

# RESULTS FOR THE YEAR ENDED 31 MARCH 2024

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Nick Hampton, Chief Executive  
Dawn Allen, Chief Financial Officer

# Cautionary statement

This presentation for the Full Year Results for the year ended 31 March 2024 contains certain forward-looking statements with respect to the financial condition, results, operations and businesses of Tate & Lyle PLC. These statements and forecasts involve risk and uncertainty because they relate to events and depend upon circumstances that will occur in the future. There are a number of factors that could cause actual results or developments to differ materially from those expressed or implied by these forward-looking statements and forecasts.

Year ended 31 March 2024

# Agenda

01. Overview

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02. Financial results

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03. Strategic progress and Outlook

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04. Summary and Q&A

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Year ended 31 March 2024

# Key headlines

- Strong financial **performance** in challenging external environment
- **Transformation** into focused speciality business complete with sale of Primient interest
- Intention to start **share buyback** programme to return Primient sale proceeds to shareholders
- Good progress delivering on our strategy and purpose; **solutions-based** business increasing
- Leading on **sustainability**, critical for the future of food



Year ended 31 March 2024

# Financial performance

## Strong profit, cash and productivity delivery

Revenue

**(2)%**

lower

Adjusted EBITDA<sup>1</sup>

**+7%**

growth

Free Cash Flow

**+£49m**

increase

Productivity

**US\$41m**

savings



Year ended 31 March 2024

# Sale of Primient

- **Sale of remaining 49.7% interest in Primient to KPS Capital Partners agreed**
- **Tate & Lyle to receive cash of US\$350 million (c.£279 million)**
  - Values 49.7% stake at 6.5x EV/EBITDA<sup>1</sup>, ahead of valuation on sale of initial controlling stake in April 2022 (5.1x EV/EBITDA<sup>2</sup>)
  - Completion anticipated before the end of July
  - Net cash proceeds, after tax, expected to be around US\$270 million (c.£215 million)
- **Robust long-term agreements to ensure supply security (c.18 years remaining) will continue to operate**
- **Sale well ahead of original lock-up period of 8 years to 2030**
- **Total gross cash proceeds from Primient sale and dividends received since April 2022 exceed US\$1.5 billion**

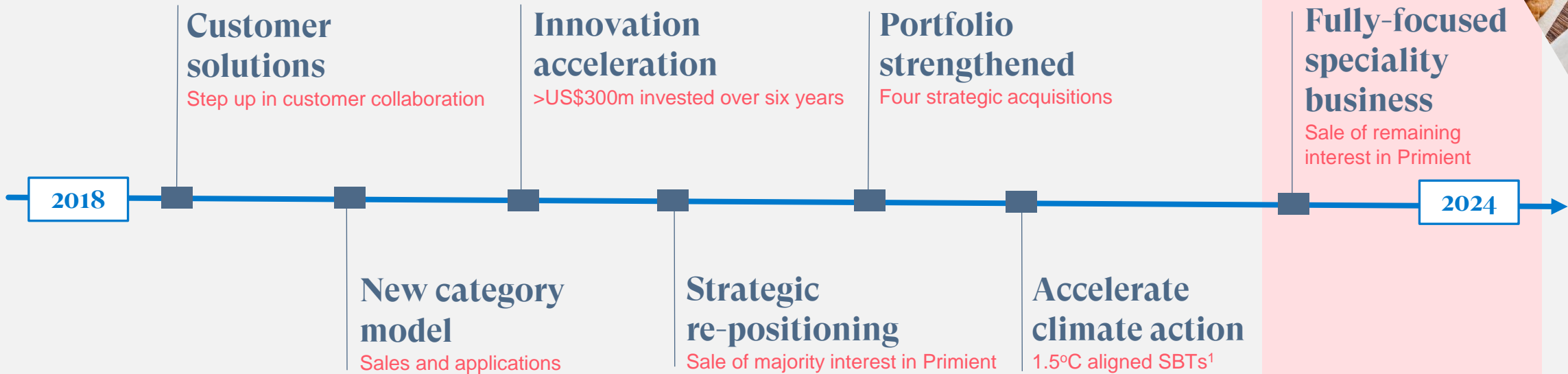
Year ended 31 March 2024

# Share buyback programme

- **Intention to return net cash proceeds from Primient sale to shareholders**
  - To be delivered through an on-market share buyback programme
  - Programme to commence on completion of Primient sale
- **Decision consistent with capital allocation policy**
- **Further details to be announced in due course**

Year ended 31 March 2024

# Transformation to speciality business complete



Transformation to fully-focused speciality business



Year ended 31 March 2024

# Strategic delivery

## Innovation and solution selling to customers

New Products as % of Food & Beverage Solutions revenue

**16%**

FY28 ambition: 20%

Investment<sup>1</sup> in innovation and solutions selling

**+5%**

FY28 ambition: 5% per year

Solutions<sup>2</sup> revenue from new business wins out of new business pipeline

**21%**

FY28 ambition: 32%

9 \ 1. Investment is operating expense in the income statement and excludes capital investment; 2 Food & Beverage Solutions new business opportunities pipeline; value of opportunities requiring solution formulation in customer innovation and collaboration centres as a percentage of the total pipeline. 3. FY28 represents financial year ending 31 March 2028

Year ended 31 March 2024

# Purpose delivery



(11)%

**Scope 1 and 2**  
absolute reduction  
in GHG emissions<sup>1</sup>  
2030 target: (30%)



(20)%

**Scope 3**  
absolute reduction  
in GHG emissions<sup>1</sup>  
2030 target: (15%)



7.9m

**Tonnes of sugar**  
removed from diets using our fibres  
and no/low-calorie sweeteners<sup>2</sup>  
2025 target: 9.0m



45%

**Leadership/management**  
roles held by women<sup>2</sup>  
2025 target: 50%



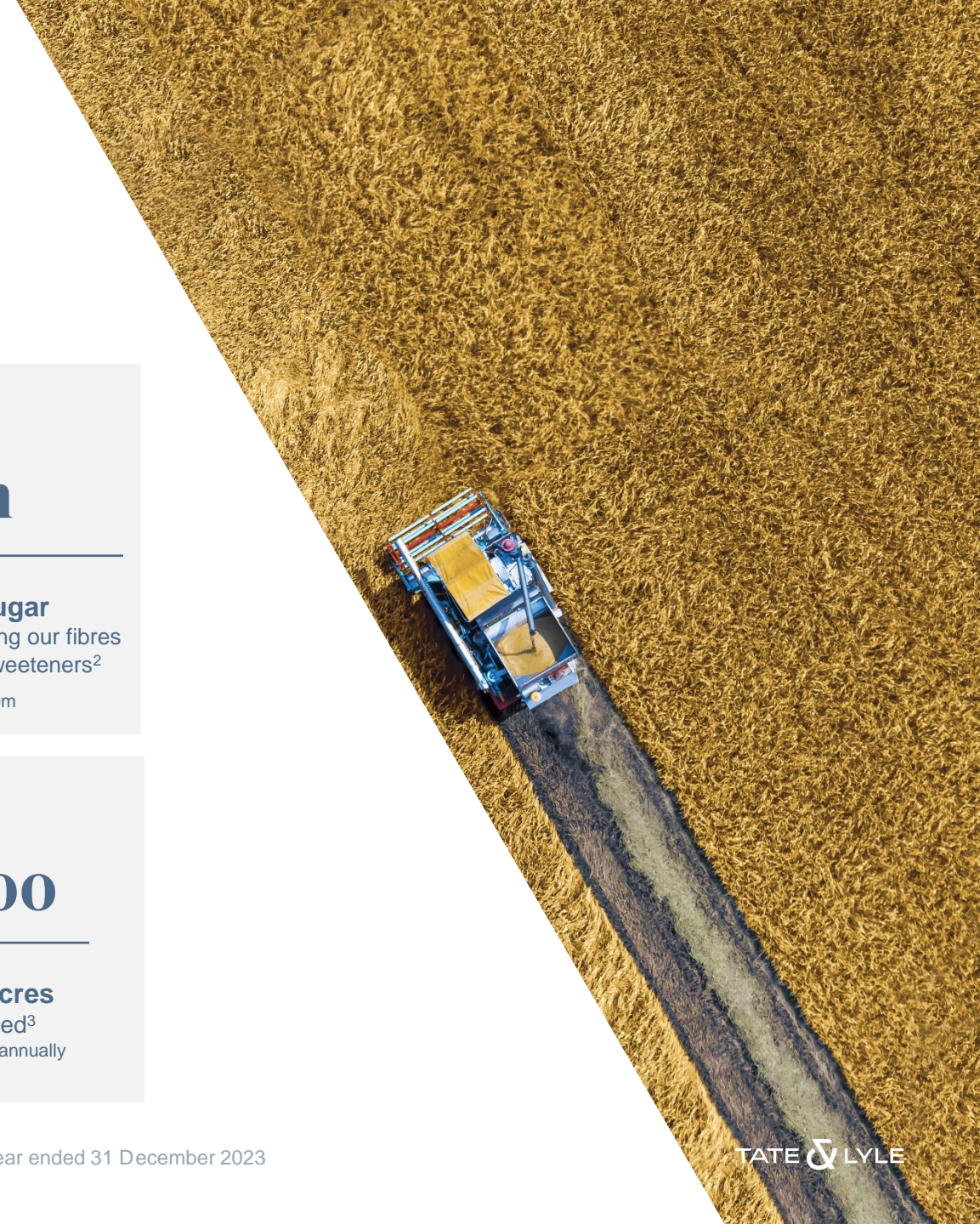
90%

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



367,000

**Sustainable acres**  
of corn supported<sup>3</sup>  
Target: all corn bought annually



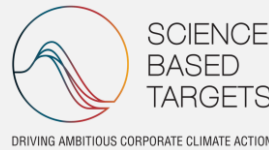
10 \ 1. Baseline of year ended 31 December 2019; GHG is greenhouse gas emissions; 2. Baseline of 31 March 2020 3. Year ended 31 December 2023

Year ended 31 March 2024

# Leading on sustainability

## Larger, faster emissions reduction on a 1.5°C trajectory

- New targets for GHG<sup>1</sup> emissions announced in May 2024
- Targets validated as **science-based** by SBTi<sup>2</sup> on **1.5°C trajectory**
- In absolute terms, from 2019 baseline, we've committed to reduce:
  - Scope 1 and 2 GHG emissions by **38%** by **2028**
  - Scope 3 non-FLAG<sup>3</sup> GHG emissions by **38%** by **2028**
  - Scope 3 FLAG<sup>3</sup> emissions by **23%** by **2028**
- Robust plans in place and actions underway to deliver new targets



## Critical for global food systems

Global GHG emissions<sup>4</sup>

**30%**

from food systems

Global GHG emissions<sup>4</sup>

**20%**

from agriculture

Freshwater<sup>4</sup>

**70%**

used for agriculture globally



Year ended 31 March 2024

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Year ended 31 March 2024

# Financial headlines

- Profit **growth** in line with guidance despite a challenging external environment
- Acceleration in **productivity** programme, with savings well ahead of target
- Strong financial **discipline** and focus on cost reduction
- Excellent **cash** delivery with cash conversion ahead of target
- Continued long-term **investment** across each of Science, Solutions and Society





Year ended 31 March 2024

# Financial highlights



## Robust financial performance

Revenue

**(2)%**

£1,647 million

Adjusted EBITDA

**+7%**

£328 million

Adjusted profit before tax

**+18%**

£287 million

Adjusted earnings per share

**+18%**

55.5 pence

Return on capital employed

**(20)bps**

17.4%

Free cash flow

**+£49m**

£170 million

# Food & Beverage Solutions

## Resilient performance

Revenue (2)%			
By driver		By region	
Volume	(6)%	North America	(3)%
Price mix	1%	Asia, Middle East, Africa and Latin America	(3)%
Inflation	3%	Europe	1%

- **Revenue (2)% lower at £1,359m**
  - (5)% from volume and price mix
    - (6)% volume impact of consumer demand softness and customer de-stocking
    - 1% mix management and solution selling
  - 3% recovery of net input cost inflation
  
- **Adjusted EBITDA 8% higher at £281m**
  - Mix management and solution selling
  - Productivity and cost discipline



# Sucralose

## Attractive returns

Revenue (1)%	
Volume	In-line
Price mix	(1)%

- **Underlying performance steady**
- **Revenue (1)% lower at £174m**
  - Volume in-line
  - Customer mix led to a modest decline in price mix
- **Adjusted EBITDA at £52m, (4)% lower**
  - Impact of cost inflation

Year ended 31 March 2024

# Primary Products Europe

## Continuing to optimise

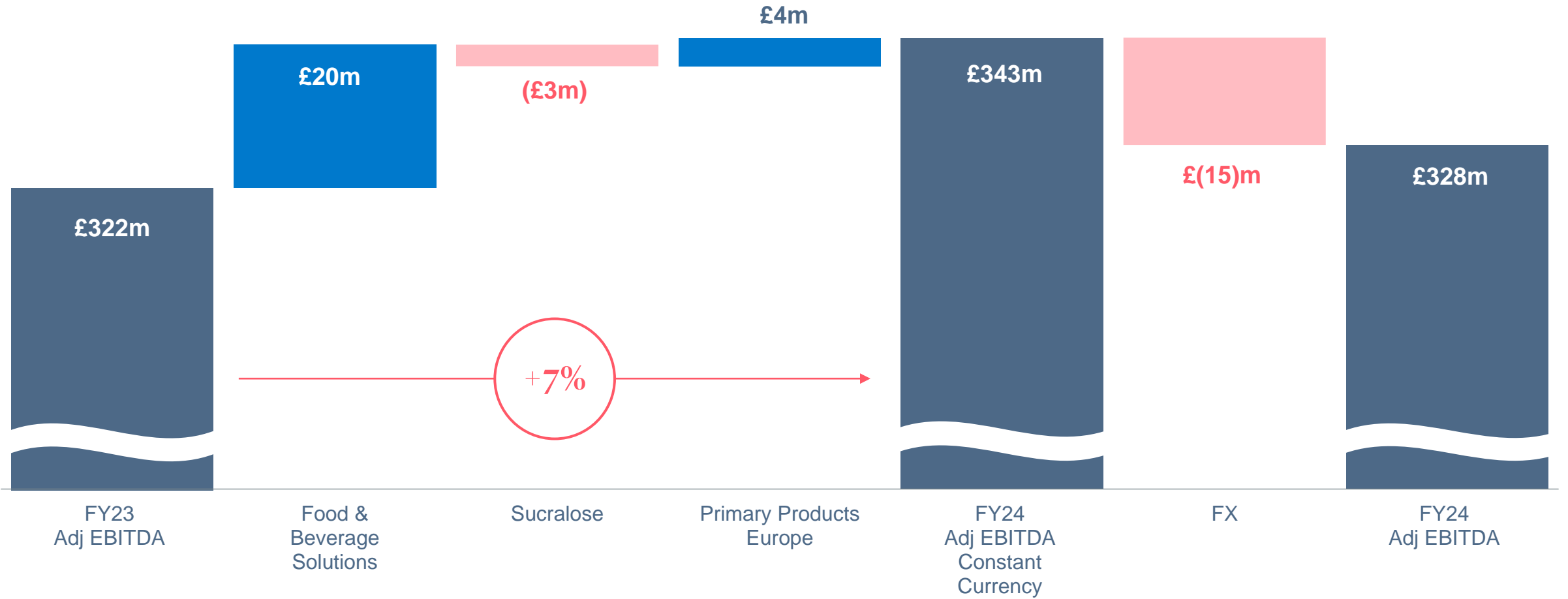
Revenue (12)%	
Volume	(15)%
Price mix	3%

- **Revenue (12)% lower at £114m**
  - Pricing stronger overall; sweetener pricing softer in H2
- **Lower volume, positive price mix**
  - Ongoing transition to speciality ingredients
  - Lower co-product volume
- **Adjusted EBITDA loss improved to £(5)m**
  - Lower input costs, especially corn



Year ended 31 March 2024

# EBITDA performance





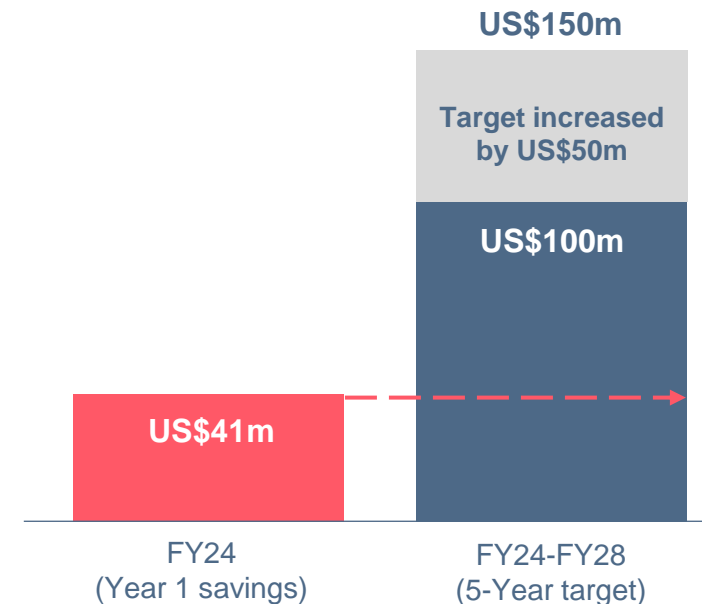
Year ended 31 March 2024

# Productivity savings

## Strong culture of productivity

- **Delivered productivity savings of US\$41m**
  - 70% from operational and supply chain efficiencies
  - 30% from strong cost management and SG&A savings
- **Key drivers include**
  - Manufacturing excellence programme
  - Leveraging digital to enhance end-to-end customer experience, and drive improvements in our core processes
- **Increasing 5-year target to 31 March 2028 by 50%**
  - From US\$100m to US\$150m productivity savings

Progress on 5-year productivity target to 31 March 2028



# Taxation and Exceptional items

## Adjusted effective tax rate

**21.6%**

- **170bps higher** than prior year
  - Increase in the headline UK corporation tax rate
  - More profit taxed in higher rate jurisdictions
- Effective tax rate for fiscal 2025 expected to be in line with the rate for fiscal 2024

## Pre-tax exceptional charges

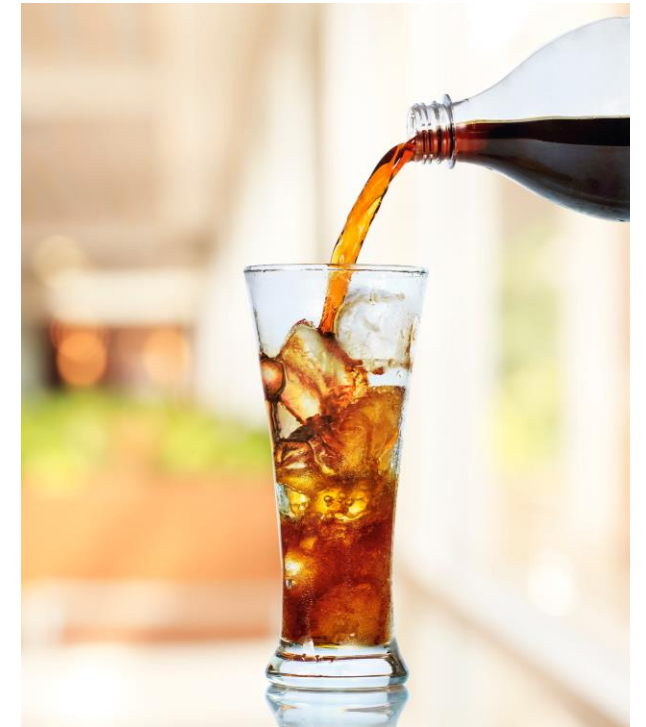
**£(24)m**

- **£(21)m** restructuring costs to drive organisational improvements and productivity benefits
- Cash impact from exceptional items of **£(27)m**

Year ended 31 March 2024

# Minority holding in Primient joint venture

- **Share of adjusted profit 53%<sup>1</sup> higher at £35m**
  - Strong customer contracting in 2023 and 2024, robust sweetener demand and improved operational performance
  - Partially offset by higher finance charges
- **Received US\$74m cash dividends from Primient in the year**



Year ended 31 March 2024

# Excellent free cash flow performance

Adjusted free cash flow<sup>1</sup>

**+£49m**

£170m

Free cash conversion<sup>2</sup>

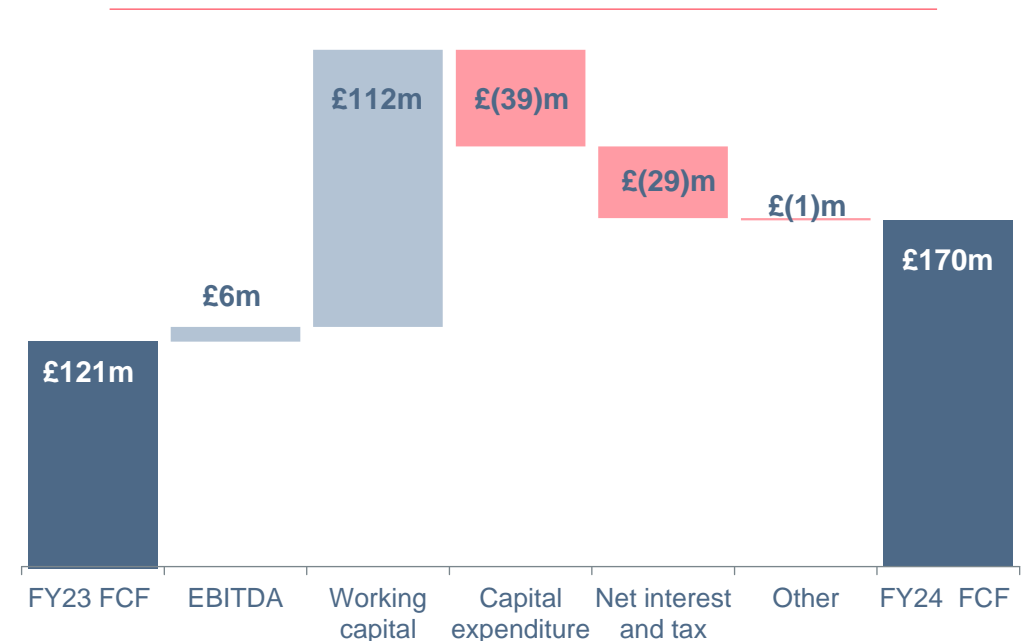
**85%**

+23ppts

- **Working capital £112m lower**
  - Disciplined inventory management
  - Improved demand planning
- **Capital expenditure £39m higher at £110m**
  - €25m new fibre capacity at facility in Slovakia
  - Expected to be £100m to £120m in fiscal 2025

Adjusted free cash flow

FY24 vs FY23<sup>3</sup>



1. See descriptions of adjusted results in full-year results for year ended 31 March 2024 on the Company's website

22 \ 2. Free cash conversion (FCF) calculated as: Free cash flow before CAPEX / EBITDA

3. FY is year ended 31 March

# Net debt and Full-year dividend

## Net debt

**£153m**

- Net debt **down £85m** from 31 March 2023
- **Flexibility** to invest in **growth**
  - 0.5x net debt to EBITDA ratio
- US\$120m **debt repaid** since 31 March 2023
- US\$800m Revolving Credit Facility **extended** to 2029

## Full-Year dividend

**19.1p per share**

- Recommending final dividend of **12.9p**
- Full-year dividend of 19.1p, **3.2% increase**
- **Progressive** dividend policy



# Consistent approach to 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

Year ended 31 March 2024

# Robust financial performance

- Profit **growth** in line with guidance despite challenging environment
- **Quality** of financial performance improved:
  - Adjusted EBITDA **margin of 21%** for Food & Beverage Solutions
  - **Accelerated** productivity savings with target increased by 50% to US\$150m
  - Step change in cash generation, **ahead** of our long-term target
- Applying our capital allocation framework to drive **value accretive growth**

Year ended 31 March 2024

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Year ended 31 March 2024

# Strategic progress

1



**Transformation  
into focused speciality  
business complete**

2



**Solutions-based  
business with  
customers accelerating**

3



**Investing in technology,  
innovation and capacity  
for long-term growth**

Year ended 31 March 2024

# Transformation complete

TATE & LYLE

## Our purpose

Transforming lives through the **science of food**

## Our business

Growth-focused **speciality** food and beverage solutions business

## Our platforms

Global leader in **sweetening, mouthfeel** and **fortification**

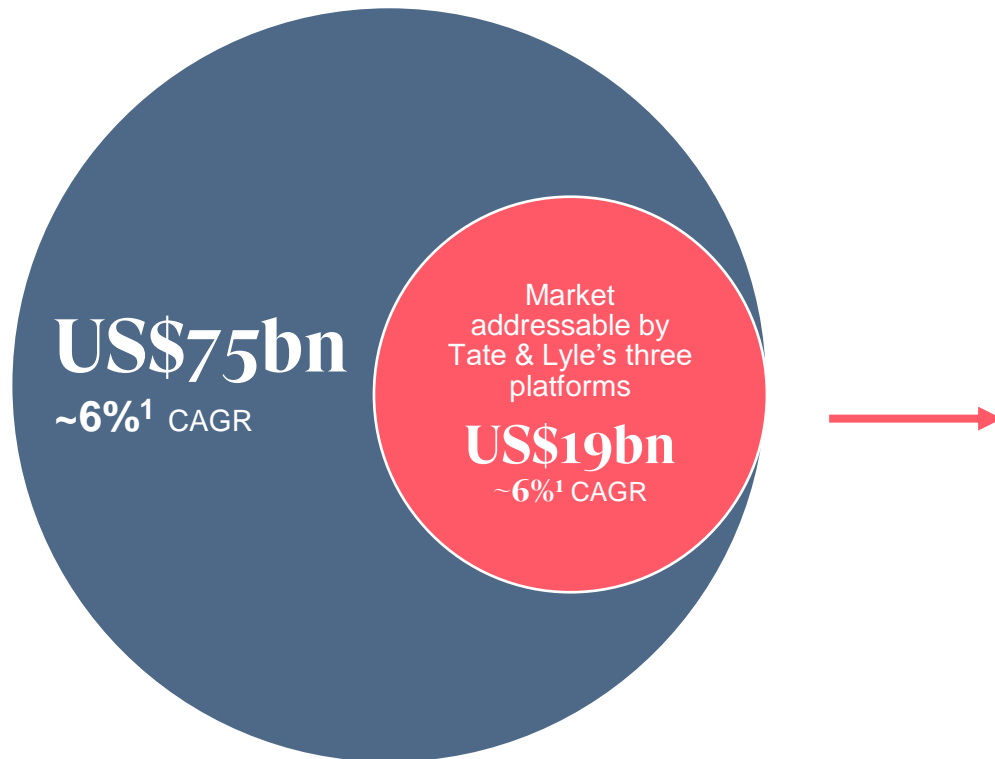




Year ended 31 March 2024

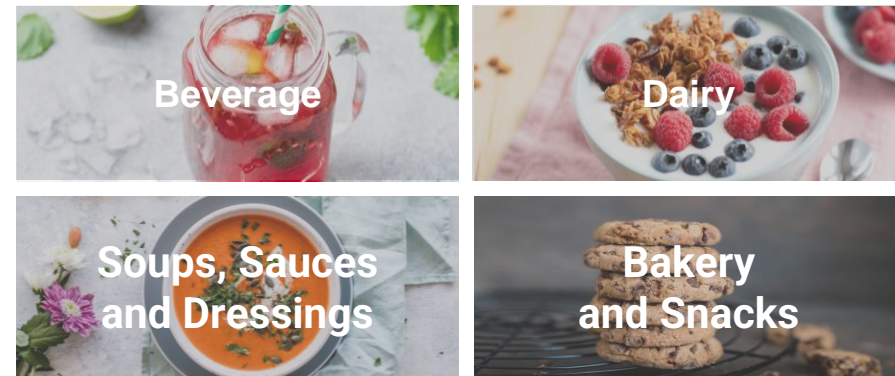
# Large and attractive addressable market

## Global speciality food ingredient market



Tate & Lyle's four core categories represent

**70% (US\$13bn)**  
of US\$19bn addressable market<sup>1</sup>



Other 30% in categories such as confectionery and infant nutrition where Tate & Lyle has regional expertise

Year ended 31 March 2024

# Portfolio directly aligned to consumer trends

## Consumer preference



**Healthy**



**Tasty**



**Convenient**



**Sustainable**



**Affordable**

## Solutions required

- Sugar and calorie reduction
- Nutrition improvement
- Label improvement
- Cost optimisation

- Enhance texture
- Mouthfeel experience
- Clean label
- Stability
- Cost optimisation

- Increase nutrition from fibres and protein
- Add health benefits
- Sugar reduction

## Delivered by our portfolio



Year ended 31 March 2024

# Clear strategic focus

## Strategic focus

A leading and differentiated speciality food and beverage solutions business

## Platform focus

Sweetening

Mouthfeel

Fortification

## Category focus

Beverage

Dairy

Soups, Sauces  
and Dressings

Bakery  
and Snacks

Year ended 31 March 2024

# Three-year performance ahead of 5-Year ambition

2021-24  
Revenue CAGR<sup>1</sup>

**11%**

Tate & Lyle Group

5-Year ambition to FY28<sup>2</sup>: 4-6%

2021-24  
Adjusted EBITDA CAGR<sup>1</sup>

**10%**

5-Year ambition to FY28<sup>2</sup>: 7-9%

**12%**

Food & Beverage Solutions

**10%**

Year ended 31 March 2024

# Innovation growth

9

**New Products**  
launched from the  
innovation pipeline

13%

Increase in revenue  
from **New Products**  
on a like-for-like basis<sup>1</sup>

44%

Of new business  
pipeline involved  
**New Products**



33 \ 1. Like-for-like basis is when no products are removed from disclosure due to age

Year ended 31 March 2024

# Solutions business wins increasing

# 21%

Revenue from new  
**business wins**  
from solutions

- Solutions new business wins up 3ppts
- Strong solutions performance in Asia, Middle East, Africa and Latin America
- Solutions chassis development continuing
- Stronger solutions-based customer relationships





Year ended 31 March 2024

# Customer collaboration

## Customer challenge

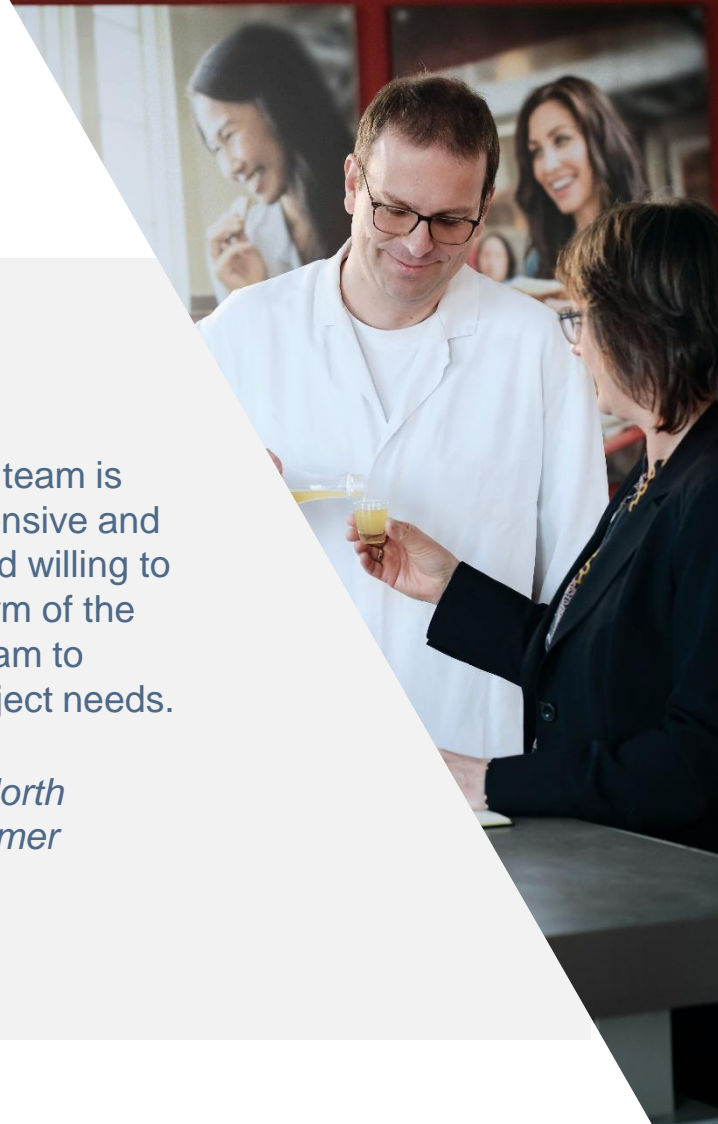
- Reduce sugar and fat
- Preserve iconic texture and taste
- No change to production process

## Our solution

- 30% less sugar
- 30% less fat
- 50% added fibre



# Customer experience strengthening



>90%

of customers globally believe Tate & Lyle provide a better, or as good as, service as other ingredient suppliers<sup>1</sup>



- **Technical support**

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- **Product quality**

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- **Proactivity and responsiveness**

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- **Reliable and consistent delivery**



The Tate & Lyle team is extremely responsive and collaborative and willing to jump in as an arm of the development team to support any project needs.

*R&D Lead for North American customer*

# Investing for long-term growth

## Technology

New automated lab in Singapore providing enhanced mouthfeel solutions for customers



## Innovation

New Customer Innovation and Collaboration Centre opened in Jakarta, Indonesia



## Capacity

New capacity online for Non-GMO PROMITOR® Soluble Fibres at Boleraz, Slovakia



# Focused on delivering our growth-focused strategy

Speciality transformation complete; significant growth opportunities

## Organic growth



- Customer solutions
- New Products
- New capacity
- Stronger capabilities

## Inorganic growth



- Acquisitions
- Joint ventures
- Partnerships
- Open innovation

Deliver on our 5-Year ambition to 31 March 2028





**Year ending 31 March 2025**

**Context**

**Volume**

- 2024 customer contracts
- Customer de-stocking ended
- Consumer confidence improving



Good volume growth in fiscal 2025, accelerating as year progresses

**Revenue**

- Period of input cost inflation
- Now seeing input cost deflation
- Lower revenue in H2 fiscal 2024



Lower revenue in H1 fiscal 2025



**Outlook**

- **We expect to deliver in constant currency:**
  - Revenue slightly lower than prior year
  - EBITDA growth of between 4% and 7%
- We will no longer consolidate Primient's profits after completion of its sale



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Year ended 31 March 2024

# Summary

- Strong **financial** performance in challenging external environment
- Transformation to **speciality** business complete
- Intention to start share **buyback** programme
- **Solutions** strategy working well
- Leading in **sustainability**
- Well-positioned at the centre of **future** of food

Science \ Solutions \ Society







# Q&A