALOSE

MANAGE FOR CASH; RETURN ON ASSETS

### PRIMARY PRODUCTS

STABLE EARNINGS AND CASH GENERATION

By managing its portfolio to:

- Optimise product and category mix
- Drive operational efficiency
- Diversify into new and growing end-markets

## Accelerating Performance Through Three Priorities

### SHARPEN

Focus on Customer

- Product to category
- Integrated commercial organisation

### ACCELERATE

Portfolio Development

- New product commercialisation
- Partnerships and Open Innovation
- More active focus on acquisitions

### SIMPLIFY

and Drive Productivity

- Drive faster decision-making
- Productivity agenda

## Deliver Returns for Shareholders

EARNINGS PER SHARE<sup>1</sup> – Accelerate growth

ORGANIC RETURN ON CAPITAL EMPLOYED<sup>2</sup> – Improve returns

DIVIDEND – Maintain progressive dividend policy

<sup>1</sup> Adjusted diluted earnings per share from continuing operations in constant currency

<sup>2</sup> In constant currency

# 2 Key Financials – Six Months to 30 September 2020

Adjusted performance metrics in constant currency

## Overview

- Robust first half performance
  - ❖ Food & Beverage Solutions revenue and profit higher
  - ❖ Sucralose softer demand, profit lower
  - ❖ Primary Products profit steady, helped by strong Commodities
- Strong operational execution and cost discipline underpins financial performance
- Priorities to 'Sharpen, Accelerate and Simplify' continue to support business progress
- Texturant portfolio strengthened with agreement to acquire speciality tapioca food starch business
- Balance sheet remains strong with access to US\$1.4 billion liquidity
- Purpose-driven response to Covid-19 keeping employees safe and customers served



## Highlights

<b>REVENUE</b>		<b>ADJUSTED PROFIT BEFORE TAX</b>		<b>ADJUSTED DILUTED EPS</b>	
<b>(4)%</b>	£1.4bn	<b>+3%</b>	£180m	<b>+9%</b>	32.1p
<b>ADJUSTED FREE CASH FLOW</b>		<b>NET DEBT</b>		<b>INTERIM DIVIDEND (PENCE)</b>	
<b>+£23m</b>	£194m	<b>£93m lower</b>	£358m	<b>8.8p</b>	In-line

### Food & Beverage Solutions

- Volume in-line
- Revenue +1% to £475m
- Adj. profit +9% to £98m

### Sucralose

- Volume (2)%
- Revenue (2)% to £72m
- Adj. profit (12)% to £25m

### Primary Products

- Total volume (7)%: Sweeteners (8)%; Industrial Starch (9)%
- Sweeteners and starches adj. profit (13)% to £67m, Commodities +£11m

### Food & Beverage Solutions: Consumer trends drive growth

#### Sweetening



**Sugar reduction**  
**+20%**

increase in revenue for ingredients used for sugar reduction (ex sucralose)

#### Texture and Mouthfeel



**Clean label**  
**+34%**

increase in revenue for clean label texturants

#### Fibre Fortification

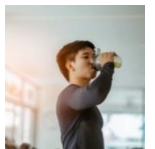


**Fibres**  
**+11%**

increase in revenue

### Primary Products: Challenging environment

- Covid-19 negatively impacted demand
  - ❖ Significantly reduced out-of-home volume
  - ❖ Lower demand for bulk sweeteners
  - ❖ Industrial starch impacted by US lockdown
- Demand levels improved but out-of-home demand remains below pre-pandemic levels



### Delivering on our Priorities for year ending 31 March 2021

**Look after our people and communities**

**Continue to progress strategy**

**Build stronger customer relationships**

**Maintain financial strength**

**Emergence a stronger business**

### Sustainability Progress

- Greenhouse gas (GHG) emissions
  - ❖ Scope 1, 2 and 3 GHG targets validated by Science Based Targets Initiative
  - ❖ Major GHG reduction and efficiency projects underway which will reduce GHG emissions by up to 20% and eliminate use of coal in our operations
- Sustainable agriculture programme
  - ❖ Encouraging first-year results inc. 10% lower GHG and 6% lower topsoil erosion
  - ❖ Strong traction from customers



# 3 Food & Beverage Solutions

## What are Food & Beverage Solutions?

Ingredients and solutions which add specific functionality, nutrition and health benefits to our customers' products

## Value proposition

Growing global market

Provide solutions which make food healthier and tastier

Category expertise

Innovation capabilities

Local labs for local tastes

## Major global consumer trends



HEALTHY LIVING



CLEAN LABEL



SUGAR REDUCTION

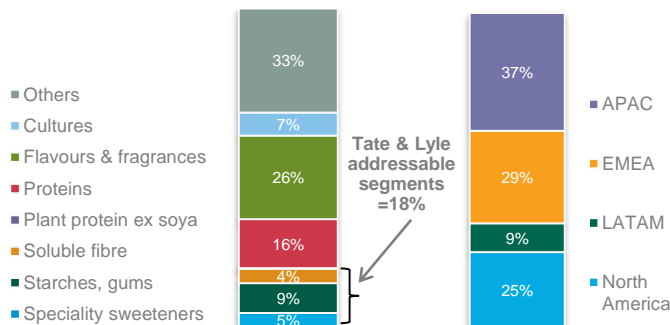


PLANT POWER

## Global speciality food ingredients market c.US\$49bn<sup>1</sup> market growing at 4% p.a.

### Segmental Split

### Regional Split



<sup>1</sup> Sources: Euromonitor; HIS; Grandview; GMI; Bain analysis; Company analysis

## Our core categories

We are differentiated by the intersection of our leading category expertise and product knowledge

Dairy



Beverages



Soups, sauces and dressings



## CUSTOMER SOLUTIONS

Sugar and calorie reduction

Adding sweetness whilst reducing calories

Texturants

Thickening and adding shelf-stability, reducing fat

Enrichment

Adding nutrition (e.g. fibre)

Stabilisation

Adding stability And texture (mainly in dairy)

## Six Months to 30 September 2020

Strong revenue and profit growth

Continuing operations	2020 £m	2019 £m	cc % change
<b>Revenue</b>			
North America	240	235	3%
Asia Pacific and Latin America	110	115	1%
Europe, Middle East and Africa	125	128	(1)%
<b>Total</b>	<b>475</b>	<b>478</b>	<b>1%</b>
<b>Adjusted operating profit</b>	<b>98</b>	<b>90</b>	<b>9%</b>

- Volume in-line
  - ❖ North America volume +3%
  - ❖ ASPAC and LATAM volume (5)%
  - ❖ EMEA volume (1)%
- Revenue +1%
- Adj. profit +9% with good operational performance and strong cost discipline
- New Products revenue +8%, represent 12% of revenue

## 4 Sucralose

### What is Sucralose?

A high-intensity sweetener which offers sugar-like sweetness, stability and versatility

### Driving value

Manage for cash

High return on assets

### Six Months to 30 September 2020

#### Softer Demand

Continuing operations	2020 £m	2019 £m	cc % change
<b>Revenue</b>	<b>72</b>	76	(2)%
<b>Adjusted operating profit</b>	<b>25</b>	29	(12)%

- Volume (2)%
  - ❖ Reduced out-of-home consumption, mainly in beverages
  - ❖ Demand in September higher than usual due to phasing of some customer orders
- Adj. profit (12)%
  - ❖ De-leveraging impact of lower volume
  - ❖ Pricing firm
  - ❖ One-off higher production costs

## 5 Primary Products

### What are Primary Products?

High volume ingredients which are largely undifferentiated and compete primarily on quality, service and price

### Clear focus and actions to deliver strategy

Operational efficiency

Cost discipline

Optimise product and customer mix

Strong customer service

Target new and growing end-markets

### Six Months to 30 September 2020

#### Steady Earnings

Continuing operations	2020 £m	2019 £m	cc % change
<b>Revenue</b>			
Total Primary Products	<b>842</b>	922	(7)%
<b>Adjusted operating profit</b>			
Sweeteners and Starches	<b>67</b>	80	(13)%
Commodities	<b>16</b>	6	+ >99%
<b>Total Primary Products</b>	<b>83</b>	86	-%

- Total volume (7)%
  - ❖ Sweetener volume (8)%
  - ❖ Industrial starch volume (9)%
- Sweeteners and Starches adj. profit (13)%
  - ❖ Strong operational execution
  - ❖ Good cost discipline
  - ❖ Foreign exchange transactional benefit mitigates loss of profit from savoury ingredient business exited in prior year
- Commodities adj. profit +£11m

### Our products

Sweeteners



Industrial starches



Acidulants



Commodities



### US corn prices to end October 2020



### Shared corn wet milling assets

