

## Growth Focused Speciality Food & Beverage Solutions Business

**£1.8bn**  
Revenue

**£320m**  
EBITDA

**3,604**  
Employees

**16**  
Innovation and Customer  
Collaboration Centres

**122**  
Countries where we  
serve customers

## Our Purpose

### Transforming Lives Through the Science of Food

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**



## At the Centre of the Future of Food

**Structural mega-trends** **Consumer food demands**

People living longer  
Population growing  
Climate change  
On demand society  
Healthy  
Tasty  
Convenient  
Sustainable  
Affordable

**TATE & LYLE**

## Key Strengths

Leading market positions  
Large and attractive markets  
Portfolio aligned to structural consumer trends  
Leading scientific solutions and capabilities  
Strong customer relationships

## Clear Strategic Focus

A leading and differentiated speciality food and beverage solutions business

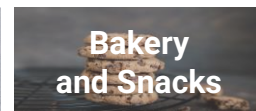
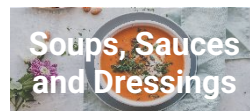
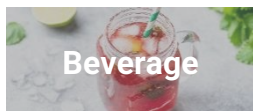
**Platform focus**

**Sweetening**

**Mouthfeel**

**Fortification**

**Category focus**



## Ambition for 5 years ending 31 March 2028

Attractive organic growth profile

**Revenue**

**4%-6%**

growth per annum

**EBITDA**

**7%-9%**

growth per annum

**Return on capital employed**

**Up to 50 bps**

increase per annum on average

**Productivity**

**US\$100m**

benefits

Potential for further growth acceleration through **M&A**

## Re-positioned to deliver growth

**Food & Beverage Solutions**  
(FY23: 82% of revenue; 85% of EBITDA)

**Drive growth**

**Sucralose**  
(FY23: 11% of revenue; 18% of EBITDA)

**Attractive returns**

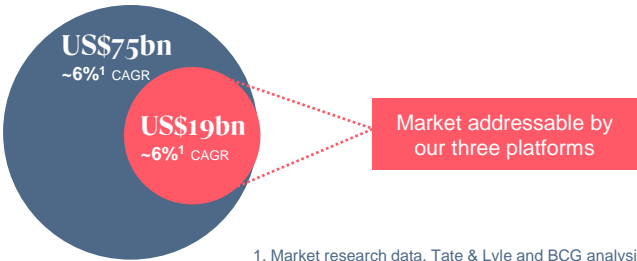
**Primary Products Europe**  
(FY23: 7% of revenue; -3% of EBITDA)

**Optimise**

# Food & Beverage Solutions (FBS)

## Large and attractive addressable market

### Global speciality food ingredient market<sup>1</sup>



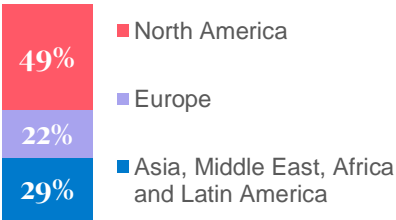
1. Market research data, Tate & Lyle and BCG analysis, est. value growth 2022-26

## 70% of US\$19bn addressable market in our core categories

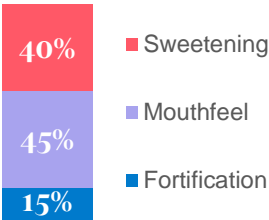
Tate & Lyle core category	Beverage	Dairy	Soups, Sauces, Dressings	Bakery and Snacks
Addressable speciality market <sup>1</sup>	US\$3.3bn	US\$4.6bn	US\$1.7bn	US\$3.5bn
Est. growth CAGR <sup>1</sup>	~7%	~6%	~6%	~6%

## Well-balanced business<sup>1</sup>

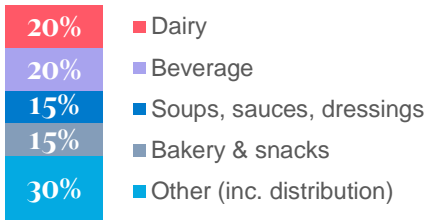
### Region



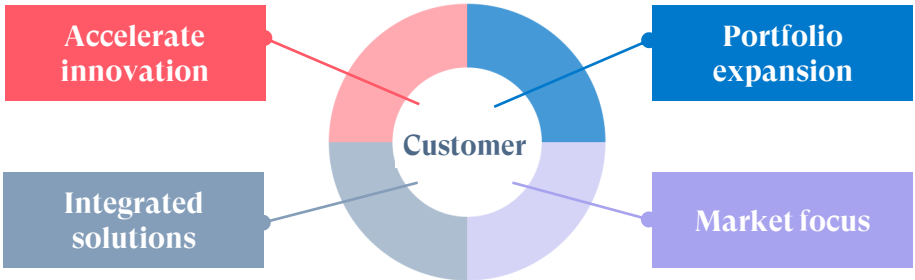
### Platform



### Category



## Strategic growth framework



### Key growth enablers:

Science and technical know-how

Solutions capability

Global supply chain

talent and culture

## Advantaged customer proposition

Leading portfolios globally	Leading technical expertise	Leading category insight
<ul style="list-style-type: none"><li>#1 Sweetening</li><li>#1 Fibre fortification</li><li>#2 Mouthfeel</li></ul>	Leading scientific and application expertise in intersection of platforms	Deep understanding and expertise in categories and sub-categories
Nutrition	Regulatory	Sensory
		Applications

## Portfolio aligned to consumer trends

Consumer preference	Solutions Required	Delivered by our platforms
<ul style="list-style-type: none"><li>Healthy</li><li>Tasty</li><li>Convenient</li><li>Sustainable</li><li>Affordable</li></ul>	<ul style="list-style-type: none"><li>Sugar and calorie reduction</li><li>Enhance texture and mouthfeel</li><li>Increase nutrition</li></ul>	<ul style="list-style-type: none"><li>Sweetening</li><li>Mouthfeel</li><li>Fortification</li></ul>

## Investing for growth in large and fast-growing regions

### Expanding infrastructure

6 new or expanded Customer Innovation and collaboration centres in last 4 years



### Strengthening portfolio

3 acquisitions in last 3 years

Stevia (China)

Tapioca (Thailand)

FOS/GOS Fibre (China)

## Types of customer collaboration

Specification	Technical support	Solution
<ul style="list-style-type: none"><li>Customer provides clear ingredient spec.</li><li>No / minimal technical support provided</li></ul>	<ul style="list-style-type: none"><li>Customer develops recipe</li><li>Provide technical and process support on ingredient performance</li></ul>	<ul style="list-style-type: none"><li>Work with customer's R&amp;D / marketing teams from concept</li><li>Tailor end-product to consumer preferences</li></ul>

Increase in customer collaboration

# Platforms

## Sweetening

### Key attributes

Reduce sugar and calories  
Taste experience  
Nutrition improvement  
Cost optimisation  
Label improvement



### Platform

Non-nutritive sweeteners  
Stevia  
Monk Fruit  
Sucralose

Low-calorie rare sugar  
Allulose

Low-calorie sugar alcohol  
Erythritol

Functional sugar replacement  
Maltodextrin

Nutritive sweetener  
Fructose

### Sweetening opportunity

- Position: **#1** globally
- Addressable market: **US\$5.2bn**
- Market growth: **~6%** CAGR

### Sugar replacement opportunity

- Sugar **~80%** of global sweetener market
- US\$3bn** sugar replacement opportunity across our core categories

## Mouthfeel

### Key attributes

Enhance texture and mouthfeel experience  
Clean label  
Stability  
Cost optimisation



### Platform

Over **290** starches and gums

Gelling

Thickening

Emulsifying

Film forming

Bulking

### Mouthfeel opportunity

- Position: **#2** texturants globally
- Addressable market: **US\$7bn**
- Market growth: **~6%** CAGR

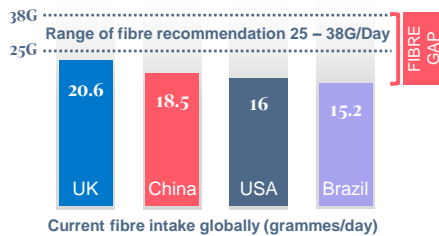
**80%**  
Consumers make their choice based on **taste**

**21%**  
Claims on new product launches in last 2 years are **clean label**

## Fortification

### Fibre Gap

Consumers globally are not getting the recommended amount of daily fibre



### Platform

Increase nutrition from fibres and protein  
Add health benefits  
Sugar reduction

Polydextrose

Soluble corn fibre

FOS

GOS

Plant protein

### Fortification opportunity

- Position: **#1** in soluble fibres globally
- Addressable market: **US\$6.5bn**
- Market growth: **~6%** CAGR

**50%**  
Global consumers plan to eat or drink more fibre

**65%**  
Global consumers associate fibre with **boosting immune health**

# Science

## Ambition for 5 years ending 31 March 2028

New products as % of revenue

**20%** of revenue

Investment in innovation and solutions selling

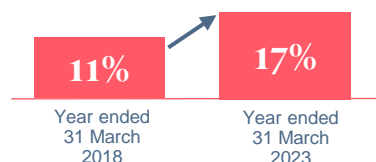
**5%** growth per annum

Solutions revenue from new business wins to double to

**32%** of our new business pipeline

## Proven track record of innovation

New Products as a % of Food & Beverage Solutions revenue



Over the last five years

Investment in R&D  
**>US\$250m**



## Science: y/e 31 March 2023 update

**11%** increase in investment in innovation and solution selling capabilities

**>70** patents granted during the year with c.300 pending

**6** scientific research papers published, e.g. fibre enrichment public health impact

## Solutions: y/e 31 March 2023 update

**13%** increase in value of new business pipeline

**18%** solutions by value from new business wins +2ppts

**3** targeted campaigns to develop new ways of working with customers on solutions

## Investment in solutions capabilities

Solutions capabilities

Building customer-facing capabilities and resources including nutrition, sensory and regulatory

Solutions insights

Increasing investment in consumer and category insight in key regions and countries

Solutions infrastructure

Expanding global network of Customer Innovation and Collaboration Centres

# Financial Framework

Ambition for 5 years ending 31 March 2028

Attractive organic growth profile

## Revenue

**4%-6%**

growth per annum

## EBITDA

**7%-9%**

growth per annum

## Return on capital employed

Up to **50 bps**

increase per annum on average

## Productivity

**US\$100m**

benefits

Potential for further growth acceleration through **M&A**

## Revenue ambition

**Food & Beverage Solutions**  
(82% of FY23 revenue)

**Drive growth**  
Growing high-single-digit % pa

**Sucralose**  
(11% of FY23 revenue)

**Attractive returns**  
Broadly flat over time

**Primary Products Europe**  
(7% of FY23 revenue)

**Optimise**  
Declining low-double-digit % pa

**Group**

**4%-6% growth per annum**

## Drivers of Food & Beverage Solutions

### EBITDA growth

(FBS 85% of FY23 Group EBITDA)

#### Grow volume

- Demand for healthier food and drink
- Stronger customer relationships driving new business
- Expanding geographic presence
- R&D-led innovation and portfolio expansion

#### Price/mix

- Strategic mix management
- Margin accretive New Products
- Increasing solution selling

#### Manage costs

- Productivity
- Operational leverage

## Productivity

**New US\$100m productivity target cumulative over 5 years**

- Delivery expected to be:
  - ↳ 50% from operational efficiencies
  - ↳ 50% from supply chain improvements
- From improving end-to-end customer experience + cost efficiencies

## Primient

### Strategic rationale

- Created two standalone businesses, each positioned to focus on respective strategies
- Reduces exposure to Commodities and bulk ingredients in North America
- Strengthens balance sheet to accelerate organic growth and M&A
- Partnership with KPS provides opportunity to unlock potential future value in Primient

### Outcome

- Positive relationship with KPS
- Strong cash generative business
- 20-year supply agreements operating effectively
- Primient's corn procurement services provides supply security and price stability
- ~20% of Tate & Lyle's revenue from products made at Primient facilities

## Capital allocation

Capital allocation to prioritise growth opportunities and drive shareholder value

Invest in organic growth

Acquisitions, joint ventures partnerships

Progressive dividend policy

Return surplus capital to shareholders

Maintain strong and efficient balance sheet;  
Target long-term leverage between 1.0x and 2.5x net debt to EBITDA

### Progressive dividend policy

Grow dividends when earnings allow, hold dividend in other periods

Improving cash cover over time

Interim dividend to be one third of previous year's full dividend

## Disciplined use of cash

### Rigorous focus on cash

**~75%**

Free cash flow conversion target by 31 March 2028

### Investing to grow

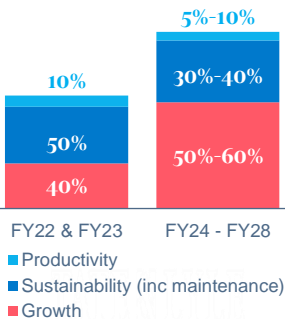
#### Capital expenditure outlook

5 year guidance

**£120m -£150m**

Growth projects:  
typically IRR of 20%

#### Growth capital expenditure increasing



# Key Financials<sup>1</sup> – Year ended 31 March 2023

Adjusted performance metrics in constant currency

## Overview

### Strong financial performance across all key measures

- Revenue growth +18%: +19% in Food & Beverage Solutions (FBS)
- Adjusted EBITDA +22%: inflation offset by mix management, pricing, productivity savings and cost discipline
- Adjusted profit before tax +13%: strong FBS performance and materially lower profits from Primient
- Return on capital employed of 17.5%, improved by 100 bps
- Free cash flow £119m, £47m higher reflecting strong cash conversion
- Strong balance sheet supports investment in growth, net debt to EBITDA ratio 0.7x



## Highlights

### Delivering on our key measures

#### Revenue

**18%** £1,751m

#### Adjusted earnings per share

**10%** 49.3p

#### Adjusted EBITDA

**22%** £320m

#### Return on capital employed

**100 bps** 17.5%

#### Adjusted profit before tax

**13%** £253m

#### Free cash flow

**+£47m** £119m

## Divisional Performance

### Food & Beverage Solutions

- Volume (7%)
- Revenue +19% to £1,438m
- Adj. EBITDA +21% to £271m

### Sucralose

- Volume (4%)
- Revenue +2% to £184m
- Adj. EBITDA (5%) to £58m

### Primary Products Europe

- Revenue +25% to £129m
- Adj. EBITDA loss (£9)m significantly improved

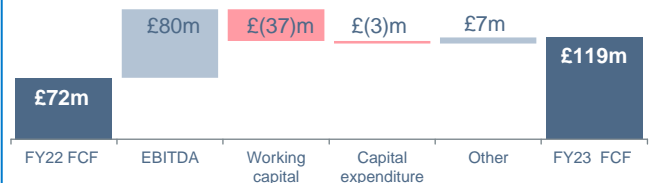
## Productivity journey continues

### Target exceeded in 2023 financial year

- US\$21m productivity savings delivered
- Ambition to deliver US\$100m savings in five years to 31 March 2028
  - \ Includes initiatives to leverage digital to enhance end-to-end customer experience, and to drive supply chain and cost efficiencies
  - \ Expect costs to deliver programme to be in the range of US\$80m to US\$100m
- Continue to drive synergies from productivity and sustainability initiatives

## Strong cash generation

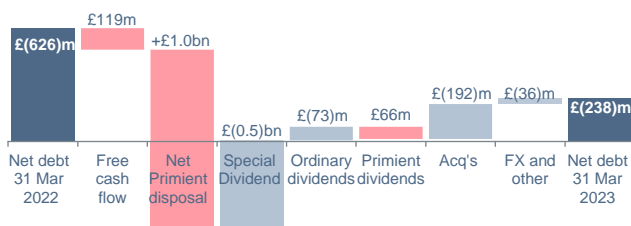
### Free Cash Flow £119m



- Working capital £37m higher
  - \ Impact of input cost inflation mitigated by cash conversion optimization activities
- Capital expenditure slightly higher
  - \ Expected to be £90m to £100m in FY2024
- FCF conversion of 62%

## Net debt

### Increased capacity to invest for growth



- Flexibility to invest in growth
  - \ 0.7x net debt to EBITDA
  - \ Around £1.1bn of available liquidity

## Year ending 31 March 2024

### Outlook

We expect to deliver progress in line with our five-year ambition to 31 March 2028 with, in constant currency:

- Revenue growth of 4% to 6%
- EBITDA growth of 7% to 9%

We also expect stronger profits from our minority holding in Primient

<sup>1</sup> See explanation of adjusted results in the Statement of Results for year ended 31 March 2023, comparatives are pro-forma financial information and continuing operations only



# Divisional Performance<sup>1</sup> – Year ended 31 March 2023

## Food & Beverage Solutions

### Divisions

#### Drive growth

Revenue	£1,438m
Volume	(7%)
Price/mix	+25%
M&A	+1%
Revenue chg	+19%

- Double-digit revenue growth in every region
  - \ +12% North America
  - \ +25% Asia, Middle East, Africa and Latin America
  - \ +28% Europe
- Adj. EBITDA 21% higher at £271m
  - \ Solution selling and mix management
  - \ Productivity and operating leverage

#### Price mix: 25ppts of revenue growth

- 12ppts from inflation pass through, 13ppts through mix
- Mix split equally across solution selling, customer mix, exit of lower margin business and product mix.

#### Volume lower

- Prioritising revenue and margin expansion
- Supply chain disruption, exit of low margin business and industrial action
- Some demand softness and customer destocking in the fourth quarter

#### Pricing actions recovered significant input cost increases

- Quarterly supplementary pricing from May 2022
- 2023 calendar year customer contracts in Europe and North America

## Sucralose

#### Attractive returns

Revenue	£184m
Volume	(4%)
Price/mix	+6%
Revenue chg	+2%

- Adj. EBITDA (5%) lower at £58m
  - \ Input inflation impact
  - \ Multi-year customer contracts limit recovery of cost increases
- Industry demand remains robust
  - \ Good demand from large customers
  - \ Sugar reduction initiatives driving industry growth

## Primary Products Europe

#### Optimise

Revenue	£129m
Volume	(19%)
Price/mix	+44%
Revenue chg	+25%

- Improved pricing from favourable market conditions
- Lower volume
  - \ Industrial action in Netherlands in H1
  - \ Ongoing transition to speciality ingredients
- Adj. EBITDA loss £(9)m significantly improved

## Primient JV

- Business separation completed successfully on 1 April 2022
- Positive relationship with KPS Partners, LP, 20-year supply arrangements operating effectively
- Received US\$76m cash dividends from Primient
- Share of adj. profit 64% lower at £24m due to impact of operational challenges and higher finance charges
  - \ Operation challenges being addressed
  - \ Following successful pricing round, expect stronger profits in FY2024

### Share of JV

## Society: Progressing our targets



6.0m

Tonnes of sugar removed by low/no-calorie sweeteners and fibres<sup>1</sup>  
(2025 target: 9.0m)



3.6m

Meals donated to food banks in local communities<sup>1</sup>  
(2025 target: 3.0m)



44%

Leadership and management roles held by women<sup>1</sup>  
(2025 target: 50%)



6% 13%

Scope 1 & 2 Scope 3  
Reduction in absolute GHG emissions<sup>2</sup>  
(2030 target: S1 & 2: 30%; S3: 15%)



92%

Waste beneficially used<sup>3</sup>  
(2030 target: 100%)



439,000

Acres of sustainable corn supported, equal to volume of corn used each year<sup>3</sup>  
(Commitment: all corn used each year)

### Culture transformation

We are building a more ambitious, courageous and inclusive culture to unlock our growth potential.

8

Targets to measure progress on equity, diversity and inclusion

4

New behaviours to drive ambition of new Tate & Lyle

We are committed to reaching net zero by 2050

<sup>1</sup> See explanation of adjusted results in the Statement of Results for year ended 31 March 2023, comparatives are pro-forma financial information and continuing operations only