

# TATE & LYLE

Global leader in sweetening, mouthfeel and fortification

Joint Venture in  
**Primient**

Leader in plant-based products for food and industrial markets

**Revenue**  
£1.4bn (~75% from ingredients produced at own facilities)

**People**  
>3,000

**Customers**  
>120 countries

**R&D and Innovation**  
1 Global Innovation Centre (US)  
16 Customer Innovation and Collaboration Centres Globally

**Revenue**  
£1.8bn

**Employees**  
1,400

**Customers**  
>500

## Investment case

### Our Purpose – Transforming Lives Through the Science of Food

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



### Clear Proposition for New Tate & Lyle

#### FOOD & BEVERAGE SOLUTIONS

HIGH-QUALITY BUSINESS, SIGNIFICANT GROWTH POTENTIAL

- Purpose-led, science driven, customer obsessed business
- Global leader in sweetening, mouthfeel and fortification
- Solutions meet consumer demand for healthier food and drink
- Established track record of innovation and scientific excellence
- Global reach with platform for accelerated growth
- Strong balance sheet providing flexibility to invest for growth

20-year agreements provide supply and economic security

#### SUCRALOSE MANAGING FOR CASH

- Driving high return on assets

#### Primient (JV) STRONG NEW PARTNERSHIP WITH KPS

- KPS with operational and Board control
- Ongoing cash dividend stream
- Potential future value creation from equity stake

### Ambition for 5 years to 31 March 2027

#### Organic revenue

**Mid-single digit**  
percent growth per annum

#### Operating margin

At least **50 to 100 bps**  
expansion p.a. on average

#### R&D spend

as % of FBS revenue  
**>4%** per annum

#### Organic return on capital employed

**50 bps**  
improvement p.a. on average

#### Further acceleration through M&A

New Products  
as % of FBS revenue  
**c.20%**

### Deliver Returns for Shareholders

**EARNINGS PER SHARE**  
Accelerate Growth

**RETURN ON CAPITAL EMPLOYED**  
Improve returns

**DIVIDEND**  
Maintain Progressive Dividend Policy

# Food & Beverage Solutions (FBS)

## What are Food & Beverage Solutions?

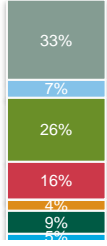
Ingredients and solutions which add specific functionality, nutrition and health benefits to our customers' products

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

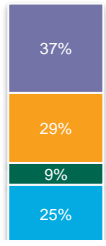
#### Segmental Split

#### Regional Split

- Others
- Cultures
- Flavours & fragrances
- Proteins
- Plant protein ex soya
- Soluble fibre
- Starches, gums
- Speciality sweeteners



Tate & Lyle addressable segments = 18%



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

### Fully aligned to growing global consumer trends for healthier food and drink

#### Growing population



- Convenience
- Healthy snacks
- Shelf-stability

#### Healthier living



- Lower sugar / calorie
- Gut health
- Clean-label

#### Sustainability



- Plant-based
- Natural / Non-GMO

### Leader in:

### Sweetening

### Mouthfeel

### Fortification

### Strategic Growth Framework

#### Key growth enablers:

- Science and technical know-how
- Talent and culture
- Global supply chain

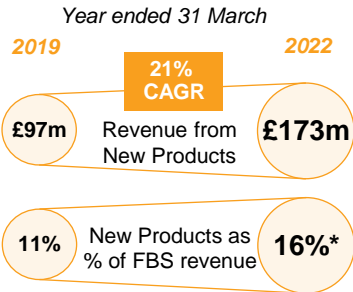


### Accelerating innovation

#### Step up in R&D

#### Proven record of innovation

#### Ambition for 5 years to 31 March 2027



R&D spend as % of FBS revenue >4% p.a.

New Products as % of FBS revenue c.20%

\*14% inc. European PP

### Market Focus

#### Strong revenue growth across all regions



### Portfolio Expansion

#### Fibre

- Acquired Quantum Hi-Tech, leader in prebiotic fibres in China, Jun 2022

#### Tapioca

- Acquired speciality starch business in Thailand, Feb 2021

#### Stevia

- Acquired leading stevia business, Nov 2020

#### Open Innovation

- Acquired US-based Nutriati, chickpea protein and flour business, Apr 2022

TASTEVA<sup>™</sup>M  
Stevia Sweetener

OMEGA<sup>™</sup>  
Stevia Sweetener

New Global Applications Team translating ingredient technology into category applications to provide customer solutions at a local level

R&D platforms  
Create



### Integrated Solutions

#### Understand

Technical services for customers  
Apply

Solutions-based capabilities and new ways of working with customers (including)

Sensory

Consumer Insights

Nutrition

Formulation

# Key Financials<sup>1</sup> – Six months to 30 September 2022

Adjusted performance metrics in constant currency

## Overview

- Strong first half performance with Group revenue +20% and adjusted operating profit +29%
- Good progress delivering growth strategy as newly focused speciality food and beverage solutions business:
  - Food & Beverage Solutions revenue +21% with inflation price-through and good mix management
  - New Products revenue +19% benefiting from focus on innovation and customer collaboration
  - Integration of Quantum Hi-Tech acquisition, a leading dietary fibre business in China, progressing well
- Managing impact of cost inflation through strategic mix management, pricing, productivity and cost discipline
- Adjusted profit before tax +10% with strong Tate & Lyle and lower Primient joint venture profits
- Strong balance sheet and cash delivery underpins investment for growth and progressive dividend policy



## Highlights

**Strong financial delivery**

<b>REVENUE</b>	<b>ADJUSTED OPERATING PROFIT</b>	<b>ADJUSTED PROFIT BEFORE TAX</b>
<b>+20%</b> £849m	<b>+29%</b> £137m	<b>+10%</b> £139m
<b>ADJUSTED DILUTED EPS<sup>2</sup></b>	<b>ADJUSTED FREE CASH FLOW</b>	<b>INTERIM DIVIDEND</b>
<b>+9%</b> 26.6p	<b>+£42m</b> £62m	<b>5.4p</b>

<sup>2</sup> Pro-forma adj. diluted EPS, backdating share consolidation to 1 April 2021

## Divisional Performance

### Food & Beverage Solutions

- Underlying volume +2%, reported (8%)
- Revenue +21% to £752m
- Adj. op. profit +26% to £113m

### Sucralose

- Volume +9%
- Revenue +12% to £97m
- Adj. op. profit +8% to £39m

### PBT

- Adj. share of profit of JV 62% lower to £13m
- Net finance expense 19% lower
- PBT +10% to £139m

## Effectively managing cost Inflation

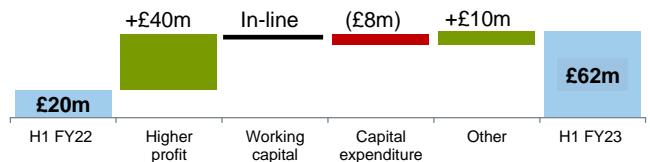
**£85m inflation**

### Offsetting inflation

Strategic mix management  
Pricing  
Productivity  
Cost discipline

## Strong cash generation

**Free Cash Flow<sup>1</sup> £62m**



- £75m working capital outflow (in-line YOY) reflects work to absorb adverse impact of inflation planning
- Further inflation impact on working capital expected in H2

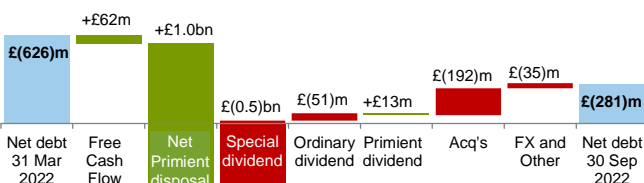
## Productivity and cost discipline

**Productivity key focus across business**

- Continued good progress generating productivity benefits
- Productivity target for FY2023 from US\$10m to US\$15m
- Productivity in operations includes: Capital investments to increase efficiency; Supply chain efficiencies; Continuous improvement; and Procurement activities

## Net debt

**Increased capacity to invest in growth**



## Year ending 31 March 2023

### Resilience in face of uncertain economic outlook

- Conflict in Ukraine continues to cause significant inflation
- Customer demand remains robust
- Near term focus on:
  - Continuity of supply
  - Serving our customers
  - Maintaining our financial strength and strategic progress

### Outlook

*We continue to expect:*

- Revenue growth reflecting current top-line momentum
- To offset input cost inflation through strategic mix management, pricing, productivity and cost discipline
- Adj. PBT to be in line with current market expectations with stronger profits in Food & Beverage Solutions offsetting lower profits from minority holding in Primient

# Divisional Performance<sup>1</sup> – Six months to 30 September 2022

## Food & Beverage Solutions

Strong revenue and profit growth

	vol % change	Revenue £m	cc % change	Adj. op. profit £m	cc % Change
North America	(2%)	340	+14%		
Asia, Middle East, Africa and LATAM	(3%)	208	+29%		
Europe	(14%)	204	+23%		
<b>Total</b>	<b>(8%)</b>	<b>752</b>	<b>+21%</b>	<b>113</b>	<b>+26%</b>

### • Strong growth momentum

- ❖ Revenue benefiting from strategic mix management and pricing through of inflation
- ❖ New Products revenue +19% to £114m; 15% of FBS revenue

Divisions

Underlying volume +2%

Robust customer demand

Reported volume (8%)

### Three factors impacting reported volume, broadly equal impact

#### Planned transition

- Reduction in Primary Products capacity in Europe

#### Operating environment

- China Covid-19 lockdowns
- Supply chain disruption

#### One-off factors

- Exiting low-margin business
- Industrial action, now concluded

## Sucralose

Steady earnings

	vol % change	Revenue £m	cc % change	Adj. op. profit £m	cc % Change
<b>Total</b>	<b>+9%</b>	<b>97</b>	<b>+12%</b>	<b>39</b>	<b>+8%</b>



### • Volume growth

- ❖ Strong customer demand
- ❖ Phasing of some orders in H1
- ❖ Modest optimisation of production

### • Higher revenue

- ❖ Benefitting from higher volume and customer mix

### • Higher profit

- ❖ Operational leverage and inflation

## Primient JV

Focus on cash flow generation

- Business separation completed successfully on 1 April 2022
- Positive start to relationship with KPS Partners, LP, 20-year supply arrangements operating effectively
- Received US\$76m cash dividends from Primient
- Lower share of profits at £13m due to impact of inflation and operational challenges
  - ❖ In-year supplementary pricing implemented where possible
  - ❖ 2023 calendar year contracting provides ability to further price-through inflation

Share of JV

## Sustainability targets to 2025 and 2030

### Supporting healthy living 2025 targets

**Improving nutrition**

Remove 9m tonnes sugar

**Balanced lifestyles**

Help 250,000 people

**Promote personal well-being**

Support 90% of employees

### Building thriving communities 2025 targets

**Equity, diversity, inclusion**

50% leadership roles held by women

**Preventing hunger**

Donate 3m meals globally

**Supporting education**

Support 100,000 students

### Caring for our planet 2030 targets

**Air**

30% GHG reduction (Scope 1 and 2)

**Waste**

100% beneficially used

**Water**

15% use reduction

**Agriculture**

Sustainable farming for all corn used

June 2022  
New Targets



- Carbon net zero by 2050
- Eliminate Scope 2 GHG emissions by 2030
- New equity, diversity and inclusion targets

<sup>1</sup> See explanation of adjusted results in Note 1 of the Statement of Results for six months to 30 September 2022, and comparatives are pro-forma financial information.