



TATE & LYLE

**CAPITAL MARKETS DAY**  
**12 September 2018**

# Cautionary Statement

This presentation for the Capital Markets event on 12 and 13 September 2018 has been prepared solely to provide information to assess the Group's strategy and should not be relied upon for any other purpose.

It 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.

With regard to the regulatory or labelling status of any ingredient referred to, this presentation contains our good-faith assessment of the matters discussed, based on information available as at the publication date; legal, regulatory and labelling policies and requirements are subject to change and vary in different jurisdictions; recipients of this information should take their own advice in each relevant jurisdiction with regard to the legal and regulatory aspects of our food ingredients.

A broader outline of the risk factors relevant to Tate & Lyle's business and a glossary of some of the terms used in this presentation can be found within our 2018 Annual Report which is available on our website.



## OVERVIEW

Nick Hampton, Chief Executive



**SHARPEN**

**ACCELERATE**

**SIMPLIFY**

# Today...

8.00 am



## Overview

**Nick Hampton**  
Chief Executive

## Sharpening Customer Focus



**Jim Stutelberg**  
President, Primary Products



**Joan Braca**  
President, Food & Beverage Solutions

## Accelerating Portfolio Development



**Andrew Taylor**  
President, Innovation and Commercial Development

10.45 am

Questions and Answers

11.30 am



## Delivering Customer Solutions

Interactive sessions (x2)  
Lunch inspired by Tate & Lyle solutions  
Interactive sessions (x2)

3.00 pm

## Driving Productivity and Financials



**Melissa Law**  
President, Global Operations



**Imran Nawaz**  
Chief Financial Officer

3.45 pm

Questions and Answers

# Long-term evolution of Tate & Lyle

Sugar Refining



1859

1921

Tate and Lyle businesses merge

Commodity Processing



1988

Acquisition of US corn wet milling business

Adding Value



2010

Sold EU sugar refining business

SOLUTIONS PROVIDER



2015

Re-aligned European Eaststarch business

2018

# Significant transformation over last three years

## Reset Business

2015 – 2017

Portfolio

Strategy

Operating  
capability

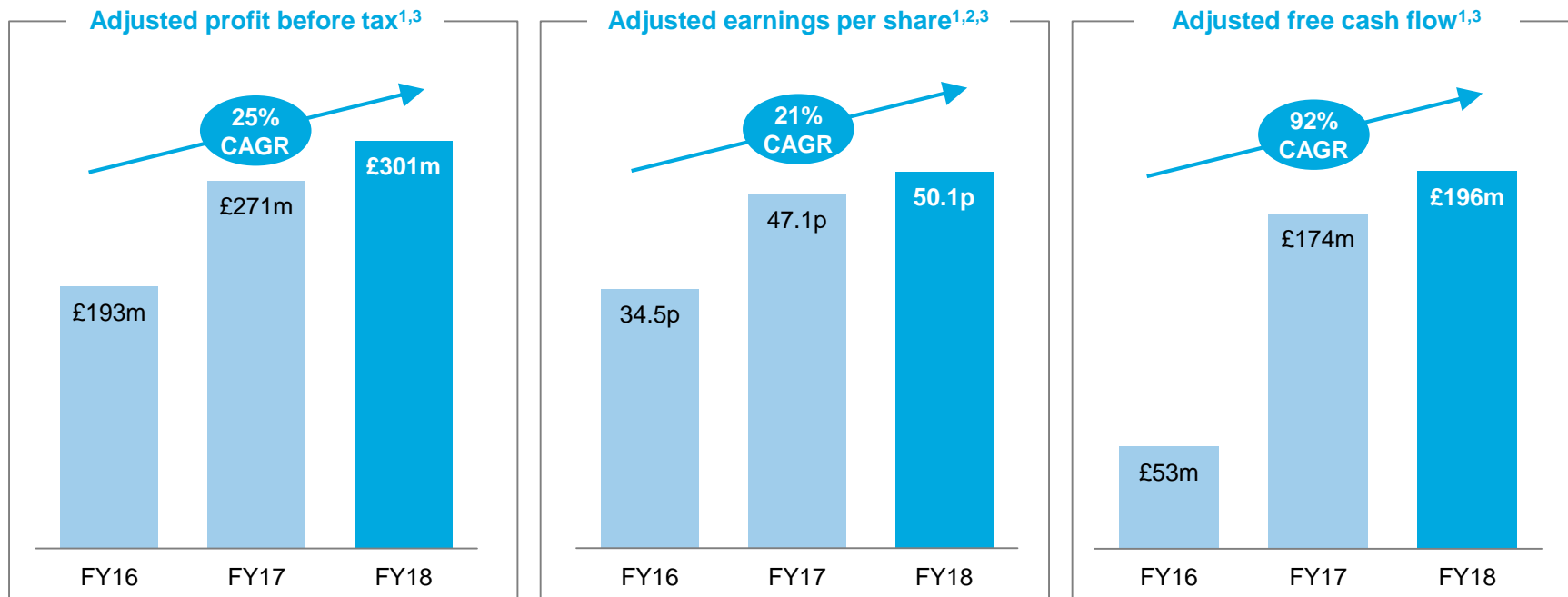
Organisation

## Strategy Execution

2018 onwards

- Three key priorities
  - Sharpen customer focus
  - Accelerate portfolio development
  - Simplify and drive productivity
- Purpose-driven organisation
- Embed dynamic culture

# Strong performance delivered over last three years



1 Adjusted results and a number of other terms and performance measures used in these presentations are not defined within accounting standards.

See descriptions of these items and, where relevant, ratio calculations in the Annual Report 2018 available on the Company's website.

2 Adjusted diluted earnings per share from continuing operations.

3 FY represents financial years ended 31 March. CAGR at reported currency.



# Today – An integrated business

## Two important divisions



**Managed together to optimise overall return**

- Shared assets
- Common customers

# Strong value propositions

## FOOD & BEVERAGE SOLUTIONS

### Value proposition

- Growing, global market
- Provide solutions:
  - Lower sugar, calories and fat
  - Add fibre
  - Clean label
- Category expertise
- Innovation
- Local labs for local tastes

### Shared assets



### Shared customers

## PRIMARY PRODUCTS

### Value proposition

- Stable North American market
- Strong positions:
  - Sweeteners
  - Industrial starches
- Scale, cost competitive assets
- Trusted supplier

# Well-balanced business

## Investment case

Primary Products	Food & Beverage Solutions	Sucralose
Manage for stable earnings; cash generation	Growth driver; top and bottom line growth	Manage for cash; high return on assets
EARNINGS PER SHARE <sup>1</sup> – Accelerate growth		
ORGANIC RETURN ON CAPITAL EMPLOYED <sup>2</sup> – Improve returns		
DIVIDEND – Maintain progressive dividend policy		

1 Adjusted diluted earnings per share from continuing operations in constant currency

2 In constant currency

## Three Clear Priorities

**SHARPEN**

**ACCELERATE**

**SIMPLIFY**

# Driving business performance

## SHARPEN

- Product to Category
- Global to 'Glocal'
- Integrated commercial organisation

## ACCELERATE

- New Product commercialisation
- Partnerships and Open Innovation
- More active focus on acquisitions

## SIMPLIFY

- Simplify organisation
- Integrated productivity agenda

Purpose-driven organisation | New leadership team | Dynamic culture

# Purpose-driven organisation

Improving lives for generations

Grow  
business



Positive  
impact  
on society



Our solutions improve the **texture and functionality** of food and drink worldwide

Sucralose has taken **>85 trillion calories** out of diets globally in last 26 years



Delivering **nutrition and taste** to products consumed by millions of people every day

# New, diverse leadership team



**Nick Hampton**  
Chief Executive



**Imran Nawaz**  
Chief Financial Officer



**Joan Braca**  
President,  
Food & Beverage Solutions



**Jim Stutelberg**  
President,  
Primary Products



**Melissa Law**  
President,  
Global Operations



**Andrew Taylor**  
President, Innovation and  
Commercial Development



**Laura Hagan**<sup>1</sup>  
Chief Human  
Resources Officer



**Rowan Adams**  
Executive Vice President  
Corporate Affairs



**Lindsay Beardsell**<sup>2</sup>  
Executive Vice President  
General Counsel

Driving pace, energy and ambition across the organisation

<sup>1</sup> From 24 September 2018  
<sup>2</sup> From 17 September 2018

# Refreshed talent profile over last 2 years



1 Includes internal promotions and new hires

2 Includes Latin America, Asia Pacific and Middle East and Africa

3 Data is from 1 September 2016 to 31 August 2018



# Building dynamic culture

## Behaviours



**PARTNERSHIP**



**AGILITY**

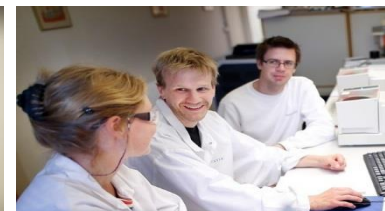


**EXECUTION**

## Values



**SAFETY, INTEGRITY, RESPECT**



# Summary

- Integrated business managed to optimise overall return
- Two important divisions with strong value propositions
- Three programmes underway to realise growth potential
- New leadership team, capabilities and culture
- As programmes gather momentum, we expect
  - Growth in earnings per share<sup>1</sup> to accelerate
  - Organic return on capital employed<sup>2</sup> to improve
  - Strong cash generation to support progressive dividend policy



SHARPEN

ACCELERATE

SIMPLIFY

<sup>1</sup> Adjusted diluted earnings per share from continuing operations in constant currency

<sup>2</sup> In constant currency



# PRIMARY PRODUCTS

Jim Stutelberg, President

# Agenda



Business

Priorities

# Primary Products

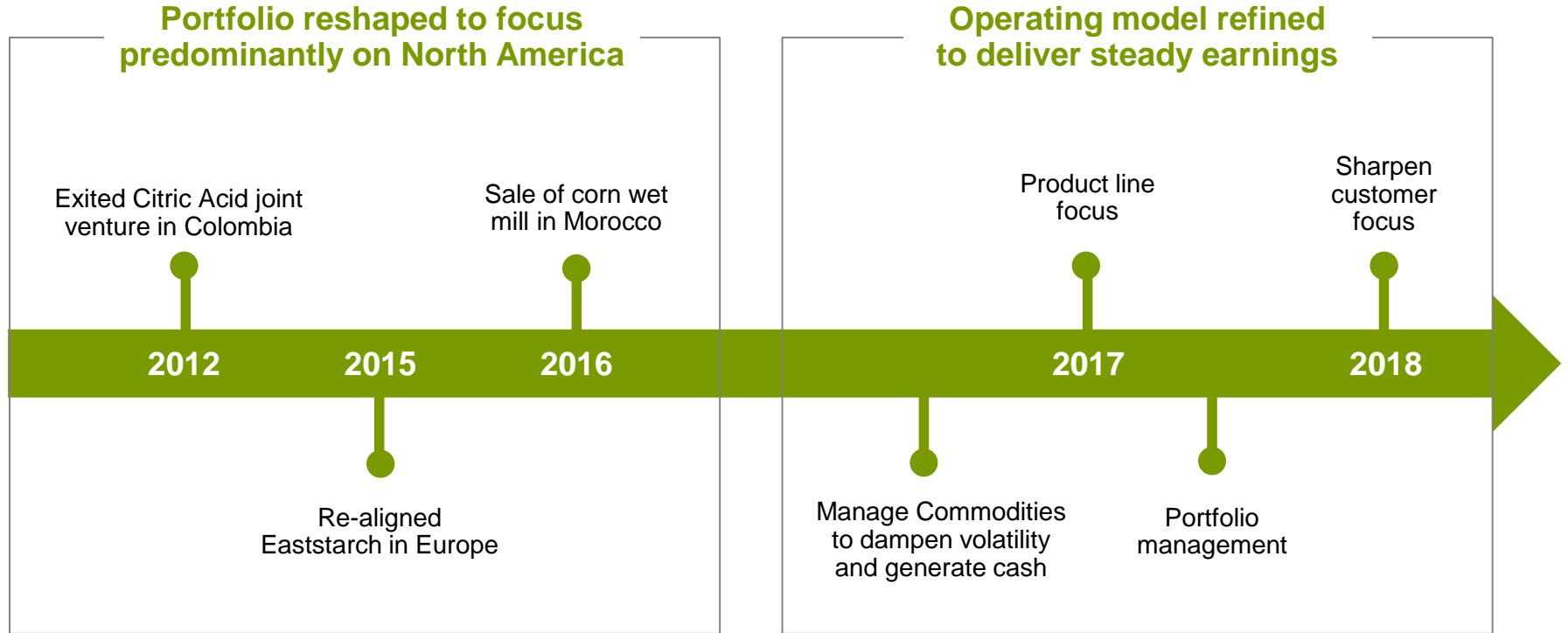
## PRIORITY



Steady earnings  
and  
cash generation

- Focused predominantly on North America
- Serves large, relatively stable markets with high barriers to entry
- Strong market positions underpinned by long-standing customer relationships
- Cost competitive asset base
- Strong business with good return on capital and cash generation

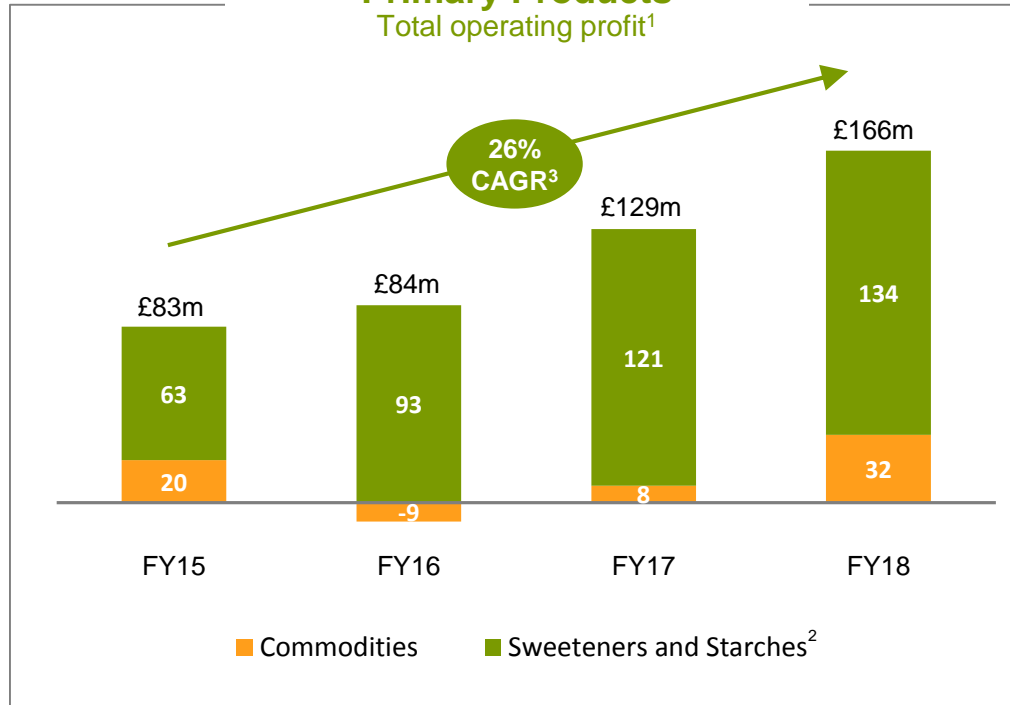
# Significant reshaping over the last six years



# Delivered strong earnings growth

## Primary Products

Total operating profit<sup>1</sup>



## Performance drivers

- **Good industry dynamics**
  - US corn wet milling industry well-balanced
  - Lower US corn and input prices
  - Favourable commodities market
- **Actions to drive performance**
  - Sharpen customer focus
  - Product line focus
  - Portfolio management
  - Strong commercial execution
  - Investment in operational efficiencies

<sup>1</sup> Years ended 31 March

<sup>2</sup> Includes Acidulants

<sup>3</sup> CAGR at reported currency

# Primary Products

## Sweeteners



HFCS 55  
HFCS 42  
Corn Syrup  
Dextrose

## Industrial starches



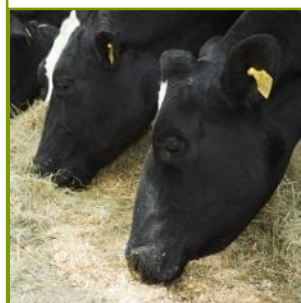
Ethylex™  
Pearl Starch  
Cationics  
Dextrins

## Acidulants



Citric Acid  
Malic Acid  
Fumaric Acid

## Commodities



Corn Gluten Feed  
Corn Gluten Meal  
Corn Oil  
Ethanol

## Joint ventures



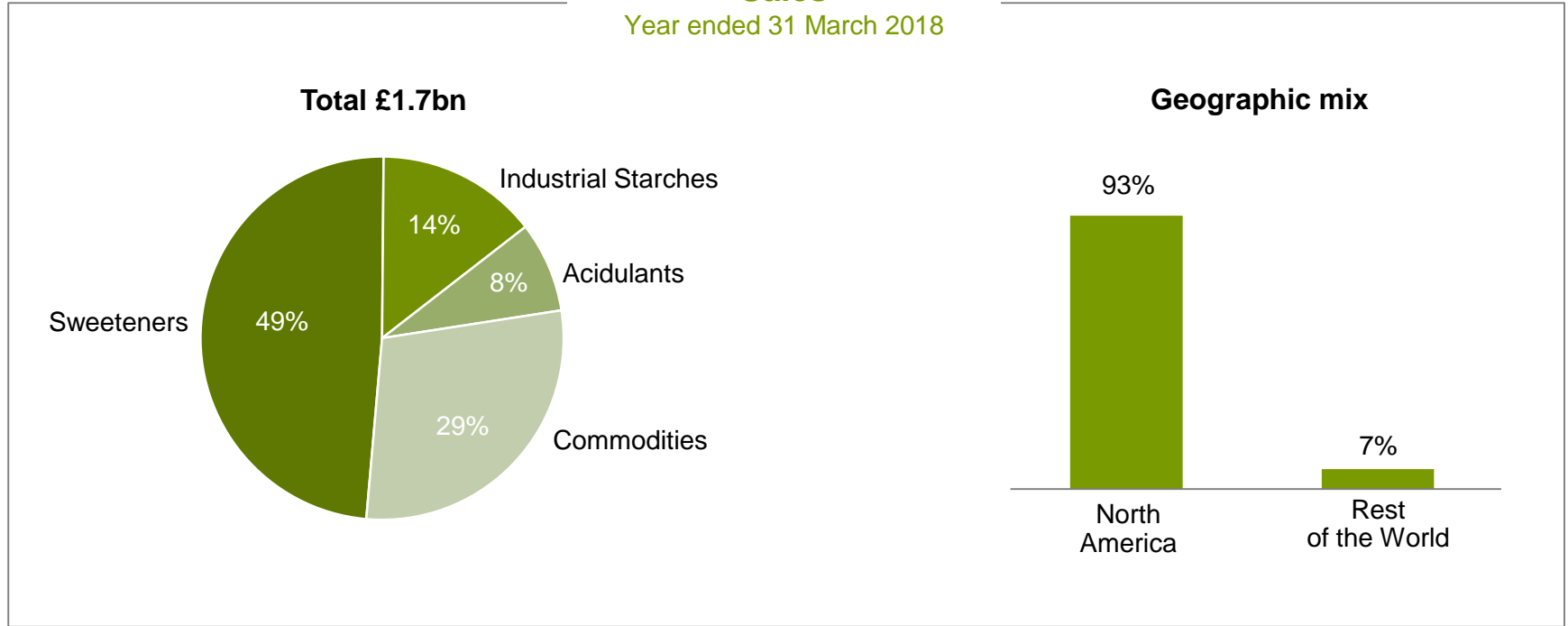
DuPont Tate &  
Lyle Bio-Products  
Almex



# Primary Products

## Sales

Year ended 31 March 2018



Note: Excluding joint ventures

# Sweetener market remains stable

## Sweetener growth/decline

US corn wet milling industry (2014-17)

**Growth**



Corn Syrup  
HFCS exports

**Flat**

**Decline**



HFCS 55 (US)  
HFCS 42 (US)



**Overall demand is stable**

## Market Dynamics

- Supply/demand environment remains balanced
- Decline in US demand for HFCS offset by exports to Mexico and demand for corn syrup in US
- NAFTA negotiations ongoing with agreement in principle announced between US and Mexico

# Industrial starch market remains stable

## Industrial starch growth/decline

US corn wet milling industry (2014-17)

**Growth**



Packaging  
Tissue

**Flat**

**Decline**



Newsprint  
Paper and writing



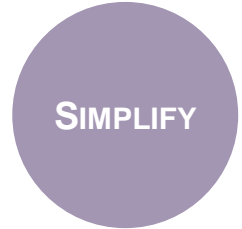
**Overall demand is stable**

## Market Dynamics

- In North America, c.80% of industrial starch used in paper industry
- Growth in packaging driven by home delivery from increase in online sales
- Competitive advantage driven by customer intimacy and technical expertise

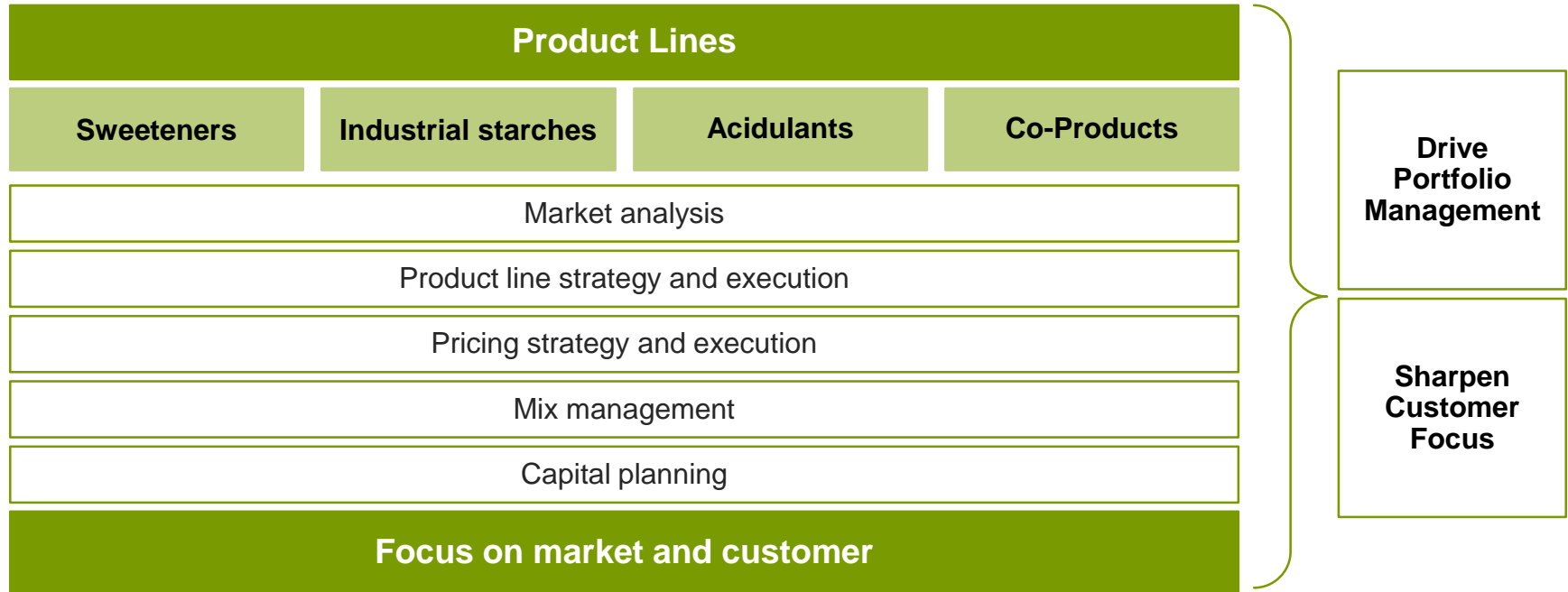
# Key Priorities

1. Product line focus
2. Portfolio management
3. Sharpen customer focus
4. Build organisation and culture



# Product Line Focus

Through new operating model



# Portfolio Management

Maximise margins through mix, efficiency and grind diversification

## Customer, product and category mix

- Optimise customer and product mix
- Margin expansion opportunities

## Operational efficiency

- Capital investment to drive cost efficiencies
- Commitment to continuous improvement

## Grind diversification

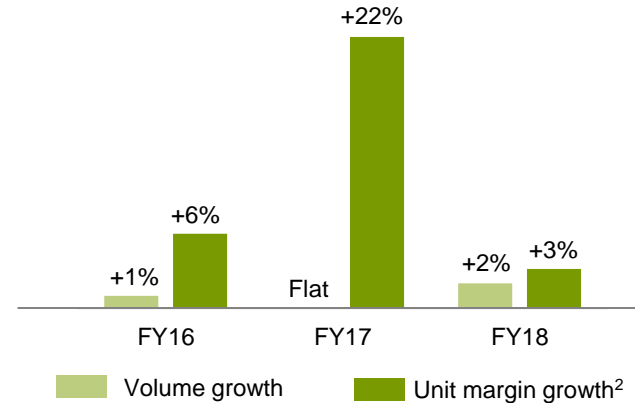
- Move grind from declining to growing product lines
- Target new and growing end-markets

<sup>1</sup> US sweetener and industrial starch only

<sup>2</sup> Unit contribution margin per bushel before fixed costs

## Growth<sup>1</sup> in volume and unit margin

Years ended 31 March



Growth driven by combination of good industry dynamics and actions to drive performance

# Portfolio Management

## Example: Industrial Starch Customer

### Delivering margin trade-ups through superior service

- Deep customer partnerships
- Solving customer problems
- Providing on site service
- Utilising technical resources



Unique  
mobile  
equipment



# Portfolio Management

## Example: Sweetener Customers

### Approach

- Target margin trade-up opportunities
- Target new and growing end-markets
- Grow volume share

### Outcome

- Margin expansion
- Moving mix from declining to growing markets
- Supports steady earnings





# Portfolio Management

## Grind diversification



### Overview

- Joint venture formed in 2004
- Uses plant-based feedstock (corn) instead of petroleum-based feedstocks to produce 1,3-propanediol (PDO)
- Broad range of applications

### Supports delivery of steady earnings

- Diversifies grind 'over the wall' to growing end-markets
- Delivers margin growth

Sales<sup>1</sup>  
**US\$129m**

Profit before tax<sup>1</sup>  
**US\$25m**

Volume  
**+8%**

2012–17<sup>2</sup> (CAGR)

Capacity expansion  
**+20%**

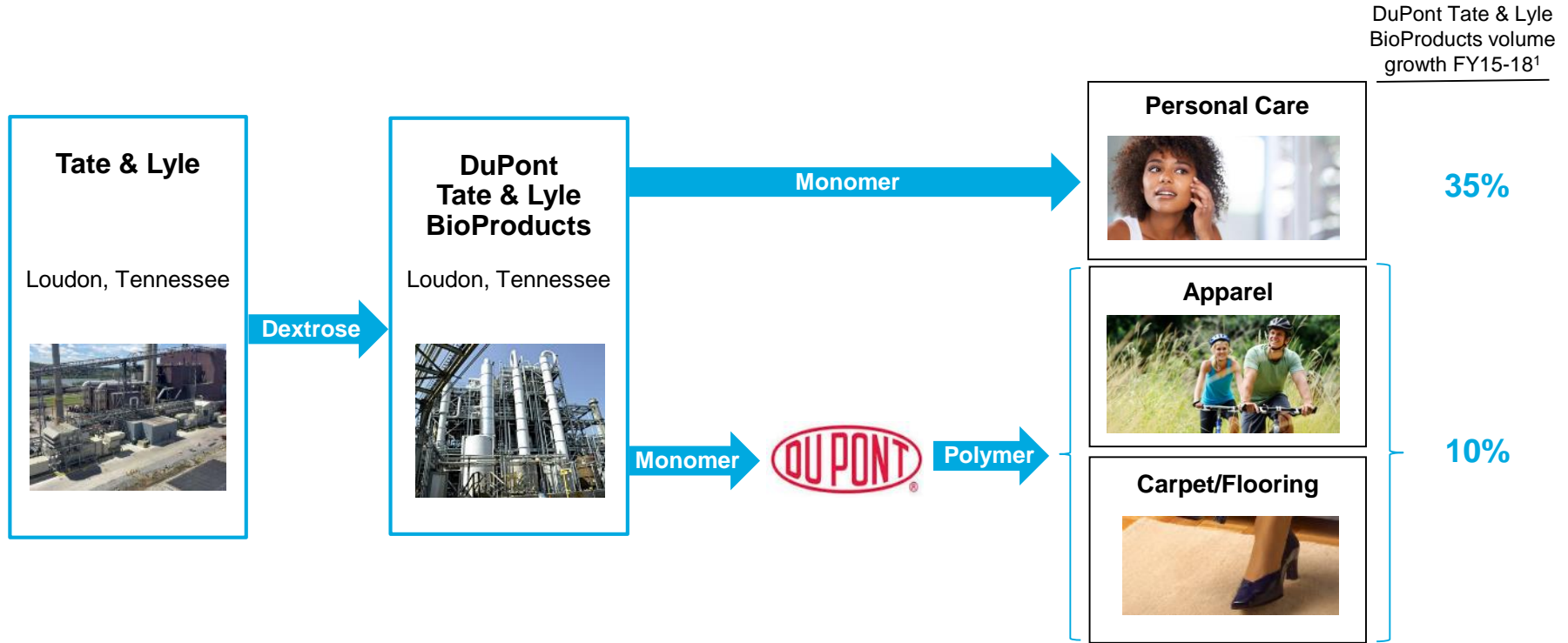
Complete mid-2019

<sup>1</sup> Year ended 31 March 2018; amounts represent values from joint venture financial statements, not Tate & Lyle's share

<sup>2</sup> Years ended 31 March

# Portfolio Management

## Grind diversification



# Organisation and Culture

## LEADERSHIP



## CAPABILITIES



## CULTURE



- Strengthened leadership team
  - Good balance of sector and industry experience with 150+ years food industry experience in team
- Refreshed division's overall talent profile
  - 25% of employees new to company in last 3 years
- Enhanced management and employee training programme
  - 400+ days of sales training in last 2 years
- Cultural shift to drive partnership, agility and execution
- Actively living our purpose through customer interactions and employee and community involvement

# Primary Products Summary

## Strong business

- Focused predominantly on North America
- Serves large, relatively stable markets with high barriers to entry
- Strong market positions underpinned by long-standing customer relationships
- Cost competitive asset base

## Managed for steady earnings

- Product line focus
- Portfolio management
  - Customer, product and category mix
  - Operational efficiency
  - Grind diversification
- Sharpen customer focus
- Organisation and culture

**Good return on capital and cash generation**



**10 MINUTE BREAK**



# FOOD & BEVERAGE SOLUTIONS

Joan Braca, President

# Agenda



Business

Priorities

# Food & Beverage Solutions

FOCUS



Deliver  
Growth

## Well-placed to address global consumer trends

- Sugar and calorie reduction, fibre enrichment and clean label

## Operates in large, growing global ingredients market

- Combines ingredient and category expertise to tailor solutions for customers
- Serves global, regional and local customers to deliver global and local solutions

## Key Priorities

- Sharpen customer focus
- Maintain momentum in emerging markets
- Accelerate growth in North America
- Build organisation and culture

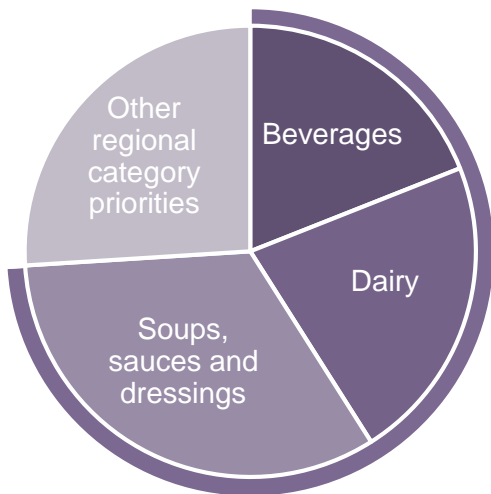


# Focus globally is on three categories

## Sales by Category

31 March 2018

~75% of sales in global focus categories



## Market Opportunity

Category

Addressable ingredient market<sup>1</sup>

Growth<sup>1</sup>



Beverage

~US\$15bn

5%<sup>2</sup>



Dairy

~US\$5bn

5%



Soups, sauces and dressings

~US\$2bn

2%

1. Euromonitor, Leatherhead, IHS, Markets&Markets, Frost & Sullivan, BCG analysis, Company analysis; Growth data is by value 2010-15 (Compound Annual Growth Rate)
2. Not including carbonated soft drinks

# Major global trends are impacting the food industry



**70 million children**  
projected to be overweight  
or obese globally by 2025<sup>1</sup>



**110 million diabetics**  
in China, estimated to increase  
to 154 million by 2040<sup>2</sup>



**Global population**  
expected to grow  
by a third by 2050<sup>3</sup>

1 World Health Organisation  
2 International Diabetes Federation  
3 United Nations

# These trends are driving consumer, customer and government actions

## Trends

Obesity and Diabetes

Sugar Taxes

Population Growth

Regulatory Changes

Desire for Healthier Living

Clean Label



## Actions



Reduce sugars by at least 5% over four years to 2020



Reduce calories by 20% by 2025



MINISTRY OF HEALTH  
SINGAPORE

Adopt healthier meal options as part of 'War on Diabetes'

1 International Food Information Council, 2018

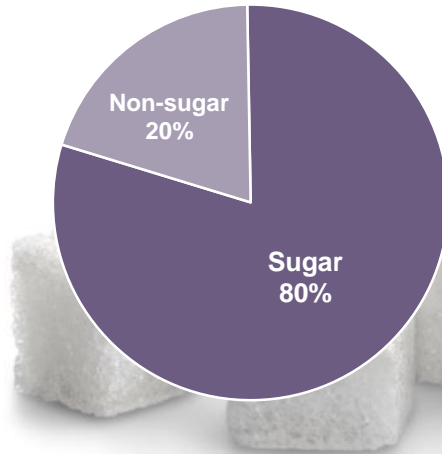
2 Mintel: Sugar and Sweeteners – US, December 2016

3 Tate & Lyle proprietary research – Global Consumer Ingredient Perception Research, November 2017 (always or sometimes)

4 Innova Market Insights 2015; product launches claiming no additives/preservatives, natural, organic, and/or without genetically modified organisms

# Sugar replacement is a key market opportunity globally

Sugar has ~80% share of global sweetener market<sup>1</sup>



Sugar replacement opportunity<sup>2</sup>

By size



By value



<sup>1</sup> Euromonitor; International Sugar Organisation

<sup>2</sup> Euromonitor, BCG analysis 2016 (estimated value of ingredients to replace sugar for Tate & Lyle focus categories)

# Yellow Cake: 25% Sugar Reduction

## YELLOW CAKE

### Ingredients

%

Sucrose	20.69
<b>PROMITOR® SCF 85 Soluble Corn Fibre</b>	6.37
Cake Flour	22.99
Water	17.13
Shortening	12.40
Egg White	9.52
Egg Yolk	6.58
Non-Fat Dry Milk Powder	2.30
Baking Powder	1.15
<b>CLARIA® Instant Functional Clean-Label Starch</b>	0.50
Cream of Tartar	0.34
<b>TASTEVA® Stevia Sweetener</b>	0.03



PROMITOR® Soluble Corn Fibre provides bulk replacement



CLARIA® Functional Clean-Label Starch contributes moistness and a tender texture



TASTEVA® Stevia Sweetener contributes natural sweetness

# Sweet Iced Tea: 50% Sugar Reduction

## SWEET ICED TEA

Ingredients	%
Unsweetened Tea Base	92.39
Sucrose	3.80
<b>DOLCIA PRIMA® Allulose</b>	2.00
<b>PROMITOR® Soluble Corn Fibre 85A</b>	1.80
<b>TASTEVA® Stevia Sweetener</b>	0.01



DOLCIA PRIMA® Allulose contributes a sugar-like sweetness and mouthfeel

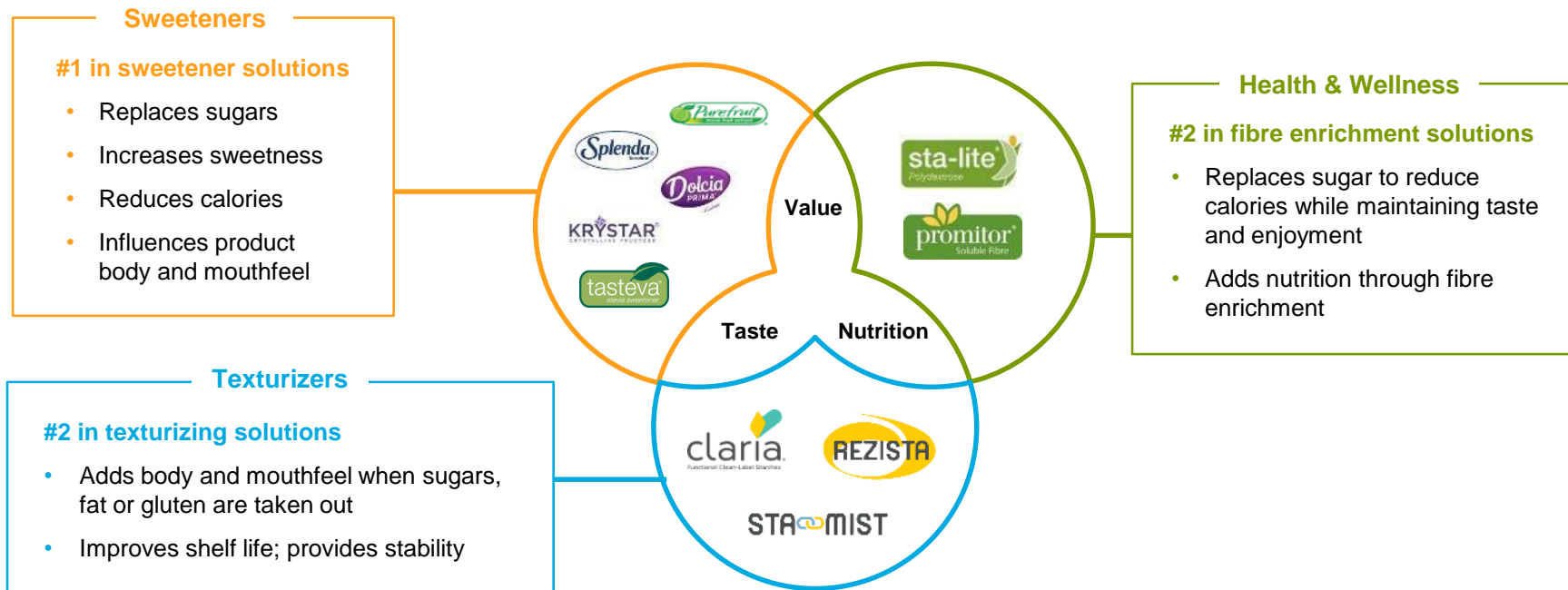


PROMITOR® Soluble Corn Fibre provides body and mouthfeel

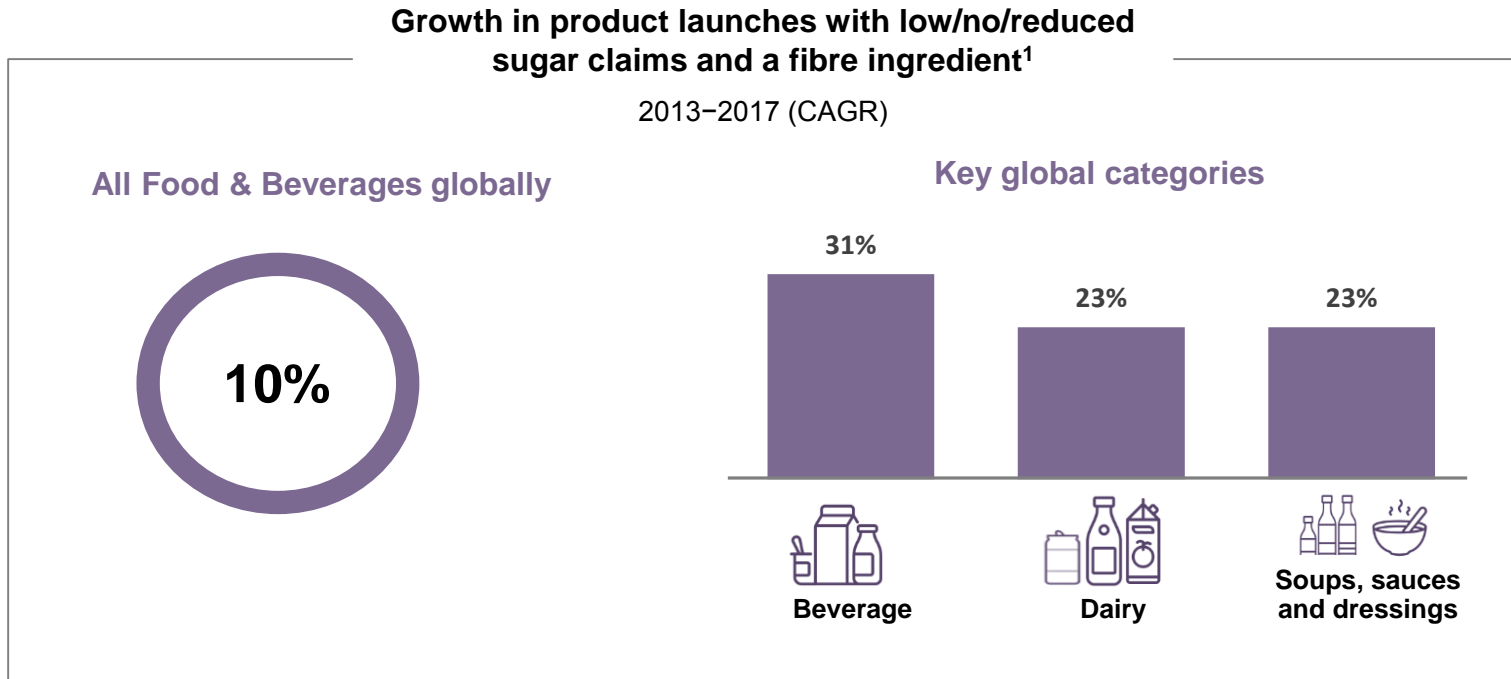


TASTEVA® Stevia Sweetener contributes natural sweetness

# Our portfolio is well-placed to provide solutions for customers and consumers to meet global trends

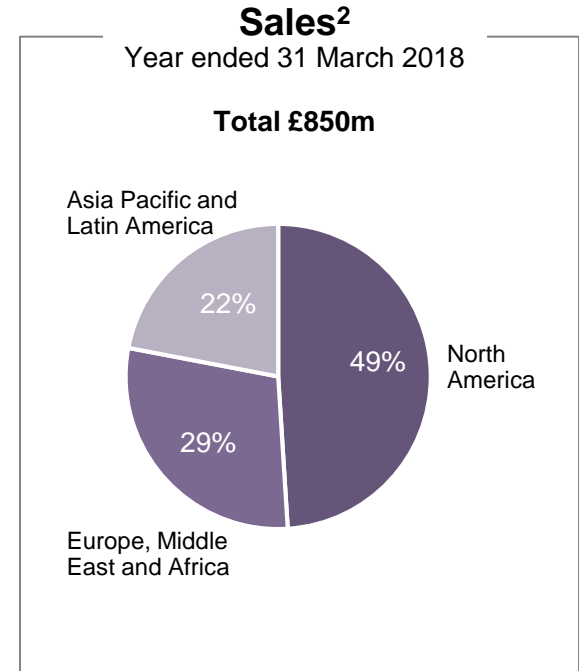
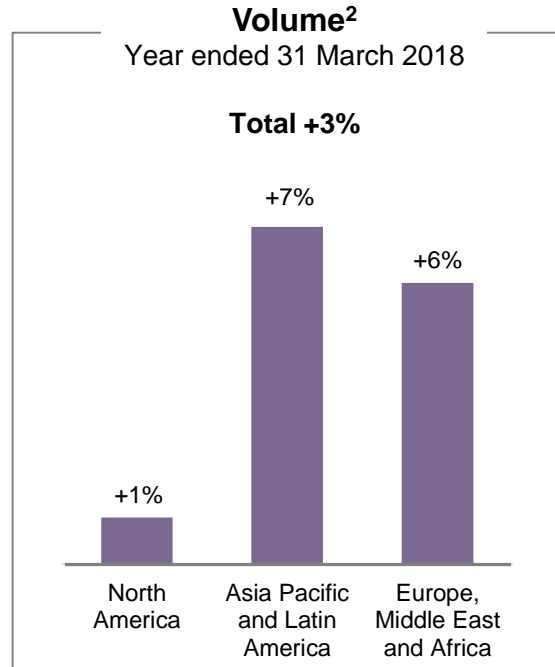
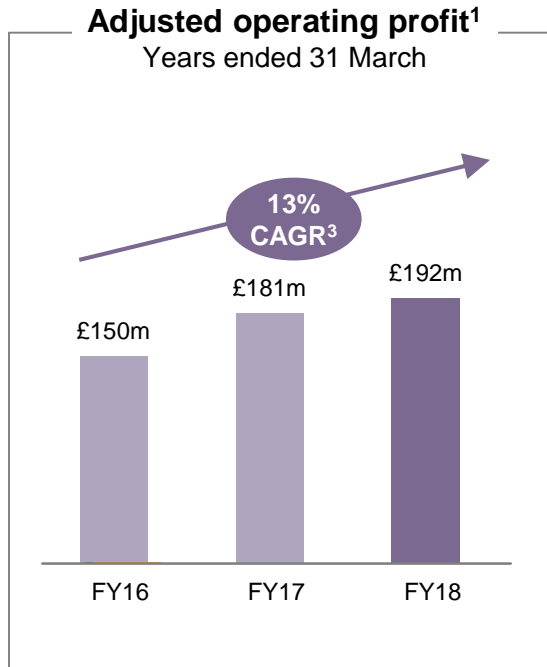


# Sugar replacement is a key growth opportunity in our focus categories





# Strategy delivering good financial performance and geographic mix



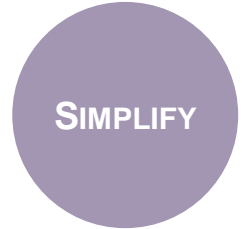
1 Includes SPLENDA® Sucralose

2 Includes former Food Systems business and excludes SPLENDA® Sucralose

3 CAGR at reported currency

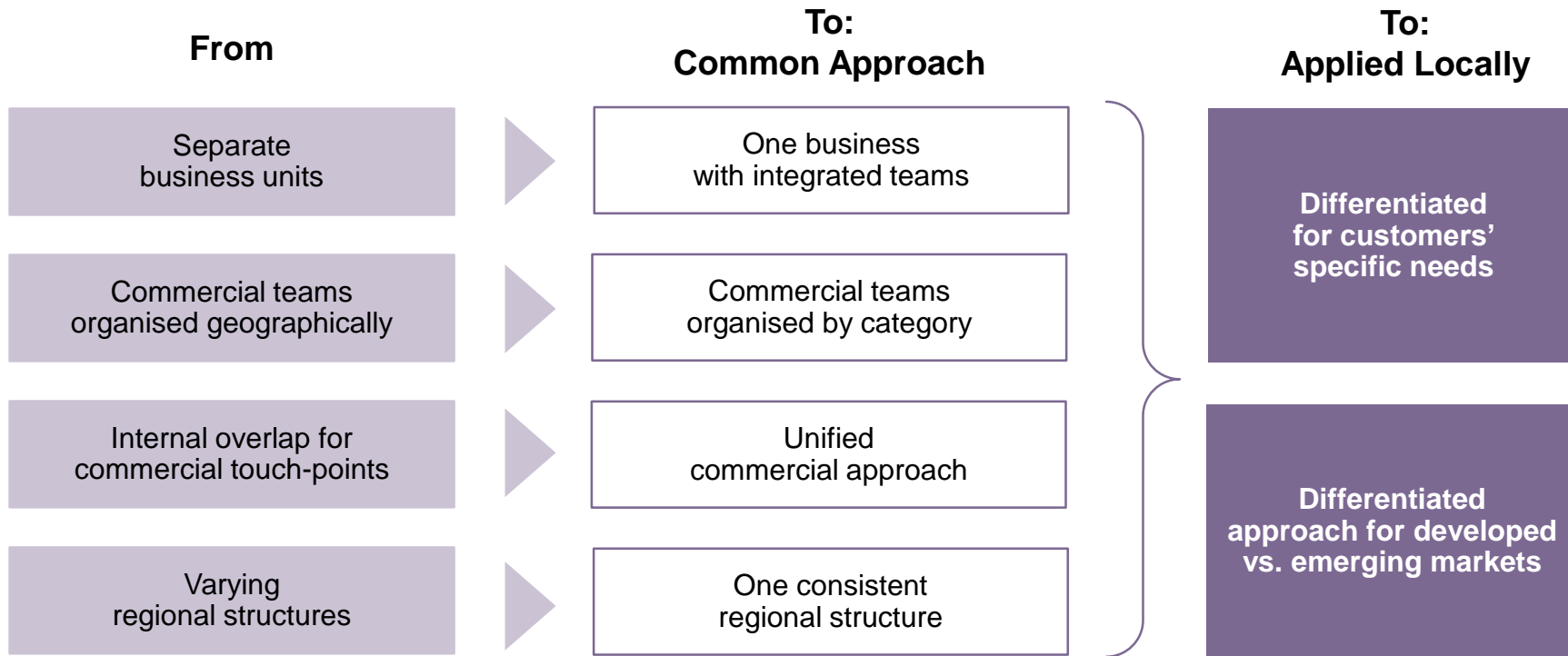
# Key Priorities

1. Sharpen customer focus
2. Maintain momentum in emerging markets
3. Accelerate growth in North America
4. Build organisation and culture



# Sharpen Focus on Customer

One, solutions-based and category-led approach for customers



# Sharpen Focus on Customer

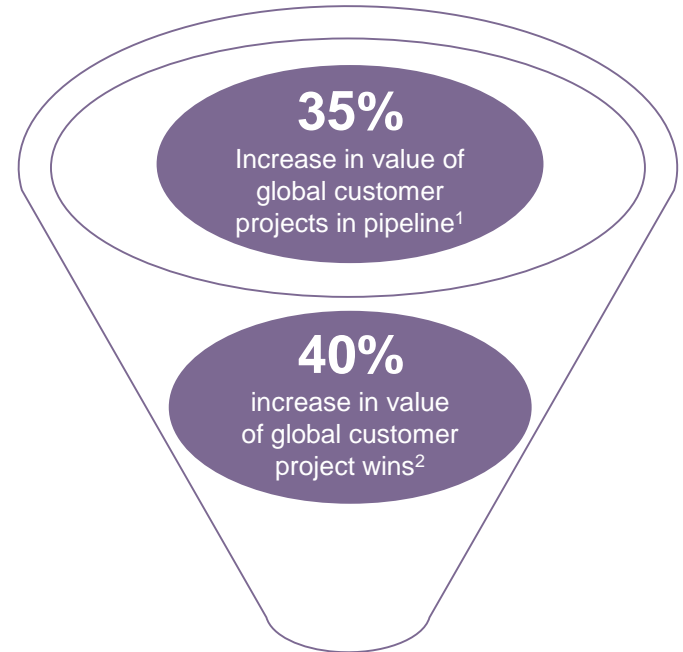
## Enhancing capabilities to better serve customers

### Capabilities

- Technical and sales excellence programmes
- Implemented Salesforce.com
- Live, global and local dashboards track all active customer opportunities, progress and timing

### Benefits

- ~25% of sales team's time freed up to focus directly on customer
- Customer interaction doubled (face-to-face meetings and/or calls)

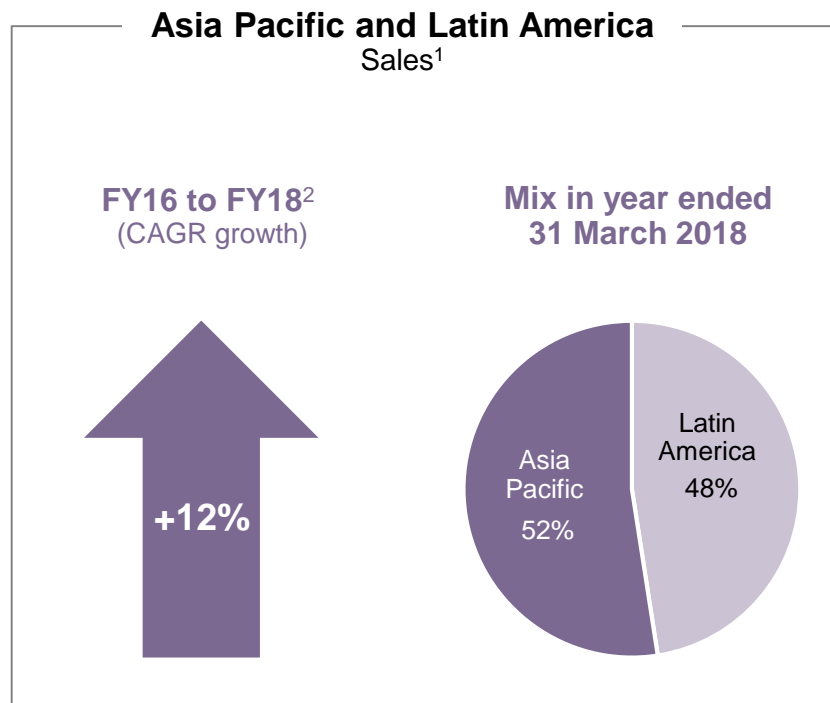
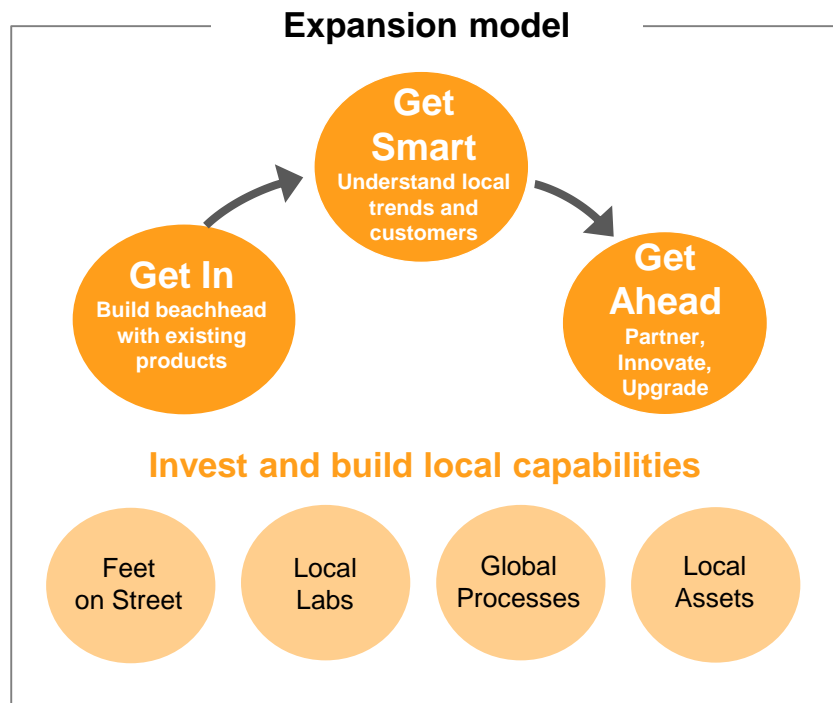


<sup>1</sup> Probability adjusted value; January to August 2018

<sup>2</sup> Pro rata monthly values of sales wins from April to August 2018

# Maintain Momentum in Emerging Markets

## Geographic expansion model



<sup>1</sup> Includes former Food Systems business and excludes SPLENDA® Sucralose

<sup>2</sup> Years ended 31 March

# Maintain Momentum in Emerging Markets

## Developing a 'repeatable category model'

### Large dairy players in China



**~40%**  
Market share  
in China

#### Our approach

- Sold existing products
- Built customer relationship
- Introduced new products
- Built local capabilities

### Applied same model elsewhere



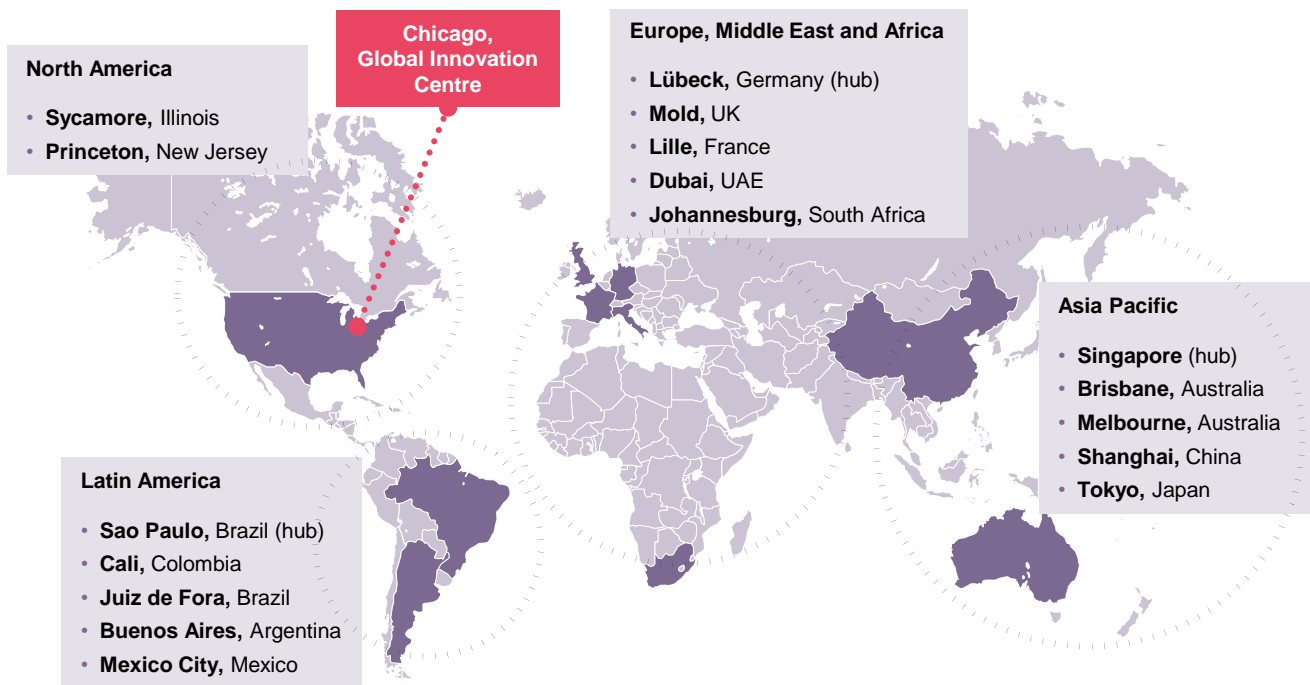
Leading dairy  
player in Algeria



Leading  
soy-based  
beverage brand  
in Latin America

# Maintain Momentum in Emerging Markets

## Local labs serving local tastes



**18**  
Application and technical service centres globally

**6**  
Expanded or opened in the last 18 months

**>50%**  
Located in emerging markets

# Maintain Momentum in Emerging Markets

Increased regional presence allows us to accelerate innovation

Partnered with government and local customer to deliver sugar reduced innovation at pace



Partnership, Agility, Execution



# Accelerating Growth in North America

## Winning with Global Accounts



## Winning in new customers/channels



## Winning with Innovation



# Accelerating Growth in North America

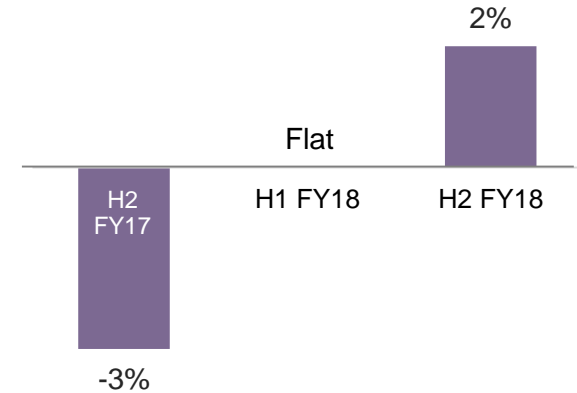
## Driving growth in North America

January to July 2018

- Value of projects in customer pipeline<sup>1</sup> +20%
- Mix of pipeline including new products +2ppts
- Mix of sales into priority categories +1ppt

## North America volume growth<sup>2</sup>

Years ended 31 March



<sup>1</sup> Probability adjusted value

<sup>2</sup> Includes former Food Systems business and excludes SPLENDA® Sucralose

# Organisation and Culture

## LEADERSHIP



## CAPABILITIES



## CULTURE



- Strengthened leadership team
  - Mix of sector and cross-industry experience
  - 33% women leaders (+20% from 3 years ago)
  - Created new commercial, customer-focused leadership roles (Commercial and New Business Development)
- Programme to further strengthen tools and sales and technical services skills and capabilities
  - 600 training days completed in 2018 to-date
- Cultural shift to drive partnership, agility and execution
- Actively living our purpose through customer interactions and employee and community involvement

# Food & Beverage Solutions

## Summary

### Well-positioned business

- Well-placed to address global consumer trends
- Sugar reduction is key global market opportunity
- Ingredient portfolio and technical expertise able to solve customer challenges
- Becoming key customer growth partner and solution provider globally and locally

### Clear priorities

- Sharpen customer focus
- Maintain momentum in emerging markets
- Accelerating growth in North America
- Build organisation and culture

Deliver growth



# INNOVATION AND COMMERCIAL DEVELOPMENT

Andrew Taylor, President

# Agenda



ICD Overview

Accelerating Portfolio Development

# Innovation and Commercial Development



- **Critical growth enabler for Tate & Lyle and our customers**
- **Unique strengths drive innovation**
  - Sweetener, Texturant and Health & Wellness solutions
  - Expertise in sugar and calorie reduction across platforms
- **Strong track record of commercialising innovation**
  - New product sales increased by 38% CAGR (2012-18)
- **Recent changes to innovation model accelerating progress and growth**
  - Driving joint development with key customers
  - Expanding and diversifying project portfolio
  - Building external partnerships to accelerate impact
  - Accelerating time from 'idea to market'

# ICD is a key enabler of Tate & Lyle's future growth

ICD's unique structure enables rapid commercialisation of new ingredients and solutions

**Platform Strategy**



**Partner with leading customers**

**Research & Development**



**Rapid commercialisation with Food & Beverage Solutions**

**Nutrition Science and Regulatory**



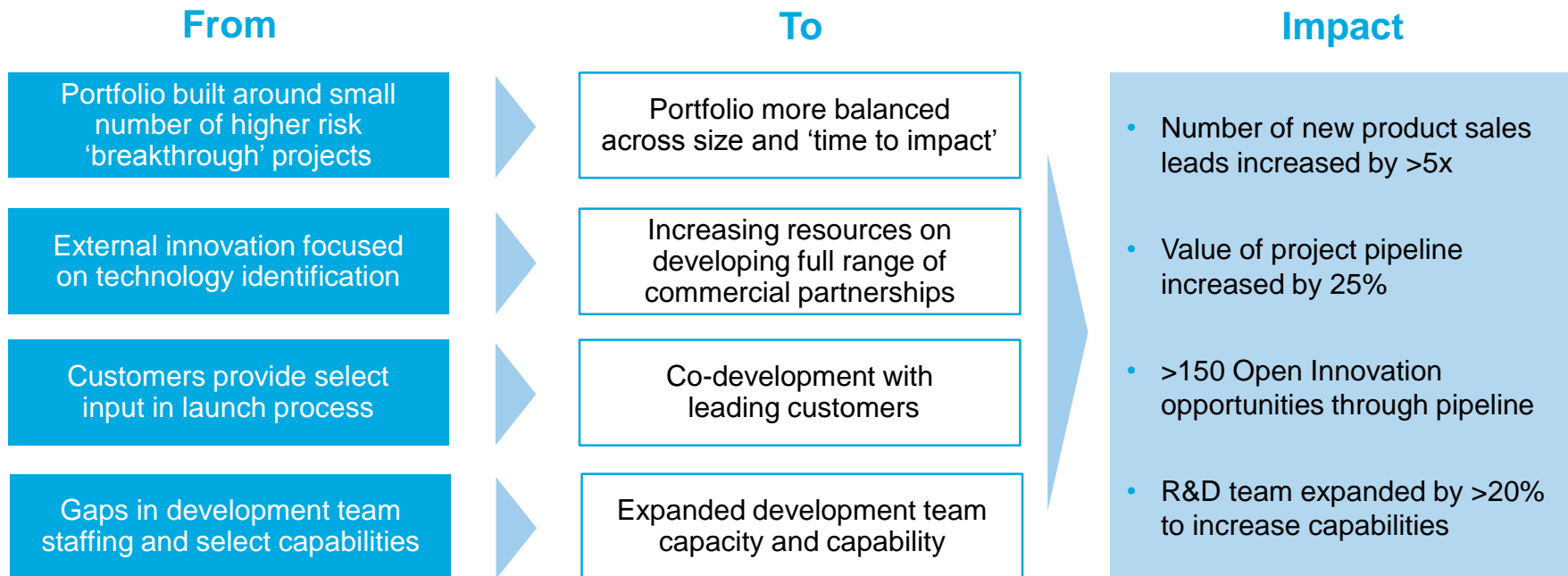
**Open Innovation**



**Globally connected**



# Significant progress strengthening innovation model in last 12 months



# Three core innovation platforms

## Sweeteners



## Texturants



## Health & Wellness



### Key capabilities

- World-class sweetener solutions expertise
- Leading portfolio of sweetener ingredients

- Expertise in high growth clean label starches
- Proprietary starch ingredient design and manufacturing process

- Proprietary fibre manufacturing process with high flexibility
- Deep expertise in nutrition science across ingredients

### Product examples



# Advantaged at intersection of three platforms



## Capabilities across platforms to support customers

Broad ingredients and solutions toolkit

Deep expertise on how ingredients interact across food matrix

Comprehensive nutrition science and regulatory capabilities

# Customers value our ingredients and expertise at this intersection

## Nutrition



- **Opportunity:** help mid-sized customer expand its presence in high growth nutrition bar market
- **Challenge:** develop low sugar bar with great “chewyiness”
- **Solution:** ICD’s scientists partnered with customer’s R&D to develop customised fibre ingredient and sweetener solution



## Dairy

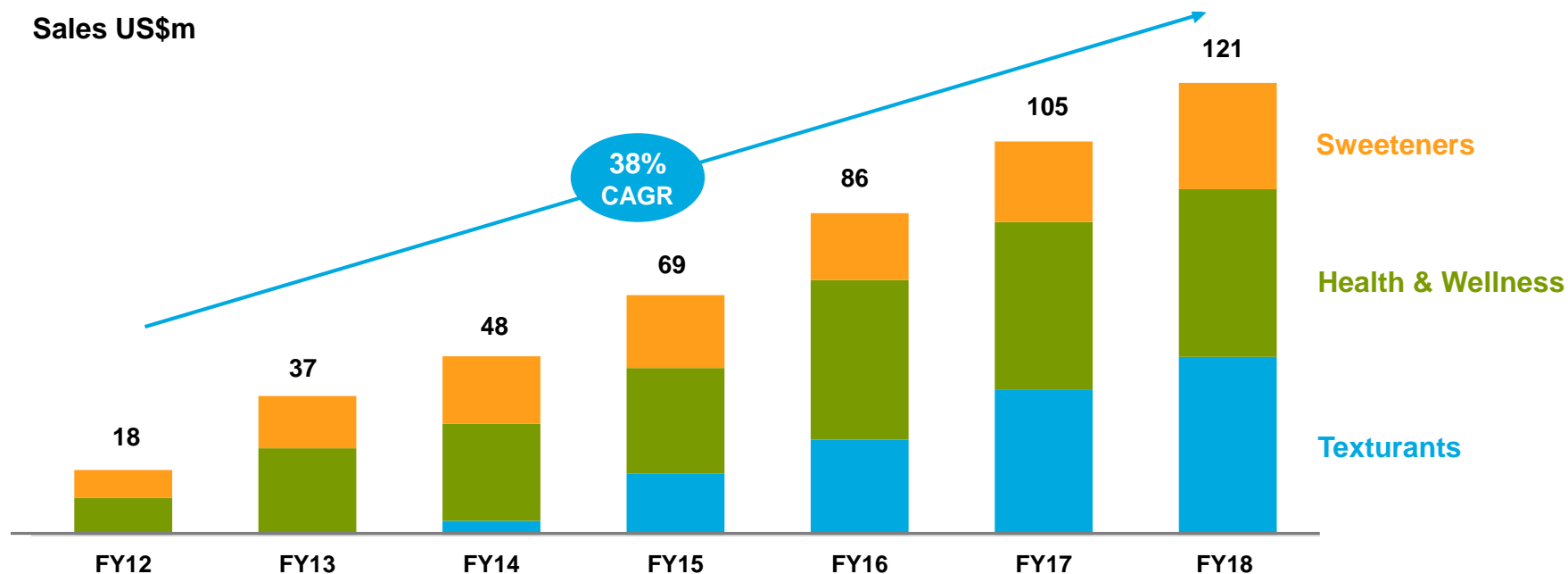


- **Opportunity:** growth of almond milk as consumers embrace plant proteins
- **Challenge:** meet sweetness preference with no added sugar
- **Solution:** Applications team combined allulose and stevia ingredients into complete sweetener solution



# Strong trajectory of innovation performance

## New Product Sales



'New Products' are products launched within the last 7 years  
FY represents years ended 31 March

# Priorities to accelerate portfolio development

## SHARPEN

- Drive joint development agenda with key customers

## ACCELERATE

- Expand project portfolio with better short- and long-term balance
- Actively pull forward and increase resources on projects that best fit trends
- Drive externally-sourced innovation

## SIMPLIFY

- Execute simplified end-to-end product development approach

# Sharpening Customer Focus

Example: Driving joint development agendas with key customers

From

Product 'pushes' based on new ingredient technology



To

Solutions developed jointly with customers to address key challenges

In last 12 months

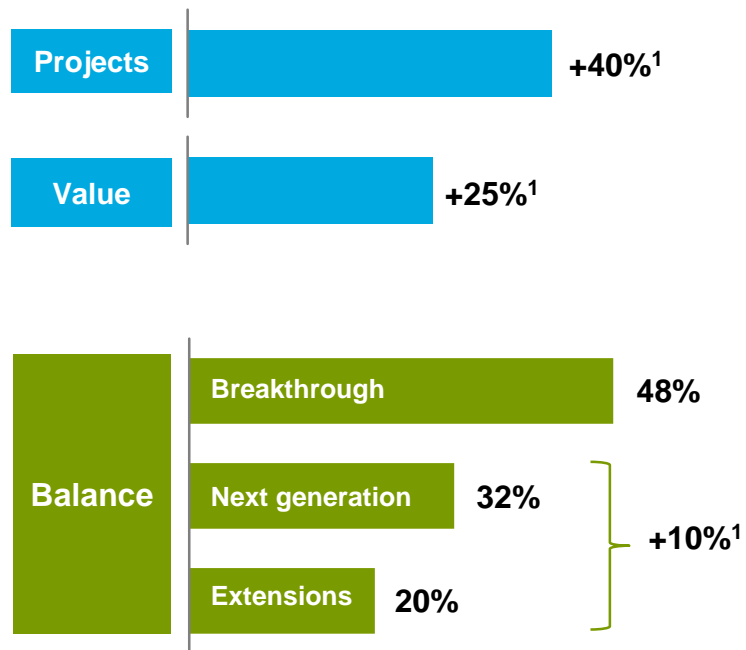
>20  
R&D 'Top-to-Top'  
meetings

>100  
customer visits  
to Hoffman Estates

>40%  
of projects jointly  
developed with customers

# Accelerating Portfolio Development

## Example: Improving size and quality of pipeline



- **Reinvigorated project portfolio in last 12 months**

- 40% increase in number of projects
- 25% increase in potential sales value

- **Better portfolio balance with greater focus on**

- Line extensions with faster payback
- New products for specific regions

- **Launches focused on higher growth areas**

- >70% launches in last year include Non-GMO version
- >30% of new product sales last year in emerging markets

<sup>1</sup> Increase in last 12 months

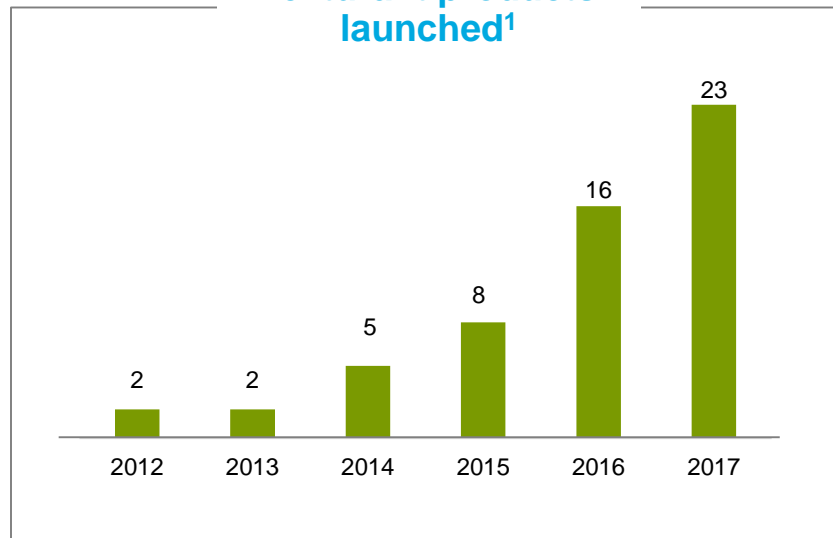
<sup>2</sup> Pipeline consists of 'New Products' launched within the last 7 years



# Accelerating Portfolio Development

Example: Expanding texturant portfolio to win in higher growth markets

## Texturant products launched<sup>1</sup>



## New Texturant areas entered

### Clean label

- Process stability
- Shelf quality
- Unmatched taste and color
- Consumer preferred labelling
- Cost effective



### Non-GMO

- Comprehensive range of texture profiles
- Non-GMO Project Verified certification
- Supply chain scale and flexibility
- Global reach



Sales of texturant new products increased by more than 2x since 2015

<sup>1</sup> Calendar years; texturant products launched from innovation pipeline

# Accelerating projects that best fit higher growth customer needs

Example: TASTEVA® M

## CHALLENGE

**Consumers:** Prefer natural sweeteners but perceive bitter aftertaste typically associated with stevia

**Customers:** Want better tasting stevia solutions to enable high levels of sugar replacement at a viable cost

## SOLUTION

- TASTEVA® M (Stevia Reb M) starts with stevia leaf extract followed by proprietary bio-conversion process
- Highly efficient enzymes developed with innovation partner (Codexis) to create TASTEVA® M at a viable cost-in-use
- Highly complex project accelerated by 12 months to meet customer/market needs



# Driving partnerships to accelerate growth

Example: Building a leading stevia portfolio



# Accelerating Portfolio Development

## Example: Increased focus on Open Innovation

### Incubator Partnerships



- New partnership with leader in food space
  - Access to external 'ecosystem'
  - Accelerate innovation
  - Catalyze cultural change
- Use Terra process to partner with start-ups
  - Example: Start-up focused on high through-put sweetness sensory testing

### Research Partnerships

- Expanding external research network
- Building partnerships with leading institutions in US, Europe and Asia
- >30 new relationships in last year



# Build Organisation and Culture

## LEADERSHIP



## CAPABILITIES



## CULTURE



- Strengthened capabilities
  - Expanded R&D team by >20% in past 12 months
- Deepened focus on core scientific capabilities
  - Scientists with bio-chemistry expertise >25% of team
  - Scientists with formulation science expertise >20% of team
- Extended global reach
  - Closer connection to regional applications labs
- Cultural shift to drive partnership, agility and execution
- Actively living our purpose through customer interactions and employee and community involvement

# Innovation and Commercial Development Summary



- **Critical growth enabler for Tate & Lyle and our customers**
- **Unique strengths drive innovation**
  - Sweetener, Texturant and Health & Wellness solutions
  - Expertise in sugar and calorie reduction across platforms
- **Strong track record of commercialising innovation**
  - New product sales increased by 38% CAGR (2012-18)
- **Recent changes to innovation model accelerating progress and growth**
  - Driving joint development with key customers
  - Expanding and diversifying project portfolio
  - Building external partnerships to accelerate impact
  - Accelerating time from 'idea to market'



## Q&A Session





## AGENDA

Interactive sessions 1 and 2

Lunch incorporating Tate & Lyle solutions

Interactive sessions 3 and 4



# Interactive Sessions

## Innovation

Concept to commercialisation

## Solutions

Bars and beyond

## Food & Beverage Solutions

Building global relationships

## Primary Products

Portfolio management





# GLOBAL OPERATIONS AND DRIVING PRODUCTIVITY

Melissa Law, President Global Operations

# Agenda



Overview

Productivity Benefits

# Global Operations

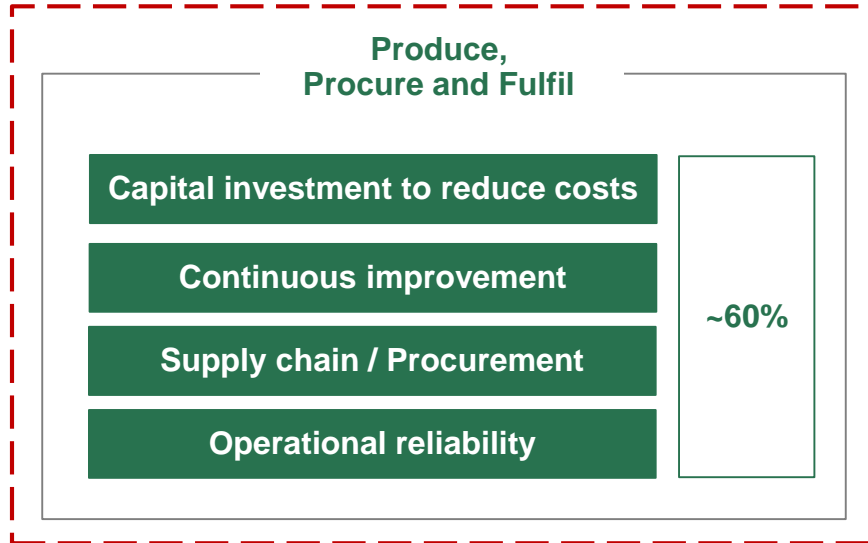
## PRIORITY



High quality products at a competitive cost, with superior service to customers

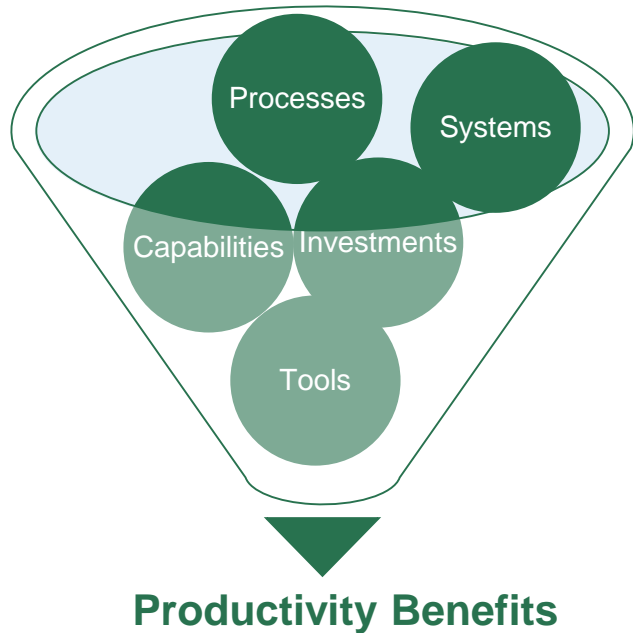
- **Manage global end-to-end supply chain and manufacturing footprint**
- **Core strengths**
  - Scale, cost competitive assets
  - Strong engineering and problem solving skills
  - Senior team with a broad range of experience
- **Key priorities**
  - Environment, Health & Safety excellence
  - Relentless pursuit of productivity and network reliability
  - Flexible and agile global supply chain
  - Build organisation and capabilities

# Sources of Productivity Benefits



US\$100m productivity benefits evenly phased over 4 years

# Active pipeline of productivity initiatives



## Strong pipeline of projects: Confident of meeting targeted benefits

- Capital investments to reduce costs and drive efficiencies
- Continuous improvement projects
  - >170 projects in pipeline
- Enhanced maintenance and reliability program across network
- New processes, tools and systems to improve end-to-end supply chain

Examples of projects on following slides

# Driving Productivity

## Capital investment to reduce costs

### Examples of ongoing and planned capital investments

- New gas boiler and energy usage projects
- Yield improvement
- New feed dryer
- Reduction in water usage
- New extraction units
- Reduction in cost of waste water treatment

These examples have projected annual benefits of >US\$23m

### Benefits



**Sulphur burners**  
**>US\$2m**

# Driving Productivity

## Continuous Improvement

### Examples of continuous improvement projects

- Industrial starch line productivity
- Faster product change-overs
- Evaporation improvements
- Reduce product loss
- Increase food starch capacity
- Oil yield improvement

These examples have projected annual benefits of >US\$2m

### Benefits



**Reduce product loss  
(at one plant)  
>US\$500,000**



# Driving Productivity

## Supply Chain and Procurement

### Examples of supply chain and procurement projects

- Enhance production planning capabilities
- Improved inventory management
- Warehouse optimisation
- New North America automated Transportation Management System

These examples have projected annual benefits of >US\$4m

### Benefits



**New North America  
automated Transportation  
Management System  
US\$3m**

# Driving Productivity

## Operational Reliability

### Examples of operational reliability projects

- Decommissioning coal boiler for gas
- Feed dryer upgrade program
- Optimisation of railcar loop
- Electrical infrastructure improvements
- Process control upgrades
- Pump seal reliability initiative
- Enhanced maintenance programs

These examples have projected annual benefits of >US\$9m

### Benefits



**Decommissioning coal boiler for gas – grind improvement**

# Building Organisation and Culture

## LEADERSHIP



## CAPABILITIES



## CULTURE



- Strengthened leadership team
  - New VP Productivity to drive sustained productivity
  - New leadership role in Asia Pacific to support emerging market growth
- Implemented multi-year Group-wide Environment, Health and Safety program
- Enhanced management and employee training programme
  - >400 trained in continuous improvement principles
- Cultural shift to drive partnership, agility and execution
- Actively living our purpose through customer interactions and employee and community involvement



# DRIVING PRODUCTIVITY AND FINANCIALS

Imran Nawaz, Chief Financial Officer

# Agenda

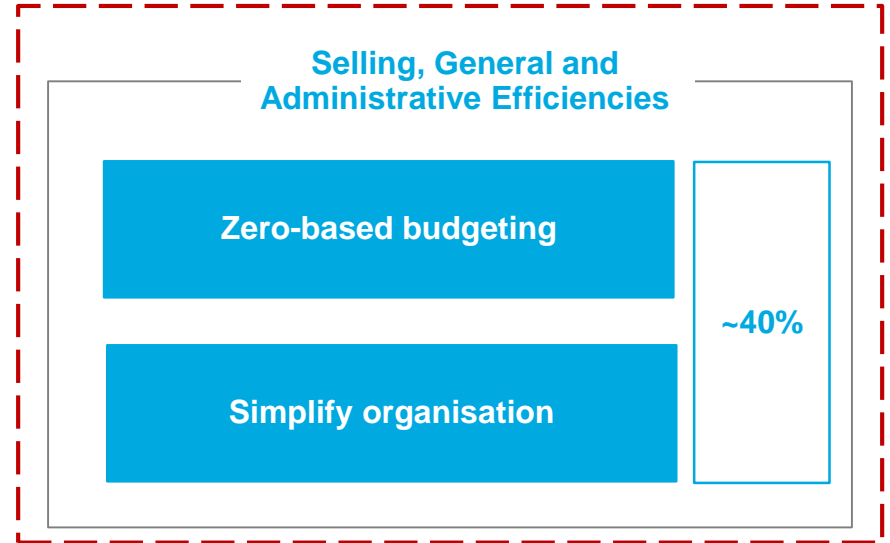
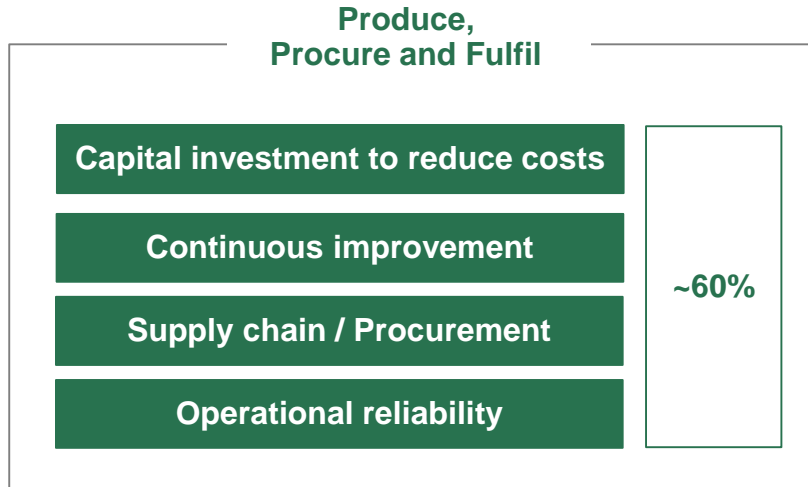
A background image of financial charts, including a candlestick chart and a bar chart, overlaid on a grid. The candlestick chart shows price movements with labels such as 2971.98, 3041.05, and 2988.88. The bar chart below it shows data points for June and July, with labels like 57.04 and 15. The overall image is in shades of blue and white.

Initial Impressions

Productivity Benefits

Financials

# Sources of Productivity Benefits



US\$100m productivity benefits evenly phased over 4 years

# Zero-Based Budgeting

## Actions

Benchmark  
discretionary spend by type

Benchmark  
people costs by function/region

Leverage  
shared services centre (COEs)

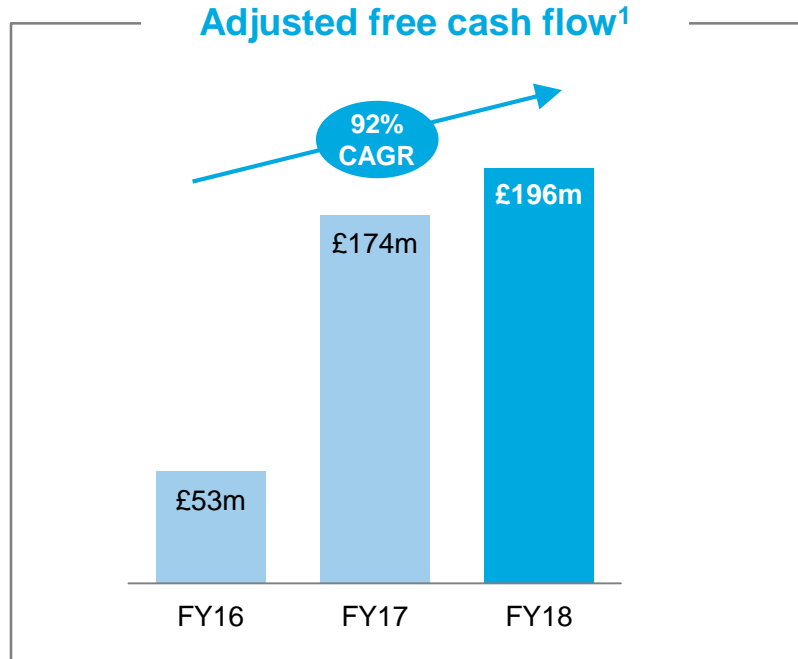
Reinforce  
budget accountability



## Outcomes

- Cultural mindset shift
- Increased visibility of cost
- Full ownership of spending
- Simplified ways of working
- Reinvestment in growth

# Cash generation and dividends



<sup>1</sup> Years ended 31 March; CAGR at reported currency

## Dividend

- Progressive dividend policy
- £391m in dividends distributed to shareholders in 3 years to 31 March 2018
- Cash dividend cover increased from 0.4x to 1.5x in same period



# Increasingly strong balance sheet creates flexibility

Years ended 31 March	2016	2017	2018
Net debt (£m)	434	452	392
Leverage (Net debt/EBITDA)	1.2x	0.9x	0.8x
Return on Capital Employed (%)	11.3	14.3	16.2

## Forward flexibility

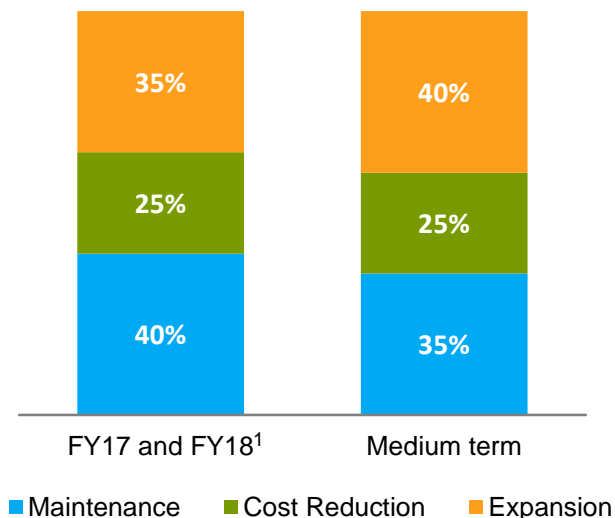
- Strong cash generation
- Disciplined approach to M&A and capital expenditure
- Capacity to leverage to 2x EBITDA or more

# Disciplined use of capital

## Capital expenditure

### Investing to Grow

#### Expansion capital expenditure increasing



#### Capital expenditure outlook

	FY18 <sup>1</sup> Actual	FY19 <sup>1</sup> Guidance	Medium term
Capital Expenditure	£131m	£130m – £150m	£130m – £170m
Multiple of depreciation and amortisation <sup>2</sup> charge	0.9x	0.9x – 1.1x	0.9x – 1.2x

- Strong balance sheet gives investment flexibility
- Invest behind growth as opportunities arise e.g. significant new product scale-up
- Continued disciplined use of capital, expansion projects approvals typically target 20% IRR

<sup>1</sup> Years ended 31 March

<sup>2</sup> Excludes amortisation of acquired intangible assets

# Clear capital allocation framework

## Capital allocation priorities to maintain investment grade credit rating

Invest in organic growth

Acquisitions, joint ventures, partnerships

Progressive dividend policy

Return surplus capital to shareholders

## Balance Sheet

Strong returns on capital employed

Forward leverage<sup>1</sup>  
range of 1x to 2x

Attractive shareholder returns

<sup>1</sup> Net debt:EBITDA on a financial covenant basis

# Well-balanced business

## Investment case

Primary Products	Food & Beverage Solutions	Sucralose
Manage for stable earnings; cash generation	Growth driver; top and bottom line growth	Manage for cash; high return on assets
EARNINGS PER SHARE <sup>1</sup> – Accelerate growth		
ORGANIC RETURN ON CAPITAL EMPLOYED <sup>2</sup> – Improve returns		
DIVIDEND – Maintain progressive dividend policy		

1 Adjusted diluted earnings per share from continuing operations in constant currency

2 In constant currency

# Outlook for year ending 31 March 2019

## **Outlook for year ending 31 March 2019, as communicated on 24 May 2018, remains unchanged:**

- We expect growth in earnings per share<sup>1</sup> in constant currency to be in a mid-single digit range, albeit towards the lower end due to energy and transport cost inflation in North America and a strong year of Commodities performance in fiscal 2018
- Includes effective tax rate guidance of 20% to 22%

<sup>1</sup> Adjusted diluted earnings per share from continuing operations in constant currency

# Financials

## Summary

- Strong recent financial performance
- Robust balance sheet
- Good capital discipline
  - Return on capital employed above 16%
- Opportunity to accelerate performance
  - Invest for growth
  - Increased focus on cost discipline
  - Simplify ways of working
  - Build on disciplined use of capital





## Q&A Session



# CLOSING REMARKS

Nick Hampton, Chief Executive



# Closing Remarks

- Well-balanced, integrated business
- Two important divisions with strong value propositions
- Three clear priorities to drive business performance
- New leadership team, capabilities and culture



SHARPEN

ACCELERATE

SIMPLIFY