

Y 2026 Earnings Call

Company Participants

- Nick Hampton, Chief Executive Officer
- Sarah Kuijlaars, Chief Financial Officer

Other Participants

- Alex Sloane, Analyst, Barclays
- Artem Chubarov, Analyst, Rothschild & Co Redburn
- Joan Lim, Analyst, BNP Paribas Exane
- Karel Zoete, Analyst, Kepler Cheuvreux
- Matthew Abraham, Analyst, Berenberg
- Matthew Webb, Analyst, Investec
- Priyanka Patel, Analyst, UBS

Presentation

Nick Hampton [{BIO 18794378 <GO>}](#)

Good morning, and thank you for joining us today both in person and online. Sarah and I are pleased to announce and present Tate & Lyle's Results for the year ended the 31st of March 2026.

Before we start, I want to acknowledge that a week ago, we made an announcement under Rule 2.4 of the UK Takeover Code, in which we confirmed that Ingredion has made a conditional proposal to acquire Tate & Lyle. Details of the proposal are on the slide. At this stage, there can be no certainty that any offer will be made, nor as to the terms of such an offer. Clearly, we can't say anything more than we said in our announcement last week. So today, I'm purely going to focus on our results and the encouraging progress our business is making.

We have four key messages for you today. Firstly, the integration of CP Kelco has been successfully completed, and the entire Tate & Lyle team is focused on delivering on our priority of volume-led top-line growth. Secondly, our full-year results are in line with the revised guidance we gave in October, with performance impacted by muted market demand. Thirdly, we are making good progress on the strategic actions we set out in November to drive top-line growth and strengthen our performance. Finally, with the integration of CP Kelco complete, our focus is on leveraging the power of the combination to accelerate growth. What's encouraging is that the combination is starting to gain real traction with our customers (Technical Difficulty). We are seeing early signs of top-line momentum.

Let's start then by looking at the first of those key messages in more detail. Integrating two large global businesses is always challenging and takes focus and time. The fact that the integration has gone smoothly and has been completed without disruption to our customers is a testament to the energy and commitment of all our colleagues. The integration was made more challenging by both softer market demand than we expected and the complex geopolitical environments, notably the evolving tariff situation last year. While successfully completing the integration in these circumstances was a significant achievement, our financial performance was disappointing.

As we move into the 2027 financial year, we are determined to put that right. Looking forward, our number one priority is to deliver volume-led top-line growth. That's why when we renewed customer framework agreements for the 2026 calendar year, we selectively chose to drive volume and revenue growth. We are also acting at pace to deliver on the four strategic priorities we set out in November, and I will come back to these in more detail later.

Finally, we continue to operate in a highly unpredictable geopolitical environment. And as we have done in the past, we will look to navigate whatever external challenges we face. Overall, our performance -- our focus is on delivering top-line growth and stronger performance.

With that, let me hand over to Sarah to talk through the financial results.

Sarah Kuijlaars {**BIO 20542857 <GO>**}

Thank you, Nick, and good morning, everyone. I'd like to remind you that I will focus on adjusted measures, and items with percentage growth are in constant currency. Comparatives are pro forma, unless I indicate otherwise, as if the acquisition of CP Kelco had completed on 1 April 2024.

Before I start, I want to describe our performance in the round. Despite a challenging year, we saw solid performance in our largest market of North America, encouraging performance in Asia Pacific despite the impact of tariffs. Specific challenges affected us in Europe, where we were impacted by lower bulk sweetener revenue, and in Latin America, where we saw lower sweetener volumes. It's encouraging that around two-thirds of the portfolio continued to grow. The challenge moving forward is to build on the early signs of top-line momentum that Nick talked about earlier.

That all said, our overall financial performance last year was disappointing, and let me take you through the headlines.

On a statutory basis, including the impact of the acquisition of CP Kelco in November 2024, revenue was 16% higher and adjusted EBITDA was 13% higher. On an adjusted and like-for-like pro forma basis, muted market demand led to 3% lower revenue, and we delivered EBITDA of GBP415 million, also 3% lower, in line with the revised guidance we set out in October last year.

Adjusted profit before tax was 5% lower at GBP238 million, and adjusted earnings per share were 40.4 pence on a reported basis. We delivered GBP164 million free cash flow, with cash conversion of 70%, slightly below our target. Given lower earnings, the Board is proposing to hold the full-year dividend flat, maintaining a healthy dividend yield.

This chart shows the key drivers of lower revenue. Volume and mix impacted revenue by GBP34 million, with some mix improvements more than offset by volume declines. We invested GBP33 million in pricing such that overall revenue was 3% lower in constant currency.

There were some specific challenges which impacted performance. Approximately 20% of the revenue decline was from our bulk sweetener business in Europe. Over demand -- over time, as demand for fiber grows, we will transition that bulk capacity into specialty products. But until then, its role is to help absorb fixed costs. It is likely to continue to be just less than a 1 percentage point drag on growth in this financial year.

Softness in the sweetening market in Latin America, notably in Mexico, accounted for a further 30% of the top-line decline. Looking into the coming year, any further softness should be offset by growth of other ingredients. Elsewhere in the portfolio, we saw more resilience, including CP Kelco ingredients growing volume on broadly flat pricing and a more encouraging performance in Asia Pacific.

Turning now to the performance of our geographic segments, where, as I mentioned earlier, the underlying performance is more reassuring than the headline figures may convey. In the Americas, revenue is 3% lower, with EBITDA 4% lower. While pricing was broadly flat, volume was lower. As just highlighted, much of this underperformance was in Latin America for sweeteners. Encouragingly, in the US, despite muted market demand, notably in beverage, bakery and snacks, revenue was stable.

In Europe, Middle East and Africa, revenue decreased by 5% and EBITDA by 6%. Volume was flat while pricing was lower. We came into the year expecting lower pricing, reflecting our decision to invest some price back into the market, particularly in Europe, in customer framework agreements for the 2025 calendar year.

Performance across our core categories was varied, with positive demand in dairy and beverage somewhat offset by softness in soups, sauces and dressings. As previously stated, bulk sweeteners in Europe was the principal driver of revenue decline in the region, driven largely by lower sugar pricing. Asia Pacific delivered robust performance with revenue broadly in line despite tariff pressures, and EBITDA was up 9%. Our North Asia business continued to grow well, while our China business was flat, reflecting the challenging tariff environment since July 2025. Looking ahead, we see encouraging momentum as the power of our combined business and solutions offering increases customer engagement.

Moving on to EBITDA, which is 3% lower on a constant currency basis. EBITDA decreased as a result of the lower volumes and investment in price. COGS increases were broadly offset by \$53 million of productivity gains, whilst the incremental growth investments were more than offset by cost synergies, lower sales incentives and focused cost discipline.

Our EBITDA margin on a constant currency basis was broadly flat. The reported margin of 20.7% remains attractive and well-positioned compared to our speciality ingredient peers.

Now turning to other lines on the income statement. On exceptional items, net pre-tax exceptional charges were GBP45 million, largely driven by CP Kelco-related integration costs and the buyout of UK and US pension schemes. Overall, there was a net GBP48 million cash outflow associated with these one-offs. The adjusted effective tax rate was 23.9%, up 130 basis points. This increase is due to CP Kelco's operations being located in higher tax jurisdictions. We expect the adjusted effective tax rate in the 2027 financial year to be in the range of 23% to 25%.

The Board remains committed to a progressive dividend policy, to grow the dividend when earnings allow and to hold dividends in other periods. Given the reduction in earnings this year, the Board is recommending a final dividend of 13.2p per share, bringing the full-year dividend to 19.8p, in line with last year.

Turning now to free cash flow, for which comparatives are as we reported a year ago. Overall, free cash flow is GBP164 million, some GBP26 million lower than the prior year.

Reported adjusted EBITDA was GBP34 million higher. Net working capital changed by GBP51 million. The majority of this movement related to higher inventory to mitigate the impact of tariffs on our supply chain and support customer supply continuity while we manage the consolidation of Byagun capacity. I will talk to this more later.

Receivables also increased, given extensions in the terms of framework agreements with some customers to support our volume-led growth priority. Capital expenditure was GBP4 million higher at GBP125 million. For the 2027 financial year, we expect capital expenditure to be in the GBP110 GBP130 million range. Net interest increased by GBP26 million to reflect higher borrowings following the acquisition of CP Kelco, while cash taxes and other items fell by a similar amount, benefiting from in-year tax reimbursements and lower taxable earnings.

Our balance sheet remains robust. Long-term debt financing is in place at a competitive mix of fixed and floating interest rates and with a well-balanced range of maturities running out to 2037. We continue to target long-term leverage to be between 1 and 2.5 times net debt to EBITDA, and our leverage stands currently at 2.3 times. Net debt at 31 March was GBP939 million, a GBP22 million reduction.

At the end of October last year, we entered a \$180 million two-year term loan facility and drew it down. These funds were used to repay an expiring \$180 million US private placement fixed-rate note on maturity. Consequently, our weighted-average cost of debt is currently 4% with a weighted-average maturity of 4.7 years. And we put a slide in the appendix illustrating our maturity profile.

We continue to have strong liquidity with an access to nearly GBP1 billion through cash in hand and a committed and undrawn revolving cash credit facility of \$800 million, which we have recently extended to 2031. We have good financial stability, providing attractive optionality to support future organic investment and return of capital to shareholders.

And I hand back to you, Nick.

Nick Hampton {**BIO 18794378 <GO>**}

Thank you, Sarah. Moving now to the good progress we are making on the actions we set out in November to drive top-line growth and stronger performance. By way of a reminder, these actions are focused on four priorities. The first is targeted investment to accelerate customer wins in key growth areas. Second is delivering the benefits of the CP Kelco combination. Third is accelerating productivity. And lastly, to strengthen our balance sheet and deliver shareholder returns.

Let me start with the first priority. We continue to make a series of targeted investments to ensure we have the insights, capabilities, resources and tools we need to win with our customers. Given our significantly expanded portfolio and solutions offering, over the last few months, we've undertaken a detailed customer segmentation exercise, which has characterized our customers into four distinct groups: partner accounts, enterprise accounts, accelerators and core accounts.

We are taking the output from this exercise and realigning our customer-facing teams, including our sales, technical services, applications and marketing teams, to focus on those customers and subcategories where we can accelerate growth. Alongside this segmentation exercise, we are recalibrating which customers are best served through distributors.

To ensure we have the capabilities in our global and regional teams to capture this growth, we are increasing our investment in areas such as applications, sensory science, nutrition science and process development. We are also accelerating the rollout of our solutions chassis program to speed up customer innovation. Eight chassis, mainly for mouthfeel solutions, were launched during the year, meaning we now have 18 chassis available in the market, with a further nine in development. To accelerate their adoption, we trained over 300 colleagues during the year, supporting the delivery of many customer projects across our core categories.

We also continue to selectively invest in technology to enhance the effectiveness and agility of our customer-facing teams. We have invested in developing a new generative AI tool with the ability to search our broad technical and scientific libraries to provide faster and deeper insights for our sales and technical teams as they develop solutions to solve customer formulation challenges. The rollout of this new tool started in February and is already having a positive impact on how we serve our customers.

We are also working to improve our customer relationship management tools. And this year, we will implement a single integrated platform, which will improve the visibility of pipeline progression, technical resource allocation and enhance our sales team's performance management.

Moving to our second priority, which is to deliver the benefits of the CP Kelco combination. We are targeting revenue synergies of 10% of CP Kelco's revenue, or around \$70 million, by the end of the 2029 financial year. While it's still early days, we are making good progress with around 10% of our target delivered to date. Cross-selling, which is the sale of CP Kelco's ingredients and solutions to Tate & Lyle customers and vice versa, is a key way we will deliver these synergies. It's therefore pleasing to see the value of the cross-selling pipeline more than doubled in the second half and now stands at over \$100 million.

I'm now going to hand back to Sarah to talk about cost synergies and productivity.

Sarah Kuijlaars {[BIO 20542857 <GO>](#)}

Thank you, Nick. When we acquired CP Kelco, we targeted annualized run rate cost synergies of at least \$50 million by the end of the 2027 financial year. As this slide illustrates, we have made strong progress in pursuit of this target. Last year, we delivered synergies of \$24 million, predominantly people-related, but supported by indirect cost savings and some procurement benefits. The annualized run rate of these actions already taken means we have now met our target of \$50 million, one year ahead of our plan.

Moving to our third action, which is increased productivity across the enlarged group. In addition to the delivery of cost synergies, I'm pleased to say that productivity once again showed excellent progress. We delivered a further \$53 million of productivity savings in the year, with \$33 million of this coming from operational efficiencies and cost reduction and \$20 million from procurement and supply chain. This brings our total productivity savings over the last three years to \$144 million.

In November, we announced that we were increasing our five-year target of \$150 million savings by the end of the 2028 financial year by an additional \$50 million to \$200 million. Given the strength of our productivity pipeline, we are confident we could reach that increased target.

Our productivity culture is deeply embedded across our global operations organization, and we recently launched a campaign to extend this productivity mindset across the entire organization. The success of the program is based on a very granular Six Sigma approach to driving productivity. This is illustrated by the breadth of projects we employed to deliver savings. Last year, we initiated over 500 productivity projects, of which some 27 delivered savings of over \$0.5 million each.

Three examples of these larger projects are on this slide: process improvements that our sucralose plant is saving \$1.4 million annually; finding ways to increase airflow in the spray dryer at our corn wet mill in Indiana is saving \$1 million; and the optimization of ocean freight transit times is saving \$1.2 billion.

A major productivity and cost-saving project that is currently underway is the consolidation of our bio-gums production capacity. We had expected to see a financial benefit from this consolidation in the 2027 financial year of some \$20 million. However, due to rescheduling, we now expect this financial benefit will be delivered in the 2028 financial year.

Turning to our fourth action to strengthen our balance sheet and shareholder returns. We remain very focused on cash generation. Our target is to achieve cash conversion greater than 75% each year while delivering our priority to drive top-line growth. This year, we'll be undertaking a group-wide project to optimize our warehousing activity. We will also look to improve inventory management across the business with the continued expansion of procurement and planning optimization tools, as well as our operational excellence programs.

Another area of focus is the disciplined investment of capital. We continue to bring rigor to the investment appraisal process, and new capital investments need to meet attractive rates of return. Our capital allocation policy remains unchanged.

And with that, I'll hand back to you, Nick.

Nick Hampton {[BIO](#) [18794378](#) <GO>}

Thank you, Sarah. Moving to our fourth key message for today, which is how we leverage the power of the combination to accelerate growth. The combination with CP Kelco has created a unique customer proposition. This is based on three strengths. Firstly, we have the broadest ingredients portfolio and solutions toolbox across our three platforms. Secondly, our unique capability to formulate across our three platforms to provide the solutions our customers need. And thirdly, our unrivaled scientific and technical expertise.

We operate in a large and attractive market. The global specialty food ingredients market is around \$70 billion, with about \$20 billion of this market addressable by Tate & Lyle's three ingredients platforms. In each of our three platforms, we have a market-leading position. In total, we have over 1,000 different sweeteners, starches, pectins, specialty gums and dietary fibers, all with their own different functional attributes or nutritional benefits.

Each platform has a large addressable market. The sweetening and mouthfeel markets are already sizable and have significant growth potential given the food trends we are seeing. And as sugar still makes up around 80% of the global sweetening market, there is

an estimated \$3 billion of sugar replacement opportunity in addition to the \$20 billion addressable market.

Whilst comparatively small today, the fortification platform also has significant growth potential, given increasing awareness of the importance of fiber in the diets. I will talk more about this opportunity later.

All this gives me confidence that despite current market environments -- despite the current market environment, the fundamental growth drivers of our business remain strong and continue to offer significant market penetration opportunities. I see these coming from three areas. Firstly, societal trends such as population growth, heightened awareness of the link between diet and health, and the continued need for convenience.

Secondly, food industry trends, with arguably the biggest opportunity being to reformulate ultra-processed foods to improve their nutritional content. Other areas, which are, are of course interrelated, include increasing demand for sugar and calorie reduction as well as fiber and protein fortification, cleaner labels and cost optimization in today's world.

The third driver is capturing the benefits of the CP Kelco combination. In addition to delivering on targeted revenue synergies, this includes leveraging our expanded portfolio and enhanced technical capabilities with both existing and new customers, particularly our leadership in mouthfeel, and also benefiting from our increased presence in the fast-growing markets of Asia, Middle East and Africa and Latin America.

With the growth opportunity clear, our focus is on leveraging the power of the combination to drive top-line growth. This will build over time, and I am pleased that we are now starting to see that happen in the marketplace. Let me give you some tangible examples. A large customer in China wanted to improve the mouthfeel experience of one of its premium yogurt drinks while at the same time developing a cleaner label. We would have had difficulty providing the right solution before, but with our combined portfolio, a solution based on our CLARIA clean-label starch and pectin provided the answer.

In the US, a customer wanted to create a new chocolate milk product with no added sugar, an organic certification, and obviously provide a great taste experience for the consumer. Our technical team created a series of prototypes, which led to a blend of TASTEVA Stevia Sweetener and Gellan Gum, giving the customer the perfect solution.

In Europe, a large multinational dairy customer wanted to enter the high-growth meal replacement category for the first time by creating a plant-based product targeting on-the-go nutrition. The customer came to us and told us that the product had to have a creamy mouthfeel, a clean label and meet certain other technical requirements. In this case, a combination of CLARIA Starch and Gellan Gum provided both a strong sensory experience and the required technical protein and mineral suspension.

Finally, in Latin America, a combination of sucralose and NUTRAVA Citrus Fiber provided the solution for one of our largest global accounts, who wanted to optimize the cost of its ketchup and maintain its important mouthfeel characteristics. What's clear around the world is that customers are increasingly recognizing a much stronger solutions offering and the benefits the combinations bring.

Moving to look briefly at fiber, which we see as another significant growth opportunity. Fiber is a key nutrient for people at all stages of life. Awareness is increasing of the importance of fiber in the diet with 58% of consumers in the UK saying they plan to increase their fiber intake in 2026. But the reality is that intake remains low, with only 3% of UK adults getting enough fibre each day.

We know that consumers cannot eat enough fibre purely from whole foods, so it is increasingly accepted that people will need to consume foods fortified with added fibres to close the fibre intake gap. This is shown by a 13% increase in new products launched globally in 2025 with a fibre claim. Fiber is also very important for GLP-1 users. GLP-1 suppress appetite, and so users can't and don't eat as much food. This means every bite counts when it comes to nutrition.

We are increasingly providing solutions for customers specifically targeted at GLP-1 users. Let me give you just one example. In North America, one of our largest customers in the snacking category wanted to reformulate some of their products to make them healthier and directly target GLP-1 users. We created a solution using our PROMITOR and STA-LITE soluble fibers, which provided an additional 6 grams of fiber per serving and a front-of-pack fiber claim. The customer has now launched four products with the solution and has given us three new briefs to work on fiber fortification on other product lines.

The increasing traction with customers is showing through in the growth we are seeing in our new business pipeline. Last year, the value of our new business pipeline increased by 15%. Revenue from new products increased by 9% on a like-for-like basis. And revenue from solutions as a percentage of new business wins was 35%.

While the market environment remains challenging, the progress we are seeing gives me real confidence that we're on the right track and that we are well-positioned to benefit as and when market demand improves.

Turning now to the outlook in summary. For the year ending 31st of March 2027, on a constant currency basis, we currently expect to deliver modest revenue growth underpinned by volume growth weighted to the second half. And broadly flat EBITDA before the around \$20 million impact of rescheduling the consolidation of bio-gums.

Our outlook currently assumes a limited impact from the conflict in the Middle East, and we are taking actions to mitigate cost inflation through a range of initiatives, including procurement activities, operational discipline and pricing action.

So to conclude, with the CP Kelco integration complete, our priority is clear to drive volume-led top-line growth. And we are seeing early signs of progress. We are making good progress on the strategic priorities we set out in November and on leveraging the power of the combination to accelerate growth. Over the last six years, the business has been repositioned to be at the center of the future of food. Today, we have a portfolio that is perfectly placed to address growing consumer demand for healthier, more nutritious and sustainable food and drink.

The power of the combination is clear, and our focus now is on execution, driving top-line growth and strengthening our performance.

With that, Sarah and I will be happy to take your questions. May I remind you that under the UK Takeover Code, we can't comment on anything relating to Ingredion's proposal we

announced last week. We will take questions both from the floor and those joining remotely. For the purposes of the recording, please state your name and institution.

So with that, can we have the first question from the floor?

Questions And Answers

Q - Joan Lim {[BIO 17002696 <GO>](#)}

Hello, can you hear me?

A - Nick Hampton {[BIO 18794378 <GO>](#)}

Yeah.

A - Sarah Kuijlaars {[BIO 20542857 <GO>](#)}

Yeah.

Q - Joan Lim {[BIO 17002696 <GO>](#)}

This is Joan Lim from BNP Paribas. I just had a couple of questions. So you mentioned that your H2 weighted growth for 2027. What gives you the confidence that volume growth will recover? Are you seeing any trends in April and May, as you spoke about some momentum to the start of the year? That's my first question.

A - Nick Hampton {[BIO 18794378 <GO>](#)}

Okay. So let me, let me take that one. So, what gives us confidence? A number of things. Firstly, we're seeing good momentum coming into the year. Q4 ended as we expected, which is obviously the first year of this calendar year. And we're seeing -- we saw good revenue growth in April as we started the year. So we started strongly.

Secondly, we always said that momentum would build through the year, given the power of the combination amplifying. So the pipeline strength will grow through the year. The segmentation exercise and focusing our sales team on the customers we want to grow with faster will grow through the year, as will the cross-selling pipeline. So that's the second reason.

The third reason is when you think about the shape of last year, we really started to get significantly impacted by tariffs in North America and, to a lesser extent, China in the second half. So remember, the North American slowdown in volume was weighted in the second half for us when we looked at the market. So we're starting to lap that as we go into the second year, into the second half, in the sense that that's already -- the tariffs are already built into the base.

And then lastly, of course, as we build momentum with customers and the power of the combination grows. And remember, we've only just annualized the point where we put our sales teams together. We should see more momentum going into the contracting round for the following year as well. So it's really a combination of all of those things put together.

Q - Joan Lim {[BIO 17002696 <GO>](#)}

Okay. And for Americas, it still declined 3% in volumes. Why has beverages been weak? What are some of the ways you think you can outgrow markets?

A - Nick Hampton {[BIO 18794378](#) <GO>}

So, look, I mean, specifically in the Americas, we saw more weakness in sweeteners in Latin America. North America actually was relatively stable from a revenue perspective. I mean, ultimately, the repositioning of the portfolio and the growth of the new products in the portfolio and the newer sweeteners to offset some of that weakness is what we'll start to see flow through this year. And of course, we're lapping out of that now. So that's -- I mean, that's really the shape of it. And we're absolutely seeing the momentum in the new portfolio and the solution selling start to flow through. As markets stabilize, that will offset some of the declines we saw in the rest of the portfolio.

Q - Joan Lim {[BIO 17002696](#) <GO>}

Thank you.

A - Nick Hampton {[BIO 18794378](#) <GO>}

Next question in the room. Matthew?

Q - Matthew Webb {[BIO 19890601](#) <GO>}

Matthew Webb from Investec. Sorry, I've got it the wrong way up. That's better. The -- I wonder if you could just comment on the new product development and launches in -- particularly in the US, but more broadly. And specifically, it feels like there's sort of two factors here. There's -- on the one hand, there's clearly a lot of change going on in consumer demand for different types of foods for different properties. But on the other hand, we've still got quite a subdued consumer environment, which typically slows that process. I just wonder if you could comment on sort of where you think we are now in terms of the balance between those two and maybe how you see that playing out over the next 12 months or so.

A - Nick Hampton {[BIO 18794378](#) <GO>}

Yeah. Good question. So let me start with North America because that's probably -- because it is still the biggest part of our business. I mean, so clearly what we saw last year was a lot of noise around regulation, MAHA, GLP-1, but all of which pointed towards healthier diets over time. And in our case, in the business that we're in, reformulation to create better nutritional outcomes. And lots of conversations with customers about what to do in that regard. I've given you a very good fiber example in the presentation that led to launch of new products.

Environmentally, though, what happened last year was you saw this massive impact of tariffs, significant consumer inflation, volume slowdown, and a natural slowdown in innovation as well because people were trying to figure out how to manage those impacts. What we're now seeing is sort of as MAHA starts to become a little bit clearer is real engagement in those trends that I've talked about.

I think the question is, as we see how the Middle Eastern conflict impacts overall consumer sentiment and demand, do we see an acceleration in product launches or not? We're seeing -- definitely seeing an acceleration in conversations at what point that

translates into real launches and therefore new business. We're still watching to see how that evolves. Encouragingly, though, we have seen momentum coming into the year on the top line. And all of the indicators in the pipeline suggest that that will happen over time. The question is, what time?

Q - Matthew Webb {[BIO 19890601 <GO>](#)}

And then second question, I don't know if you're going to be able to I know you can't answer this one given the restrictions you're under, but just specifically on the delay to the bio-gums capacity consolidation, is that something that you have been aware of for a while, long enough for Ingredion to have been aware of that in their due diligence and therefore comfortable with that in terms of the offer that they've made?

A - Nick Hampton {[BIO 18794378 <GO>](#)}

There is no comment I can make on that specifically. No, I can't.

Q - Matthew Webb {[BIO 19890601 <GO>](#)}

Okay, worth asking.

A - Nick Hampton {[BIO 18794378 <GO>](#)}

I've got my handlers looking at me.

Q - Matthew Webb {[BIO 19890601 <GO>](#)}

Understood very well. Okay, thank you.

A - Nick Hampton {[BIO 18794378 <GO>](#)}

So why don't we go to a question online and then I'll come back to the room. I think we've got Karel Zoete on the line. Karel, good morning. Can you hear me?

Q - Karel Zoete {[BIO 4452327 <GO>](#)}

Yes. Good morning, and thanks to all for taking the question. I have a question with regards to the outlook. You say we kind of assume there are no real impacts from the conflict in the Middle East. But can you discuss a bit what the higher energy costs mean for the cost base and what you've seen in terms of demand trends?

And then the second question is about reinvestment. You're optimistic about the savings and the synergies that are coming in. But at the same time, we see a stable profit in the current fiscal year. So what are areas you say this is where we really reinvest, which is holding back profit growth?

A - Nick Hampton {[BIO 18794378 <GO>](#)}

So why don't I take your first question? So, on the Middle East, we've got limited exposure to the affected countries. So about 1% of our revenue goes in there. We're actually seeing a lot of customer demand still, and we're finding ways of shipping into the Middle East now through going through different ports, et cetera. So we are now shipping in. And actually, I think we'll see that continue. And obviously, there might be a rebalancing of stocks.

In terms of overall demand, as I said, we're seeing some encouraging signs coming into the year. So, no real impact -- near-term impact on demand. In terms of costs, we've got a very rigorous hedging policy on energy. So we're well covered through the first half of the year. But there are incremental costs as we go through the balance of the year, and we're going to have to look to balance that off with productivity and procurement initiatives and selectively pricing and passing through things like freight costs where necessary. So we're assuming a limited impact in our outlook at this point.

I mean, if you can predict what's going to happen tomorrow in the Middle East, I'll tell you what the impact is going to be for the full year. But currently, we're assuming a limited impact, and we're controlling the things that we can control.

Sarah, I don't know whether you want to take -- say anything more specifically about energy and then take the question on the reinvestment versus the sort of the sort of stability in earnings.

A - Sarah Kuijlaars {[BIO 20542857](#) <GO>}

Okay. Thanks, Nick. This [ph] morning, Karel. So I think indeed, I think it's just to remind you that sort of -- so energy is about 5% of our costs. And as Nick mentioned, we're well covered in this calendar year. I think in the near term, the freight costs, which, of course, is seeing some increase, that's a more straightforward conversation to have with customers. But again, it's got to be considered in the round that number one priority is growing volume-led top line. So I think we're watching and seeing very much in the near term.

And then your first question about investment. So, it's how do we ensure we have the right people and capabilities in the frontline to support the volume-led revenue growth? So it's the people, but it's also training the people, the technology support, the digital investments to support, to give them even more confidence. So, giving them the tools and the investments to give us confidence that we can grow the top line. And of course, we're trying to offset some of that. We've talked about delivering the cost synergies. So you've got a \$15 million, \$20 million help into FY27. But again, remember, there's always the drag of inflation. We want to reset sales incentives. So it's a -- we work really hard to try and stay still. But, number one priority in the organization is investing capability to give us confidence about top-line growth.

A - Nick Hampton {[BIO 18794378](#) <GO>}

Yeah, I'd -- Karel, if I take us back and just add one more point to that, which is the benefits of bringing the two organizations together, is allowing us to reinvest in a more challenging environment than we had anticipated in the last couple of years and still maintain a very attractive earnings profile and margin structure in the business. So it's another example of the power of the two businesses coming together. It's giving us the flexibility that we might not have had as one business.

Let's come back into the room. Any questions in the room? I think over here.

Q - Artem Chubarov {[BIO 20358013](#) <GO>}

Good morning. Thank you. This is Artem from Rothschild & Co Redburn. One of the messages we get from the presentation is that the integration with CP Kelco is successfully complete. I'm very keen to hear about your learnings about the new

business after about a year or so. Specifically, first about the portfolio. It sounds like some categories are performing better than others. Do you expect the underperformance to improve or do you see that a bit more structural? And secondly, about competition by region, have you seen any unexpected intensification of competition in any particular region? That would be interesting to hear. Thank you.

A - Nick Hampton {[BIO 18794378 <GO>](#)}

Sure. And look, I mean, as you rightly said, we've said today that the integration is complete and it's been very successful in what we've been trying to achieve. We've learned a lot, a lot of positives and a couple of learnings that we could maybe have done things differently. What we've really learned is the power of the combination together makes a difference with our customers. I mean -- and our sales teams and our application scientists working together are creating things that we couldn't do before for solutions for our customers. And that's the underpin of our confidence in the medium term and the future of the business because that is the future of the -- we are trying to create this idea of a company that can really help with improving the nutritional content of food in a way that consumers are looking for.

And we can do things today that we couldn't do. The four examples I gave you, we couldn't do as the old Tate & Lyle; we can do as the new Tate & Lyle. And that's giving us huge confidence in the future. We've learned a lot about the power of common cultures coming together. The benefits of the fact that both companies believed this was really the right thing to do really stood us in good stead as we went through an integration process that's never easy because you're changing organizations.

I'd say that the couple of things that we maybe learn that -- on the sort of more challenging side is, if I'd have my time again, I would probably have accelerated the commercial integration because we spent six months putting that together and only started to face customers as one in April last year. That was really -- doing that quicker, I think, would have been -- would have benefited what we're seeing today more. But hindsight is a wonderful thing. And then, of course, as we've talked about, unfortunately, the significant benefit of the productivity investment that was made in bio-gums even before we acquired CP Kelco is taking longer to deliver than we thought. It's there. It's going to be delivered. But it's a phasing issue that is impacting the near term.

But from everything we've learned, by far the most important thing is a different view on us from our customers and the different capabilities for us to serve their future needs. And in terms of the medium term, that gives us huge confidence.

Can I -- I'll come back to you in a minute, Matthew, if I will, because Alex has been very patiently waiting online. So, Alex, I'll come to you if you can hear us.

Q - Alex Sloane {[BIO 21961825 <GO>](#)}

Yeah. Hi, Nick. Thanks for taking the question. It's Alex Sloane from Barclays. Just the first one, just in terms of bio-gums, the \$20 million impact, could you give us a bit more color on maybe what's gone wrong versus your plan, and how confident you are that drag couldn't be worse than the \$20 million this year? And just in terms of thinking about how that unwinds in '28, is it just the \$20 million headwind that goes to neutral or is it kind of a swing to a \$20 million positive, so more like a \$40 million year-over-year swing, that would be helpful.

And secondly, just -- can you remind us in terms of the key terms of the Primient 20-year supply agreement? Is there any change of control clause on either side? And can you maybe just remind us how much of Tate's current supply is sourced from Primient and versus what Tate still produces on Primient's behalf? Thank you very much.

A - Nick Hampton {[BIO 18794378 <GO>](#)}

Sure. So let me take the second question first. So in terms of the Primient supply agreement, we've always said that it's a long-term agreement that survives change of control. I can't say any more than that because that's all we've said in the public domain. I mean, there is documentation out there that's available. And I'm being looked at again by my advisors. The -- obviously, the amount of our business that comes from Primient has significantly decreased since the CP Kelco transaction. So it's a -- it's much less than it was, but it's still an important part of our business.

In terms of the bio-gums, I wouldn't say anything has gone wrong. Sometimes when you're scaling up new technologies, so we're going from kind of we're significantly scaling up of a fermentation technology. And it's taking a little bit longer to stabilize the process, and it's taking a little bit longer to reference new products with customers from the new technology. So it's just a phasing issue. We're 100% confident that it's going to flow through, and we're really clear about the phasing now in terms of when the delivery is going to happen.

And as we go into next year, Sarah can probably comment more on the numbers. But we're going to see a benefit of 20 million for sure as we go in. And over time, that will increase. Is that...

A - Sarah Kuijlaars {[BIO 20542857 <GO>](#)}

Yeah, absolutely. Maybe just to add, the -- as we complete this consolidation, that 20 million falls away. And obviously, as we go through this year, we talk more about the outlook into FY28.

A - Nick Hampton {[BIO 18794378 <GO>](#)}

Matthew, I said I'd come back to you.

Q - Matthew Webb {[BIO 19890601 <GO>](#)}

Thank you. Yes, this is also related to the bio-gums, but just a broader question on working capital guidance for next year. I think you've mentioned that the bio-gums delay will have some inventory implications. Obviously, in the year just gone, there were some issues that meant that you had to increase inventory levels. Just any overall comments and any specific number guidance would be very helpful. Thank you.

A - Sarah Kuijlaars {[BIO 20542857 <GO>](#)}

I'll take that, shall I?

A - Nick Hampton {[BIO 18794378 <GO>](#)}

I do[ph] think so.

A - Sarah Kuijlaars {[BIO 20542857 <GO>](#)}

And so, yeah, great question. So indeed, we have this 50 million headwind in FY26. Going into FY27, that turns to a more neutral position because, yes, as we -- there's some continued build of the bio-gums, but also as we implement the sort of the tighter working capital management across the organization, we are confident that we can offset. So it will be a neutral impact for cash for FY27.

Q - Matthew Webb {[BIO 19890601 <GO>](#)}

Great. And then I fear the answer to this will be no, but on a purely factual basis, without making any comment about competition implications, can you make any observations about the extent to which you compete directly with Ingredion in any particular categories on a purely factual basis?

A - Nick Hampton {[BIO 18794378 <GO>](#)}

On a purely factual basis, yes. In detail, no. We both make starches.

Q - Matthew Webb {[BIO 19890601 <GO>](#)}

Would you like to elaborate at all on that?

A - Nick Hampton {[BIO 18794378 <GO>](#)}

No, at this stage, no, I'm afraid.

Q - Matthew Webb {[BIO 19890601 <GO>](#)}

Worth a try.

A - Nick Hampton {[BIO 18794378 <GO>](#)}

All right. So let's go back onto online. I think we've got Matthew Abraham from Berenberg with a question.

Q - Matthew Abraham {[BIO 22324865 <GO>](#)}

Morning, all. Thanks for taking my question. Just looking to get a bit more color on the pricing that you've taken in response to the Middle East. Just looking to understand what specific markets and categories you've pushed pricing in and the magnitude of pricing that you've taken in response to the Middle East impact. Also, just wondering, as a follow-up, if there will be the opportunity for you to take follow-up pricing actions if the initial view of the limited impact from the Middle East is exceeded.

A - Nick Hampton {[BIO 18794378 <GO>](#)}

Sure. I mean, so in simple terms, to answer your first question, to date, we've taken limited pricing actions to offset freight costs primarily because that's the primary thing that's hitting our business. As we did in the Ukraine crisis, if you remember, when that hit just after contracts had been renewed for the new year, we did revisit pricing as a result and successfully passed through what at the time were very significant cost increases. We have that flexibility. We'll navigate and see how things evolve through the next few months to see if we need to do that or not. At the moment, our focus actually on is recovering the freight costs we're seeing and continuing to maintain top-line momentum.

Okay. Any more questions in the room? The back there.

Q - Priyanka Patel {[BIO 22589145](#) <GO>}

Priya from UBS. I just had one question. So on APAC, obviously did a lot better in terms of top-line and EBITDA performance compared to the other regions. But you talk about some competition in parts of Asia, due to excess capacity in China. I was wondering if you could give some color on which ingredients that you're seeing these oversupply pressures and how that plays out in 2027?

A - Nick Hampton {[BIO 18794378](#) <GO>}

Yes. So the competition that we're principally referring to is the still relatively muted demand in China. We're seeing stability but not significant growth yet. And across some of the portfolio, so things like sweeteners and some of the gum business, there is competition out of China that is locally having some impact. So I'd probably pick out those things as being the most significant. And it's primarily on Xanthan, not Gellan Gum.

Okay. Any more hands in the room? Okay then. If there are no more questions, let me finish. And I'll just finish with three final points.

First, as I said, with the CP Kelco integration successfully completed, the entire Tate & Lyle team is focused on delivering volume-led top-line growth and improving performance. Secondly, the power of the combination really is starting to gain traction with customers, and this is reflected in some early signs of top-line growth as we come into the new year. And finally, longer term, we remain very, very confident in the future growth potential of the business. It's clear that consumer demand for healthier, more nutritious and sustainable food and drink is going to grow strongly. And our leading positions across sweetening, mouthfeel and fortification make us very well placed to capture that growth going forward.

So with that, thank you for joining us, both in the room and on the webcast, and we wish you all a very good day. Thank you.

This transcript may not be 100 percent accurate and may contain misspellings and other inaccuracies. This transcript is provided "as is", without express or implied warranties of any kind. Bloomberg retains all rights to this transcript and provides it solely for your personal, non-commercial use. Bloomberg, its suppliers and third-party agents shall have no liability for errors in this transcript or for lost profits, losses, or direct, indirect, incidental, consequential, special or punitive damages in connection with the furnishing, performance or use of such transcript. Neither the information nor any opinion expressed in this transcript constitutes a solicitation of the purchase or sale of securities or commodities. Any opinion expressed in the transcript does not necessarily reflect the views of Bloomberg LP. © COPYRIGHT 2026, BLOOMBERG LP. All rights reserved. Any reproduction, redistribution or retransmission is expressly prohibited.