

28 January 2021 – Tate & Lyle PLC

TRADING STATEMENT

Tate & Lyle issues the following trading statement for the three months ended 31 December 2020.

The Group delivered strong performance in the quarter with volume growth in each business and Group revenue 8% ahead of the comparative period.

Three months ended 31 December 2020	Volume	Revenue ¹
Food & Beverage Solutions	+5%	+8%
Sucralose	+1%	(3%)
Primary Products ²	+4%	+9%
Group		+8%

1 Growth in constant currency

2 Primary Products excluding Commodities: Volume +3%; Revenue (2)%

Food & Beverage Solutions

Food & Beverage Solutions revenue increased by 8% benefitting from higher volume, good price and mix management and continued growth from New Products.

North America delivered double-digit revenue growth reflecting good commercial performance, strong demand for products consumed in-home and improving demand for out-of-home consumption. Asia, Middle East, Africa and Latin America delivered high single-digit revenue growth helped by strong growth in Asia Pacific, especially in China, and good mix and pricing in Latin America, mainly in Brazil. In Europe, revenue was marginally higher than the comparative period reflecting solid demand for in-home consumption.

Sucralose

Revenue was 3% lower reflecting customer mix and pricing pressure. Volume was slightly higher due to the phasing of customer orders into the quarter. Demand continues to be impacted by lower consumption of products out-of-home, particularly beverages.

Primary Products

Primary Products volume increased by 4%. Sweetener volume was higher than the comparative period benefitting from strong operational execution, firmer demand and the phasing of some customer orders into the quarter. Industrial Starch volume was broadly in line with the comparative period as good demand for packaging offset continued weaker demand for printing and writing paper. In Commodities, strong revenue growth led to profit ahead of the comparative period as co-product recoveries, including from corn oil, were exceptionally strong. Overall, Primary Products revenue was 9% higher.

The 2021 calendar year bulk sweetener pricing round is nearing completion with slight unit margin compression which we expect to mitigate with our ongoing productivity programme.

Outlook

For the year ending 31 March 2021, despite the continuing impact of the Covid-19 pandemic, Group adjusted profit before tax in constant currency is expected to be modestly ahead of the prior year benefitting from continued momentum in Food & Beverage Solutions, cost discipline and significantly higher year-on-year Commodities profits.

Following the release of certain tax provisions, we now expect the adjusted effective tax rate for the year ending 31 March 2021 to be between 12% and 14%. As a result, adjusted earnings per share are expected to be well ahead of the prior year.

Nick Hampton, Chief Executive said:

“This was a quarter of strong performance and strategic progress. Food & Beverage Solutions and Primary Products both delivered topline growth supported by excellent operational execution and cost discipline.

Inspired by our purpose of *Improving Lives for Generations*, our colleagues continue to respond to the challenges of Covid-19. Through their hard work and commitment, we are making good progress on our near term priorities – to look after our colleagues and communities, strengthen our relationships with customers, continue to progress our strategy and maintain our financial strength. We announced two acquisitions in the quarter to strengthen our sweetener and texturant portfolios, our new business and innovation pipelines are robust, we are staying close to our customers and our productivity programme is delivering significant benefits. We were also proud to publish our first purpose report¹ committing to ambitious ESG targets and showing how colleagues across the company are living our purpose.

While the operating environment remains uncertain and out-of-home consumption continues to be below pre-pandemic levels, the business has positive momentum. We remain focused on delivering our priorities and are well placed to emerge from this period an even stronger business.”

1 Our purpose report is on our website at: <https://www.tateandlyle.com/purpose>

END

A conference call will be held today at 08.00am GMT, hosted by Nick Hampton, Chief Executive and Imran Nawaz, Chief Financial Officer. Participants are requested to dial in at least 10 minutes before the commencement of the call. Dial in details are as follows:

Standard International Access: +44 (0)3305 510 200
Password: Tate & Lyle

A replay of this call will be available after the end of the live call for 14 days until 11 February 2020.
Replay number: +44 (0)20 8196 1480
Replay access PIN: 9866310#

For more information contact Tate & Lyle PLC:

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About Tate & Lyle:

Tate & Lyle PLC is a leading global provider of food and beverage ingredients and solutions. Supported by our 160-year history of ingredient innovation, we partner with customers to provide consumers with healthier and tastier choices when they eat and drink. We are proud that millions of people around the world consume products containing our ingredients every day.

Through our expertise in sweetening, mouthfeel and fibre fortification, our Food & Beverage Solutions business develops solutions which reduce sugar, calories and fat, add fibre, and provide texture and stability in categories including beverages, dairy, bakery, soups, sauces and dressings. Our Primary Products business produces nutritive sweeteners, industrial starches used in paper and packaging, acidulants and products used for animal nutrition.

We have around 4,200 employees working in more than 60 locations across 30 countries. Tate & Lyle's purpose is Improving Lives for Generations and through our purpose we believe we can successfully grow our business and have a positive impact on society. We live our purpose in three ways, by supporting healthy living, building thriving communities and caring for our planet.

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 2020, Tate & Lyle sales totalled £2.9 billion. For more information, please visit <http://www.tateandlyle.com> or follow Tate & Lyle on Twitter, LinkedIn or Facebook.