



**RESULTS FOR THE SIX MONTHS  
TO 30 SEPTEMBER 2016**



# Cautionary Statement

This presentation of Half Year Results for the six months to 30 September 2016 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.

# Agenda

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Overview

Javed Ahmed

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Financial Review and Outlook

Nick Hampton

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Business Update

Javed Ahmed

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# Overview of Performance

## Commercial

- Speciality Food Ingredients performed well
- New Products continued positive trajectory
- Particularly good Bulk Ingredients performance

## Operational

- Consistent performance across global plant network
- Further embedding global supply and demand planning processes
- Continuing to strengthen customer service and engagement

## Financial

- Good cash management
- Strong balance sheet
- Interim dividend maintained, continue to build cover

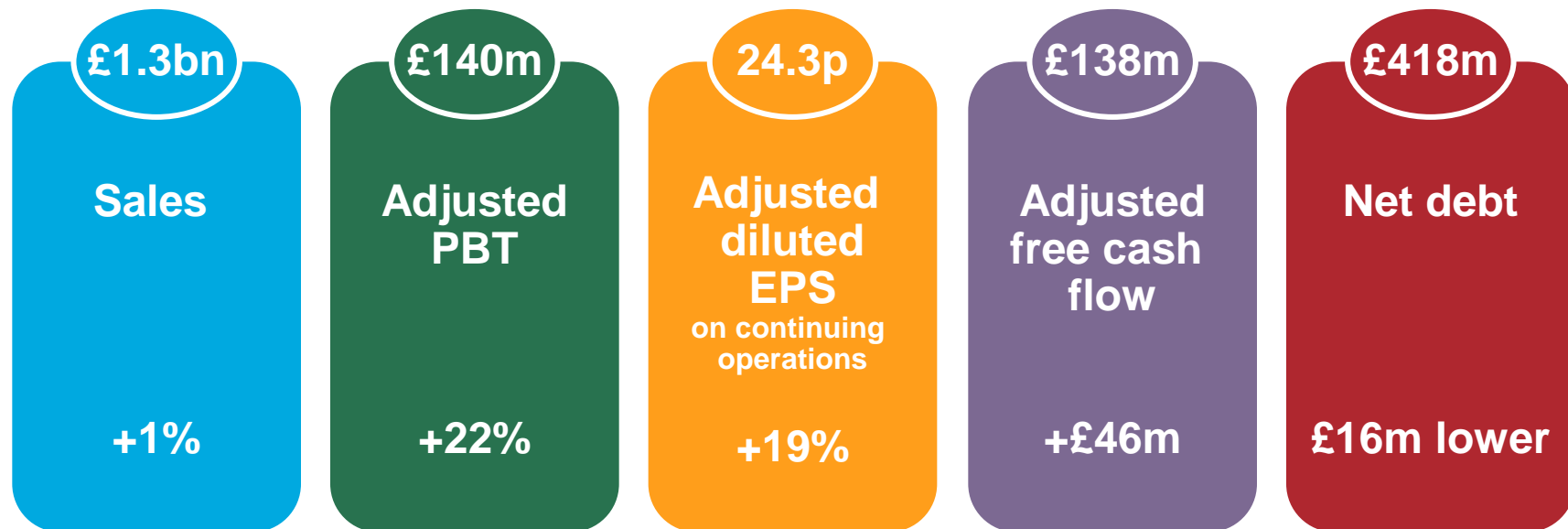
**Good profit growth in both divisions drives strong first half**



**FINANCIAL REVIEW  
AND OUTLOOK**

Nick Hampton, Chief Financial Officer

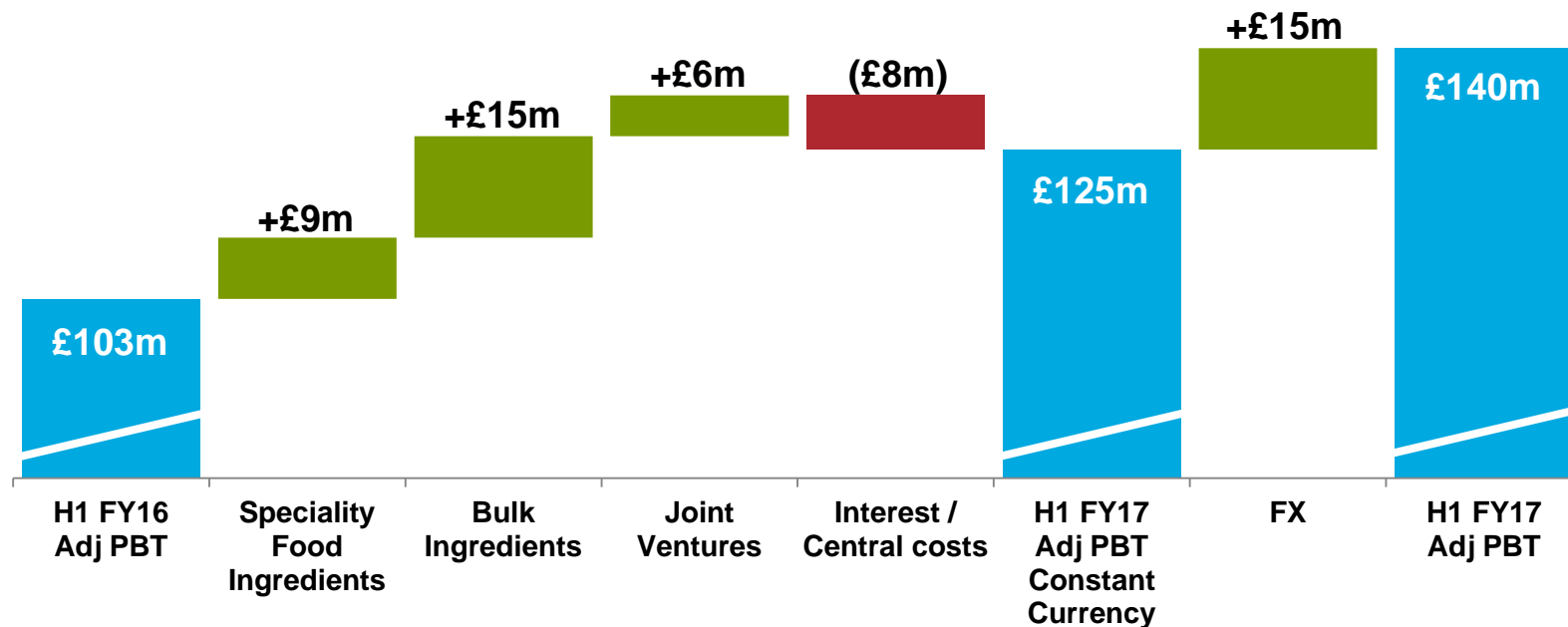
# Financial Highlights – Six months to 30 September 2016



Adjusted results and a number of other terms and performance measures used in this presentation are not defined within accounting standards. See descriptions of restatements and, where relevant, ratio calculations in Notes 2 and 9, on pages 24, 35 and 36 of the Statement of Half Year Results for the six months to 30 September 2016 available on the Company's website. Percentage changes are in constant currency.

# Adjusted Profit Before Tax Analysis

## Six months to 30 September 2016



See descriptions of adjusted results in Notes 2 and 9 on pages 24, 35 and 36 of the Statement of Half Year Results for the six months to 30 September 2016 available on the Company's website

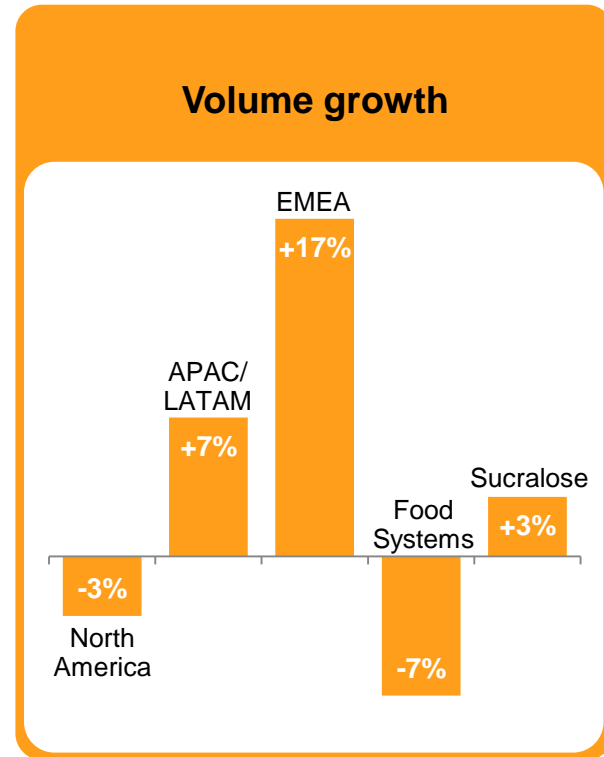


# Speciality Food Ingredients

## Six months to 30 September 2016

	2016	Change
Sales	£487m	+£41m
Adjusted operating profit	£94m	+12%*
Adjusted operating margin	19.3%	+230bps

- Good profit growth in core business
- Challenging half for Food Systems
- SLENDA® Sucralose performance better than expected
- New Products sales +18%; growth expected to further accelerate in H2



See descriptions of adjusted results in Notes 2 and 9 on pages 24, 35 and 36 of the Statement of Half Year Results for the six months to 30 September 2016 available on the Company's website

\* Percentage changes in constant currency



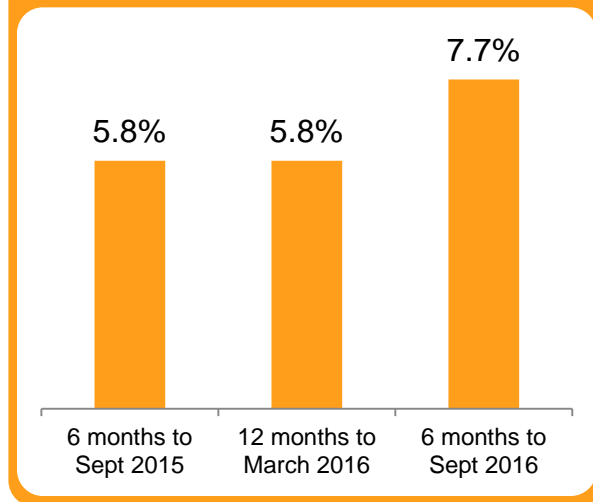
# Bulk Ingredients

## Six months to 30 September 2016

	2016	Change
Volume		+2%
Adjusted operating profit – Core	£67m	+37%*
Adjusted operating profit – Commodities	(£3m)	(£1m)
Adjusted operating margin	7.7%	+190bps

- Strong US beverage season supports sweetener demand
- 2% volume growth in industrial starch
- Improved margin performance supported by low input costs
- Commodities still challenging, albeit relatively stable

### Adjusted operating margin



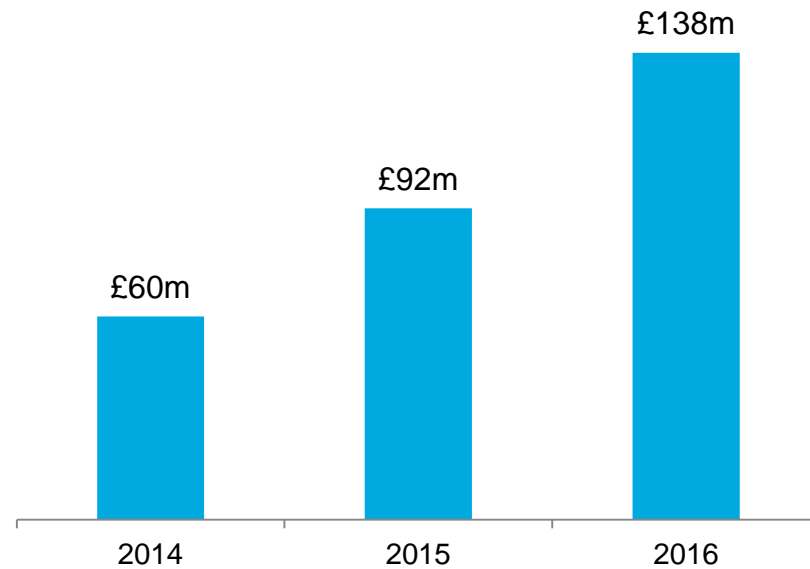
See descriptions of adjusted results in Notes 2 and 9 on pages 24, 35 and 36 of the Statement of Half Year Results for the six months to 30 September 2016 available on the Company's website

\* Percentage changes in constant currency

# Cash Flow

- Earnings growth
- Working capital management
- Foreign currency translation benefit
- Improving cash dividend cover
- Net debt reduced to £418m
- Full year capital expenditure around £150m

## Adjusted free cash flow (H1 inflows) For the 6 months to 30 September



See descriptions of adjusted results in Notes 2 and 9 on pages 24, 35 and 36 of the Statement of Half Year Results for the six months to 30 September 2016 available on the Company's website

## First half adjusted effective tax rate (ETR) 18.3%

- Full year adjusted ETR guidance unchanged at around 18%
- UK legislation changes
  - Change in internal financing structure
  - £26m exceptional deferred tax credit recognised
  - Reported effective tax rate 0.9% credit
- Forecast
  - Financial year 2018 adjusted ETR slightly above 20%
  - Beyond 2018 adjusted ETR driven by evolving legislation
- Cash tax and accounting tax rates expected to align over time

# Summary and outlook

- Strong H1 performance across both divisions
  - Strong profit growth and margin progression
  - Solid US bulk sweetener demand
  - Benefit from one-off sell-down of excess sucralose inventory
- H2 performance anticipated in line with our expectations
  - US food & beverage demand remains sluggish
  - US corn wet milling industry dynamics well-balanced
  - Benign input cost environment

## Full Year Outlook

We expect adjusted profit before tax in constant currency for the full year to be higher than we anticipated coming into the year driven by the strong first half performance, with performance in the second half remaining in line with our expectations



# BUSINESS UPDATE

Javed Ahmed, Chief Executive



# Bulk Ingredients

## Relatively stable industry dynamics



- US corn wet milling industry dynamics well-balanced
- Relatively steady corn prices after another good crop
- Commodities environment still challenging, albeit relatively stable



← Drivers of performance →

## Building a stronger business

- Modified operating model providing greater focus
- Deeper customer engagement and enhanced service offering
- Operational excellence and cost control



**Continuing to actively position core Bulk Ingredients to deliver steadier earnings**

# Speciality Food Ingredients

- Encouraging performance
- Continuing to invest for long term growth
- Sucralose progressing well
- Food Systems changes in Europe and China
- Core business performing well



## Infrastructure

- Expanding Applications laboratory in Singapore



## Growth capacity

- Additional oat ingredients capacity on line
- Fibres capacity being expanded in North America and China



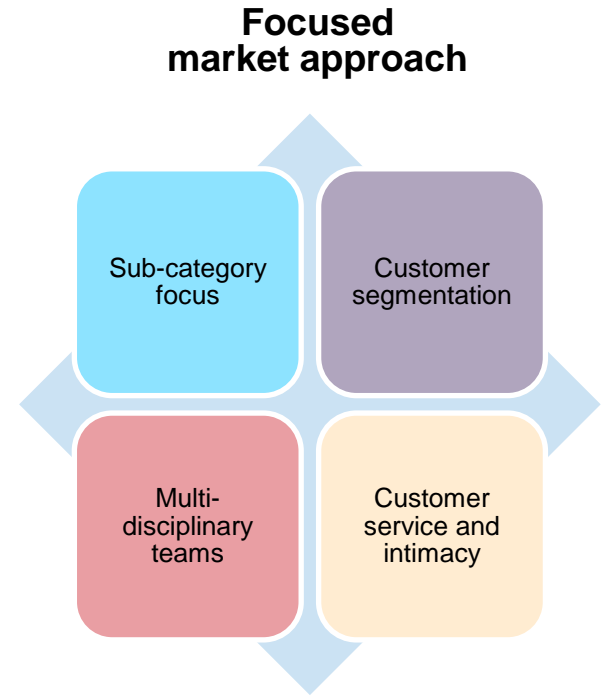
## Capabilities

- Applications and Technical Services resources increased 20% in Latin America and Asia Pacific in last 12 months



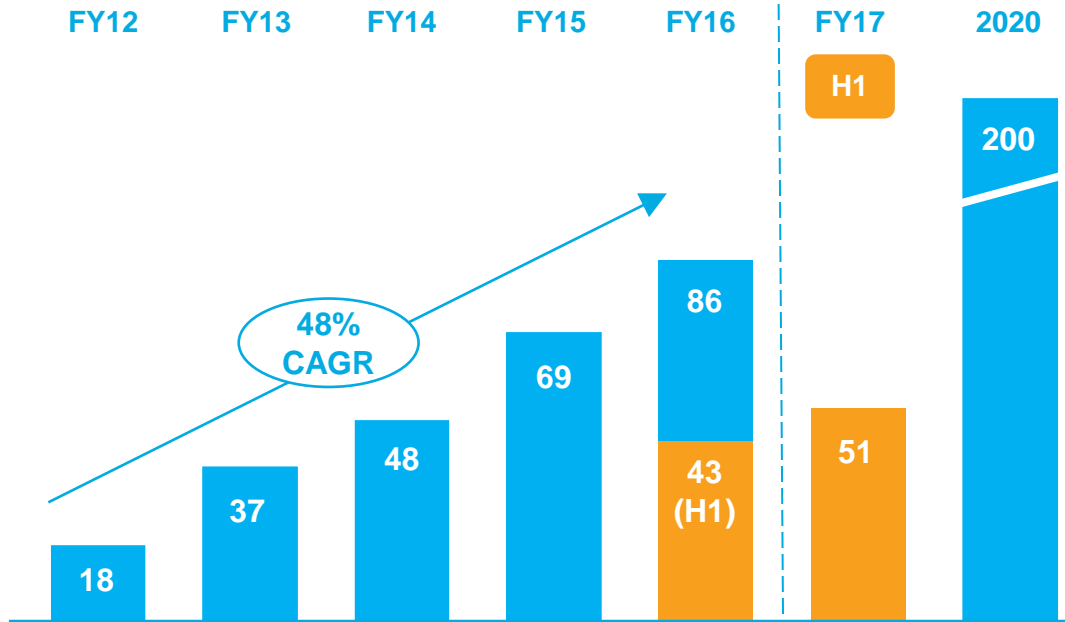
# Speciality Food Ingredients: North America

- Overall North American Food & Beverage market remains sluggish (0.3% growth)<sup>1</sup>
- Volume in H1 3% lower
- Softer demand from some larger customers
- Continuing to win new business in higher growth sub-categories
- Focused market approach expected to result in steady progress over time



# New Products continued good trajectory

Sales (US \$m)



- Growth across all three platforms
- Continuing to expand product families
  - CLARIA® Delight
  - MULTIVANTAGE® Syrup
- First consumer product in market containing DOLCIA PRIMA® Allulose
- New Products growth expected to further accelerate in H2

New Products are products in the first seven years after launch. Figures are denominated in US dollar.  
FY = Financial year ended 31 March

# Summary

- Strong first half performance
- Both business divisions performing well
- New Products continue good growth trajectory
- Continuing focus on operational discipline
- Strong cash management
- Key executional priorities unchanged
- Continued progress against medium term ambition





**QUESTIONS**

