

Half-year results for the six months to 30 September 2023

Robust revenue, profit and cash performance

Adjusted performance ¹			Statutory performance		
	2023	vs 2022		2023	vs 2022
Revenue	£857m	4%	Revenue	£857m	1%
Food & Beverage Solutions	£707m	5%	Food & Beverage Solutions	£707m	2%
Sucralose	£89m	(5)%	Sucralose	£89m	(9)%
EBITDA	£178m	7%	Primary Products Europe	£61m	–%
Food & Beverage Solutions	£153m	10%			
Sucralose	£28m	(14)%			
EBITDA margin	20.8%	70bps			
Share of profit of Primient	£17m	32%			
Profit before tax	£156m	16%	Operating profit	£123m	8%
Earnings per share	30.1p	19%	Profit before tax	£130m	92%
Free cash flow	£77m	£15m	Diluted earnings per share	25.4p	90%

Key highlights

- Revenue growth +4%, with Food & Beverage Solutions (FBS) +5%
- Adjusted EBITDA +7%, driven by mix management, pricing, productivity and cost discipline
- Adjusted profit before tax +16%, strong FBS growth, increased Primient share of profit, lower finance charges
- Free cash flow¹ £77m, £15m higher reflecting cash conversion of 69%, 14ppts higher
- Investment in innovation and solution selling 11% higher
- Solutions new business wins by value up 4ppts to 22% of pipeline
- Major investment underway in new capacity for dietary fibres at manufacturing facility in Slovakia
- 0.8p increase in interim dividend, up to 6.2p per share; reflecting one third of prior year full-year dividend

Nick Hampton, Chief Executive said:

“Tate & Lyle delivered a robust financial performance in the first half despite challenging market conditions and made good progress on its growth-focused strategy.

Food & Beverage Solutions performed well with double-digit profit growth. Revenue was higher benefiting from a combination of our focus on mix and margin expansion as well as the recovery of inflation, partially offset by softer consumer demand and customer de-stocking. In Sucralose, underlying customer demand remained steady with the lower first-half performance reflecting the phasing of orders in the comparative period.

To deliver our commitment to ‘Science, Solutions, Society’, we increased investment in innovation and solution selling, announced a major expansion of growth capacity for dietary fibres, and expanded the use of renewable energy across our operations. These investments strengthen customer partnerships and drive long-term growth.

The strategic re-positioning of Tate & Lyle to focus on speciality food and beverage solutions is enhancing the quality of the business and driving performance. Our strong ingredient portfolio and solutions capabilities in sweetening, mouthfeel and fortification mean we are well-placed to benefit from the long-term trends towards healthier, tastier and more sustainable food and drink.”

1. Revenue growth, adjusted EBITDA and adjusted EBITDA margin, share of adjusted profit of Primient, adjusted earnings per share, free cash flow, return on capital employed (ROCE), net debt and net debt to EBITDA are non-GAAP measures (see pages 8 to 11). Changes in adjusted performance metrics are in constant currency and for continuing operations

Outlook

We expect to deliver progress in-line with our five-year ambition to 31 March 2028 with revenue reflecting both strategic momentum and the impact of the expected pass through of input cost deflation in the second half. Therefore, for the year ending 31 March 2024, in constant currency, we expect to deliver:

- Revenue slightly ahead of the prior year; and
- EBITDA growth of 7% to 9%.

We continue to expect stronger profits from our minority holding in Primient.

Overview

Our business

Tate & Lyle is a growth-focused speciality food and beverage solutions business with a strong sense of purpose and clear strategic focus.

- Global leader in sweetening, mouthfeel and fortification, creating solutions for our customers to meet growing consumer trends for healthier food and drink.
- Science-driven business, with an established record of innovation and scientific expertise.
- Well-balanced and global business with a strong presence in developed markets and a platform for accelerated growth in the large markets of Asia, Middle East, Africa and Latin America.
- Strong balance sheet providing flexibility to invest for growth, and an experienced management team with a track record of delivery.

Tate & Lyle has been re-positioned to be at the centre of the future of food, operating in segments of the market which are seeing significant growth. This supports our five-year financial ambition to 31 March 2028, to deliver:

- Revenue growth of 4% to 6% each year
- Adjusted EBITDA growth of 7% to 9% each year
- Improved return on capital employed by up to 50 basis points on average each year
- US\$100m of productivity savings.

As stated at our Capital Markets Event on 8 February 2023, revenue growth is on an underlying basis excluding the impact of abnormal inflation and deflation.

We also have the potential to further accelerate growth through partnerships and M&A.

Delivering our growth-focused strategy

We continued to invest in the first half to progress our growth-focused strategy in line with our commitment to 'Science, Solutions, Society'.

Science

- Investment in innovation and solutions selling was 11% higher, with investments in new customer-facing labs, new technology and strengthening capabilities in areas such as sensory and open innovation.
- New Product revenue was up 18% on a like-for-like basis (i.e. no products are removed from disclosure due to age) with strong growth in the mouthfeel platform; revenue was broadly in line on a reported basis.
- We expanded our sweetener portfolio by launching TASTEVA® SOL Stevia Sweetener, a patent-protected breakthrough in stevia technology to help customers solve stevia solubility challenges.
- New automated lab established at our Customer Innovation and Collaboration Centre in Singapore with advanced technology to accelerate the development and speed-to-market of mouthfeel solutions.
- We added 18 patents to our patent portfolio and now have over 500 patents granted and over 320 pending.

Solutions

- The value of solutions-based new business wins increased by 4ppts to 22% of revenue, with strong solutions performance in Asia, Middle East, Africa and Latin America.
- Value of new business pipeline increased by 1%, with 38% of the total pipeline coming from New Products.
- We opened a new Customer Innovation and Collaboration Centre in Jakarta, Indonesia, bringing our global network of Centres to seventeen.
- Investment programme underway to add new capacity for non-GMO PROMITOR® Soluble Fibres in Boleráz, Slovakia. Production of fibres from the first phase, a €25 million investment, will start in mid-2024.

Society

- We advanced our sustainability agenda:
 - Our production facility in Guarani, Brazil became our first site to be 100% powered by renewable energy.
 - Our production facilities in the Netherlands, UK and Italy are buying 100% of their electricity from renewable sources.
 - Intervention programmes are underway with corn farmers in the US, such as managing nitrogen levels in the soil to increase crop yields, improve soil health and minimise the impact on local watersheds.
 - Around 90% of all waste generated is being beneficially used.
- 45% of leadership and management roles (~500 positions) are held by women.
- Since 31 March 2020, our low- and no-calorie sweeteners and our fibres have removed 7.0 million tonnes of sugar from people's diets, equivalent to 28 trillion calories.

Strong cash generation

Free cash flow was £15 million higher at £77 million, benefiting from an improvement in working capital of £47 million. Capital expenditure increased by £20 million to £46 million to deliver capacity expansion in our Food & Beverage Solutions business, particularly for dietary fibres in Europe. Overall, cash conversion increased to 69%, 14ppts higher. We are on track to deliver our ambition to increase the conversion of our profit into cash to 75% over the five years to 31 March 2028.

At 30 September 2023, net debt was £249 million, £11 million higher than at 31 March 2023, with net debt to EBITDA at 0.8x, and liquidity of over £1.0 billion.

Productivity

We have made a good start to our US\$100 million five-year productivity target to 31 March 2028, with savings delivered in the first half of US\$17 million from areas such as operational efficiencies, supply chain and other cost savings. We expect benefits from this programme for the full-year to be more than US\$25 million.

Group performance

Revenue		Adjusted EBITDA	
Half-year	Change ¹	Half-year	Change ¹
£857m	4%	£178m	7%

¹ Growth in constant currency.

Overview

The Group delivered a robust financial performance. Revenue was up 4% reflecting good mix management, pricing and the recovery of inflation. Adjusted EBITDA was 7% higher with adjusted profit before tax 16% higher.

Food & Beverage Solutions performed well delivering revenue growth, particularly in Europe, and adjusted EBITDA growth. The underlying performance of the Sucralose business remained steady, with the phasing of orders into the comparative period resulting in lower profits. The optimisation of Primary Products Europe is continuing with losses significantly reduced.

We continued to intentionally reset Tate & Lyle as a growth-focused speciality business through a focus on revenue growth and margin expansion, ahead of volume, by way of solution selling (by value up 4ppts to 22% for new business wins), mix management and pricing. This approach, together with softer consumer demand, customer de-stocking and the ongoing transition of capacity out of Primary Products Europe combined to deliver 4% revenue growth.

Following consecutive periods of high input cost inflation which significantly accelerated revenue growth, we are now seeing input cost deflation with revenue in the second half expected to reflect the pass through of these lower costs as customer contracts for the 2024 calendar year are renewed.

For Primient, the adjusted share of joint venture profit was £17 million, 32% higher. Operating performance improved, supported by robust demand for sweetener products, strong 2023 calendar year contracting and improving operational performance, while increased interest rates drove finance charges higher. We expect continued improvement in performance in the second half of the 2024 financial year. Tate & Lyle received US\$17 million in cash dividends from Primient in the half, with a further US\$37 million cash dividend received on 2 November 2023.

Reporting segments

Food & Beverage Solutions

83% of Group revenue and 86% of Group adjusted EBITDA

	Revenue		Revenue Drivers		Adjusted EBITDA	
	Half-year	Change ¹	Volume ²	Price Mix ²	Half-year	Change ¹
North America	£334m	2%	(8)%	10%	–	–
Asia, Middle East, Africa and Latin America	£200m	1%	(8)%	9%	–	–
Europe	£173m	19%	(6)%	25%	–	–
Total	£707m	5%	(8)%	13%	£153m	10%

Revenue was 5% higher in constant currency at £707 million. Lower volume from softness in consumer demand and customer destocking led to 8ppts reduction in revenue. Price mix increased revenue by 13ppts, reflecting 6ppts from our focus on strategic mix management and solution selling and 7ppts from the pass-through of input cost inflation (including higher corn costs).

Looking at the three regions, North America revenue was stable, Asia, Middle East, Africa and Latin America was mixed with pockets of growth and some regional challenges, while Europe was strong reflecting the pricing through of significant input cost inflation.

- **North America:** Revenue was 2% higher. We saw good gains in the beverage, confectionery, and bakery categories, particularly with our largest customers. However, cost of living pressures on consumers and customer destocking led to softer demand.
- **Asia, Middle East, Africa and Latin America:** Revenue was 1% higher. In Asia, revenue was broadly in line with the comparative period. Revenue growth in China was robust supported by good growth in the dairy category, while revenue was lower in both south-east and north Asia. In Latin America, revenue declined driven by lower priced imports from outside the region, especially in Mexico, while revenue from central America was solid. In Middle East and Africa, strong demand in north and west Africa more than offset weaker demand in southern Africa.
- **Europe:** Revenue was 19% higher. We saw good revenue growth across all categories, especially in dairy. We continued to exit some low margin business and saw increased competition from imports from outside the region.

Adjusted EBITDA was up 10% in constant currency at £153 million benefiting from mix management and the pricing through of input cost inflation. This, together with the benefit from productivity and strong cost control, saw adjusted EBITDA margins expand by 90bps in constant currency. The effect of currency translation decreased adjusted EBITDA by £5 million.

¹ Growth in constant currency.

² To reflect the underlying drivers of revenue growth, the total percentages for volume and price mix have been adjusted by 5ppts to exclude the impact from our focus on mix management and margin expansion. Without this adjustment, the values for both volume and price mix would be 5ppts greater.

Innovation and solution selling

Investment	New Product Revenue			Solutions
Innovation and solution selling	Value	Growth	% of FBS revenue	% of new business wins
11%	£109m	(1)%	15%	22%

Revenue from New Products was 1% lower. On a like-for-like basis, which assumes the same ingredients are included in New Products revenues in both the current and comparative periods (i.e. no products are removed from New Product disclosure due to age), New Products revenue was 18% higher. On this like-for like basis, the mouthfeel platform saw good growth, reflecting growth in clean label starches and cost optimisation, while Quantum helped to accelerate growth in fortification.

Investment in innovation and customer-facing solution selling capabilities including sensory and open innovation was 11% higher. Targeted programmes to develop new ways of working with customers and build stronger solutions-based partnerships helped increase solutions new business wins by value to 22%. We have set an ambition to increase this to 32% over the five years to 31 March 2028.

Sucralose

10% of Group revenue and 15% of Group adjusted EBITDA

Revenue		Revenue Drivers		Adjusted EBITDA	
Half-year	Change ¹	Volume	Price Mix	Half-year	Change ¹
£89m	(5)%	(8)%	3%	£28m	(14)%

Underlying customer demand for Sucralose remained steady. We delivered attractive returns however revenue and adjusted EBITDA were lower than the comparative period which benefited from the phasing of orders into the half. Revenue declined by 5% reflecting more normal phasing and the recovery of inflation. EBITDA declined as cost inflation across a range of inputs increased production costs and multi-year contracts with our larger customers limited our near-term recovery of these increases. Currency translation decreased adjusted EBITDA by £1 million.

Primary Products Europe

7% of Group revenue and (1%) of Group adjusted EBITDA

Revenue		Revenue Drivers		Adjusted EBITDA	
Half-year	Change ¹	Volume	Price Mix	Half-year	Change ¹
£61m	(2)%	(25)%	23%	£(3)m	51%

We continue to optimise the financial performance of Primary Products Europe through the transition of capacity to speciality ingredients. Lower volume also reflected reduced co-products. Revenue was slightly lower partially mitigated by improved pricing from more favourable market conditions and the recovery of input cost inflation. Adjusted EBITDA losses were significantly reduced.

¹ Growth in constant currency.

Webcast details

Following this statement's release on 9 November 2023 at 07.00am (UK time), a live webcast will be held at 10.00am via [this link](#). A replay of the webcast and presentation will be made available afterwards at [this link](#). Only sell-side analysts and any pre-registered buy-side investors will be able to ask questions during the Q&A session. Sell-side analysts will be automatically pre-registered. To pre-register, please contact Lucy Huang at lucy.huang@tateandlyle.com.

Commentary on the financial statements

Six months to 30 September	2023 £m	2022 £m	Constant currency change %
Adjusted EBITDA			
Food & Beverage Solutions	153	144	10%
Sucralose	28	34	(14%)
Primary Products Europe	(3)	(6)	51%
Adjusted EBITDA	178	172	7%
Depreciation and adjusted amortisation	(35)	(35)	(3%)
Adjusted operating profit	143	137	8%
Net finance expense	(4)	(11)	64%
Adjusted share of profit of Primient joint venture	17	13	32%
Adjusted profit before tax	156	139	16%

Net finance expense

Net finance expense at £4 million was 64% lower in constant currency, mainly reflecting higher net income on the Group's cash balances. Because almost all of the Group's borrowings in the year were at fixed rates of interest, the Group was not exposed to significant changes in interest rates on its borrowings.

Exceptional items

Net exceptional charges of £8 million were included in profit before tax. Of these costs, £7 million related to organisational improvements to the Food & Beverage Solutions business and activities to drive productivity savings. Exceptional cash outflows for the period totalled £11 million. (For more information see Note 5).

Adjusted share of profit of Primient joint venture

Six months to 30 September	2023 £m	2022 ¹ £m	Constant currency change %
Adjusted operating profit	73	48	59%
Net finance expense	(46)	(35)	(38%)
Adjusted share of profit from its own joint ventures after tax	10	18	(41%)
Adjusted profit before tax	37	31	25%
Adjusted share of profit of Primient joint venture ²	17	13	32%

Adjusted operating profit was 59% higher in constant currency at £73 million reflecting robust demand for sweeteners, strong 2023 calendar year contracting and improved operational performance in Primient's plants. Net finance expense increased in the half reflecting higher US interest rates. Lower profits in Primient's own joint ventures reflected lower volumes in Covation PDO, and adverse foreign currency impacts in Almex.

Tate & Lyle received a cash dividend from Primient of US\$17 million in the half. A further cash dividend of US\$37 million was paid on 2 November 2023 bringing the total dividend for the year to-date to US\$54 million.

Taxation

The adjusted effective tax rate for the period was 21.9% (2022 – 21.9%). Looking ahead, we continue to expect the adjusted effective tax rate for the year ending 31 March 2024 to be one to two percentage points higher than the full-year effective tax rate for the prior year of 19.9%. The expected increase in the full-year rate reflects more profit taxed in higher rate jurisdictions and the increase in the rate of UK corporation tax from 19% to 25%.

¹ Reclassification adjustment: adjusted operating profit has been increased by £5 million and adjusted share of profit from its own joint ventures after tax reduced by the same amount.

² The Group's share of the adjusted profit of Primient joint venture is based on profit after tax. Primient is a US partnership (so its partners rather than Primient itself are responsible for tax on its US income), tax of £4 million (2022 - £5 million) has been deducted from profit before tax relating to tax on income earned by Primient's Brazilian subsidiary.

The reported effective tax rate (on statutory earnings) for the period was 21.3% (2022 – 18.4%). The lower rate in the comparative period was due to higher tax deductions on exceptional items recorded by Primient.

Earnings per share

Adjusted earnings per share at 30.1p were 19% higher (in constant currency). This increase reflects 16% higher profits after tax and benefit from a lower weighted number of shares of 3ppts, reflecting the share consolidation completed on 3 May 2022. Statutory diluted earnings per share for continuing operations increased significantly to 25.4p (2022 – 13.3p), reflecting mainly higher exceptional costs in, and therefore a lower share of profit from, joint ventures in the comparative period.

Return on capital employed (ROCE)

ROCE for the 12 months ended 30 September 2023 at 16.8% was lower than the 12 months ended 31 March 2023, reflecting the impact of the acquisition of Quantum part way through the comparative period. ROCE increased by 10bps on an organic basis.

Dividend

In line with the policy announced in our Capital Markets Event in February 2023 that interim dividends will be at the level of one third of the previous year's full-year dividend, the Board has approved an interim dividend for the six months to 30 September 2023 of 6.2p (2022 – 5.4p) per share. This dividend will be paid on 5 January 2024 to all shareholders on the Register of Members on 24 November 2023. As well as the cash dividend option, shareholders will be offered a Dividend Reinvestment Plan alternative.

Within the context of its growth-focused strategy the Board operates a progressive dividend policy with the overall aim of balancing growing the dividend with further strengthening dividend earnings and cash cover over the medium term.

Cash flow, net debt and liquidity

Free cash flow was £77 million (2022 – £62 million), an increase of £15 million. This reflected both higher profits and a strong focus on cash generation which delivered a £47 million improvement in net working capital compared to the comparative period. Investments in infrastructure, capacity and technology drove capital expenditure to £46 million, £20 million higher in the period. Overall, cash conversion for the period improved by 14ppts to 69%¹.

Looking ahead, we continue to expect capital expenditure for the year ending 31 March 2024 to be in the £90 million to £100 million range.

Net debt at 30 September 2023 was £249 million, £11 million higher than at 31 March 2023. Strong free cash flow generation and dividends received from Primient of US\$17 million were more than offset by outflows including the payment of the final dividend to shareholders of £52 million and payments in respect of share incentive schemes of £25 million. In April 2023, to reduce interest costs and in line with on-going balance sheet optimisation, the Group repaid a US private placement debt floating rate note of US\$95 million ahead of its maturity using cash. On 30 October 2023, a US\$25 million US private placement 3.83% fixed rate note was repaid on maturity using cash.

At 30 September 2023, the Group had access to £1.0 billion of available liquidity through readily available cash and cash equivalents and access to a committed, undrawn revolving credit facility of US\$800 million (£655 million). Reported leverage at 30 September 2023 was 0.8 times net debt to EBITDA. On a covenant testing basis, the net debt to EBITDA ratio was 0.6 times, which was much lower than the covenant threshold of 3.5 times.

¹ Free cash conversion calculated as: free cash flow before capital expenditure divided by adjusted EBITDA

Non-GAAP measures

Some performance discussion and narrative in this announcement includes measures which are not defined by generally accepted accounting principles (GAAP) such as IFRS. The Group believes this information, together with comparable GAAP measures, is useful to investors in providing a basis for measuring our operating performance, cash generation and financial strength. The Group uses these alternative performance measures for internal performance analysis and incentive compensation arrangements for employees. These measures are not defined terms and may therefore not be comparable with similarly-titled measures reported by other companies. Wherever appropriate and practical, reconciliations are provided to relevant GAAP measures.

Alternative performance measures are used for and refer to continuing operations only.

The Group uses constant currency percentages and movements, using constant exchange rates which exclude the impact of fluctuations in foreign currency exchange rates. We calculate constant currency values by retranslating current year results at prior year exchange rates into British Pounds. The average and closing US dollar and Euro exchange rates used to translate reported results were as follows:

Six months to 30 September	Average rates		Closing rates	
	2023	2022	2023	2022
US dollar : sterling	1.26	1.21	1.22	1.11
Euro : sterling	1.16	1.17	1.15	1.14

Items adjusted in alternative performance income statement measures (Adjustment items)

Several alternative performance measures are adjusted to exclude items due to their size, nature and / or frequency of occurrence.

- Adjusted items excluded from earnings before interest, tax, depreciation and amortisation (adjusted EBITDA) are:** exceptional items (as they are material in amount; and are outside the normal course of business or relate to events which do not frequently recur), amortisation of acquired intangible assets and the unwind of fair value adjustments.
- Additional adjusted items excluded from adjusted profit after tax are:** tax on the above items and tax items that themselves are exceptional as they meet these definitions. For tax items to be treated as exceptional, amounts must be material and their treatment as exceptional enable a better understanding of the Group's underlying financial performance. Included in adjusted profit after tax is the adjusted share of profit of Primient (the Group's non-controlling joint venture interest, where the results of Primient have been adjusted for items meeting the Group's definitions herein).

Income statement measures

Adjusted revenue change

Adjusted revenue growth refers to the change in revenue for the period, in constant currency. This is analysed between the drivers of revenue growth attributable to:

- Volume** – this means, for the applicable period, the change in revenue in the period attributable to volume excluding those related to the re-positioning of the Food & Beverage Solutions business through a focus on mix management and margin expansion.
- Price mix** – this means, for the applicable period, the change in revenue in such period calculated as the sum of i) the change in revenue attributable to changes in prices during the period; and ii) the change in revenue attributable to the composition of revenue in the period, including the volume effect of the impact of the re-positioning of the Food & Beverage Solutions business through a focus on mix management and margin expansion.

In the narrative where acquisitions are referred to in explaining revenue growth, this means changes in revenue resulting from acquisitions.

Adjusted EBITDA

Adjusted EBITDA is used as the Group's primary profit measure for internal performance analysis. Adjusted EBITDA is calculated as follows:

	2023 £m	2022 £m
Six months to 30 September		
Operating profit	123	114
Depreciation	29	29
Amortisation	18	18
Exceptional items	8	11
Unwind of fair value adjustments	–	–
Adjusted EBITDA	178	172
Revenue	857	849
Adjusted EBITDA margin	20.8%	20.2%

Adjusted earnings per share

Adjusted earnings per share (adjusted EPS) is calculated as the adjusted profit for continuing operations attributable to shareholders' equity divided by the diluted average number of ordinary shares. In calculating adjusted profit attributable to shareholders' equity, net profit attributable to shareholders' equity is adjusted to eliminate the post-tax impact of all excluded adjustment items. Refer to note 8 for reconciliation of net profit attributable to shareholders' equity to adjusted profit attributable to shareholders equity.

Change in adjusted earnings per share is shown in constant currency.

Cash flow measure

The Group also presents an alternative cash flow measure, 'free cash flow' which is defined as cash generated from operating activities after net capital expenditure, net interest and tax payments, and excludes the impact of exceptional items, tax payments on behalf of Primient and the impact of acquisitions and disposals.

The reconciliation of net cash flow from operating activities to free cash flow is as follows:

	2023 £m	2022 £m
Six months to 30 September		
Net cash flow from operating activities	86	38
Capital expenditure (net)	(46)	(26)
Tax paid in respect of Primient partnership	4	4
Exceptional cash flows ¹	23	52
Interest received	10	2
Collection on behalf of previous owners of Quantum and share based payment adjustment	–	(15)
Free cash flow attributable to discontinued operations	–	7
Free cash flow	77	62

1. Includes exceptional cash flow of £11 million (2022 - £37 million) and tax paid in relation to gain on disposal of Primient of £12 million (2022: £15 million)

	2023 £m	2022 £m
Six months to 30 September		
Adjusted EBITDA	178	172
Adjusted for		
Changes in working capital	(28)	(75)
Capital expenditure (net)	(46)	(26)
Net retirement benefit obligations	(3)	(3)
Net interest and tax paid	(30)	(13)
Share-based payment charge	8	7
Other non-cash movements	(2)	–
Free cash flow	77	62

Financial strength measures

The Group uses three financial metrics as key performance measures to assess its financial strength. These are net debt, the net debt to EBITDA ratio and the return on capital employed ratio. For the purposes of KPI reporting, the Group uses a simplified calculation of these KPIs to make them more directly related to information in the Group's financial statements.

All ratios are calculated based on unrounded figures in £ million.

Net debt

Net debt is a measure that provides valuable additional information on the summary presentation of the Group's net financial liabilities. Net debt is defined as the excess of borrowings and lease liabilities over cash and cash equivalents.

The components of the Group's net debt are as follows:

	At 30 September 2023 £m	At 31 March 2023 £m
Borrowings	(588)	(659)
Lease liabilities	(52)	(54)
Cash and cash equivalents	391	475
Net debt	(249)	(238)

Net debt to EBITDA ratio

The net debt to EBITDA ratio shows how well a company can cover its debts if net debt and EBITDA are held constant.

The net debt to EBITDA ratio is as follows:

	At 30 September 2023 £m	At 31 March 2023 £m
Calculation of net debt to EBITDA ratio		
Net debt	249	238
Adjusted EBITDA	326	320
Net debt to EBITDA ratio (times)	0.8	0.7

Return on capital employed (ROCE)

Return on capital employed (ROCE) is a measure of the return generated on capital invested by the Group. The measure encourages compounding reinvestment within business and discipline around acquisitions, as such it provides a guardrail for long-term value creation. ROCE is a component of the Group's five-year performance ambition to 31 March 2028 and is used in incentive compensation.

ROCE is calculated as underlying operating profit excluding exceptional items divided by the average invested operating capital (calculated as the average for each month of goodwill, intangible assets, property, plant and equipment, working capital, provisions and non-debt related derivatives). As such the average invested operating capital is derived from the management balance sheet and does not reconcile directly to the statutory balance sheet. All elements of average invested operating capital are calculated in accordance with IFRS.

	30 September 2023 £m	31 March 2023 £m
Twelve months ended		
Adjusted EBITDA	326	320
Deduct:		
Depreciation	(59)	(59)
Amortisation	(36)	(36)
Unwind of fair value adjustments	(1)	(1)
Profit before interest, tax and exceptional items for ROCE	230	224
Average invested operating capital	1 366	1 278
ROCE %	16.8%	17.5%

Changes to the Board of Directors

- Dr Gerry Murphy stepped down as Chair of the Board on 1 September 2023. The Board appointed Warren Tucker as Interim Chair from that date.
- On 8 November 2023, it was announced that David Hearn was appointed as a Director and Chair of the Tate & Lyle Board from 1 January 2024. On his appointment, Warren Tucker will step down as Interim Chair but will continue to serve as a non-executive director and as Chair of the Audit Committee.
- Mr Paul Forman, the Senior Independent Director and who led the Chair's succession process, will retire from the Board on 31 December 2023 having served his nine-year term. As previously announced, Kimberly (Kim) Nelson will become Senior Independent Director on 1 January 2024.

Cautionary statement

This statement of Half-Year Results for the six months to 30 September 2023 (Statement) 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. A copy of this Statement can be found on our website at www.tateandlyle.com. A hard copy of the Statement is also available from the Company Secretary, Tate & Lyle PLC, 5 Marble Arch, London W1H 7EJ.

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CONDENSED (INTERIM) CONSOLIDATED INCOME STATEMENT (UNAUDITED)

	Notes	Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Continuing operations				
Revenue	4	857	849	1 751
Operating profit		123	114	196
Finance income		9	4	12
Finance expense		(13)	(15)	(32)
Share of profit/(loss) of joint venture		11	(35)	(24)
Profit before tax		130	68	152
Income tax expense	6	(28)	(12)	(25)
Profit for the period – continuing operations		102	56	127
Profit for the period – discontinued operations		–	65	63
Profit for the period – total operations		102	121	190
Attributable to:				
Owners of the Company		102	121	190
Profit for the period – total operations		102	121	190
Earnings per share				
		Pence	Pence	Pence
Continuing operations:				
– basic	8	25.8p	13.5p	31.3p
– diluted	8	25.4p	13.3p	30.8p
Total operations:				
– basic	8	25.8p	29.4p	47.0p
– diluted	8	25.4p	29.0p	46.2p

CONDENSED (INTERIM) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)

	Note	Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Profit for the period – total operations		102	121	190
Other comprehensive income / (expense)				
Items that have been/may be reclassified to profit or loss:				
(Loss)/gain on currency translation of foreign operations		(13)	137	62
Fair value loss on net investment hedges		(6)	(71)	(33)
Fair value loss on net investment hedges transferred to the income statement		–	28	28
Gain on currency translation of foreign operations transferred to the income statement on sale of a subsidiary		–	(81)	(81)
Fair value gain on cash flow hedges transferred to the income statement on sale of a subsidiary		–	(48)	(48)
Net (loss)/gain on cash flow hedges		(2)	3	(2)
Recycling of cost of hedging		–	5	5
Share of other comprehensive income/(expense) of joint ventures		14	43	(5)
Tax effect of the above items		(2)	(1)	6
		(9)	15	(68)
Items that will not be reclassified to profit or loss:				
Re-measurement of retirement benefit plans:				
– actual return lower on plan assets		(52)	(329)	(289)
– net actuarial gain on retirement benefit obligations		66	335	295
Changes in the fair value of equity investments at fair value through OCI	11	(16)	10	3
Tax effect of the above items		(3)	1	–
		(5)	17	9
Total other comprehensive (expense)/income		(14)	32	(59)
Total comprehensive income – total operations		88	153	131
Analysed by:				
– Continuing operations		88	88	68
– Discontinued operations		–	65	63
Total comprehensive income – total operations		88	153	131

All amounts are attributable to owners of the Company.

CONDENSED (INTERIM) CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)

		At 30 September 2023 £m	At 30 September 2022 £m	At 31 March 2023 £m
	Notes			
ASSETS				
Non-current assets				
Goodwill and other intangible assets		430	498	452
Property, plant and equipment (including right-of-use assets of £38 million (30 September 2022 – £44 million, 31 March 2023 – £39 million))		505	502	488
Investments in joint venture		211	247	199
Investments in equities	11	27	49	42
Retirement benefit surplus		25	13	18
Deferred tax assets		16	11	13
Trade and other receivables		12	1	11
Derivative financial instruments	11	–	4	–
		1 226	1 325	1 223
Current assets				
Inventories		409	446	446
Trade and other receivables		299	410	351
Current tax assets		4	3	9
Derivative financial instruments	11	1	13	3
Cash and cash equivalents	10	391	516	475
		1 104	1 388	1 284
TOTAL ASSETS		2 330	2 713	2 507
EQUITY				
Capital and reserves				
Share capital		117	117	117
Share premium		408	407	408
Capital redemption reserve		8	8	8
Other reserves		120	240	143
Retained earnings		556	449	513
Equity attributable to owners of the Company		1 209	1 221	1 189
Non-controlling interests		1	1	1
TOTAL EQUITY		1 210	1 222	1 190
LIABILITIES				
Non-current liabilities				
Borrowings (including lease liabilities of £42 million (30 September 2022 – £52 million, 31 March 2023 – £44 million))	10	597	770	592
Retirement benefit deficit		110	125	118
Deferred tax liabilities		26	62	30
Provisions		4	8	5
		737	965	745
Current liabilities				
Borrowings (including lease liabilities of £10 million (30 September 2022 – £11 million, 31 March 2023 – £10 million))	10	43	27	121
Trade and other payables		270	416	372
Provisions		15	13	13
Current tax liabilities		53	66	62
Derivative financial instruments	11	2	4	4
		383	526	572
TOTAL LIABILITIES		1 120	1 491	1 317
TOTAL EQUITY AND LIABILITIES		2 330	2 713	2 507

CONDENSED (INTERIM) CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

		Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
	Notes			
Cash flows from operating activities – total operations				
Profit before tax from total operations		130	166	248
Adjustments for:				
Depreciation of property, plant and equipment (including right-of-use assets and excluding exceptional items)		29	29	59
Amortisation of intangible assets		18	18	36
Share-based payments		8	8	20
Net impact of exceptional income statement items	5	(3)	(124)	(129)
Net finance expense		4	11	20
Share of (profit)/loss of joint ventures		(11)	35	24
Net retirement benefit obligations		(3)	(3)	(9)
Other non-cash movements		(2)	–	(7)
Changes in working capital		(28)	(68)	(110)
Cash generated from total operations		142	72	152
Net income tax paid		(31)	(8)	(19)
Exceptional tax paid on gain on disposal of Primient		(12)	(15)	(42)
Interest paid		(13)	(11)	(25)
Net cash generated from operating activities		86	38	66
Cash flows from investing activities				
Purchase of property, plant and equipment		(42)	(28)	(70)
Acquisition of businesses, net of cash acquired		–	(192)	(192)
Disposal of subsidiary (net of cash)	7	12	1 021	1 045
Investments in intangible assets		(4)	(5)	(8)
Purchase of equity investments	11	(3)	(2)	(3)
Disposal of equity investments	11	2	9	10
Interest received		10	2	11
Dividends received from joint venture		13	13	41
Redemption of shares held in joint venture		–	1	1
Net cash (used in)/generated from investing activities		(12)	819	835
Cash flows from financing activities				
Purchase of own shares including net settlement		(25)	(4)	(13)
Preference share buy-back advance payment		–	(2)	–
Cash inflow from additional borrowings		2	2	1
Cash outflow from repayment of borrowings		(78)	(2)	(3)
Repayment of leases		(6)	(6)	(13)
Dividends paid to the owners of the Company	9	(52)	(548)	(570)
Net cash used in financing activities		(159)	(560)	(598)
Net (decrease)/increase in cash and cash equivalents	10	(85)	297	303
Cash and cash equivalents				
Balance at beginning of period		475	127	127
Net (decrease)/increase in cash and cash equivalents		(85)	297	303
Currency translation differences		1	92	45
Balance at end of period	10	391	516	475

A reconciliation of the movement in cash and cash equivalents to the movement in net debt is presented in Note 10.

CONDENSED (INTERIM) CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UNAUDITED)

	Share capital and share premium £m	Capital redemption reserve £m	Other reserves £m	Retained earnings £m	Attributable to owners of the Company £m	Non-controlling interests £m	Total equity £m
At 1 April 2023	525	8	143	513	1 189	1	1 190
Profit for the period – total operations	–	–	–	102	102	–	102
Other comprehensive (expense) / income	–	–	(25)	11	(14)	–	(14)
Total comprehensive (expense) / income	–	–	(25)	113	88	–	88
Hedging losses transferred to inventory	–	–	2	–	2	–	2
Transactions with owners:							
Share-based payments, net of tax	–	–	–	7	7	–	7
Purchase of own shares including net settlement	–	–	–	(25)	(25)	–	(25)
Dividends paid (Note 9)	–	–	–	(52)	(52)	–	(52)
At 30 September 2023	525	8	120	556	1 209	1	1 210
At 1 April 2022	524	8	222	865	1 619	1	1 620
Profit for the period – total operations	–	–	–	121	121	–	121
Other comprehensive income	–	–	25	7	32	–	32
Total comprehensive income	–	–	25	128	153	–	153
Hedging gains transferred to inventory	–	–	(11)	–	(11)	–	(11)
Tax effect of the above item	–	–	4	–	4	–	4
Transactions with owners:							
Share-based payments, net of tax	–	–	–	8	8	–	8
Purchase of own shares including net settlement	–	–	–	(4)	(4)	–	(4)
Dividends paid	–	–	–	(548)	(548)	–	(548)
At 30 September 2022	524	8	240	449	1 221	1	1 222
At 1 April 2022	524	8	222	865	1 619	1	1 620
Profit for the year – total operations	–	–	–	190	190	–	190
Other comprehensive (expense) / income	–	–	(65)	6	(59)	–	(59)
Total comprehensive (expense) / income	–	–	(65)	196	131	–	131
Hedging gains transferred to inventory	–	–	(19)	–	(19)	–	(19)
Tax effect of the above item	–	–	5	–	5	–	5
Transactions with owners:							
Share-based payments, net of tax	–	–	–	22	22	–	22
Issue of share capital	1	–	–	–	1	–	1
Purchase of own shares including net settlement	–	–	–	(13)	(13)	–	(13)
Dividends paid	–	–	–	(570)	(570)	–	(570)
Other movements	–	–	–	13	13	–	13
At 31 March 2023	525	8	143	513	1 189	1	1 190

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

1. Presentation of half year financial information

The principal activity of Tate & Lyle PLC and its subsidiaries, together with its joint venture, is the global provision of ingredients and solutions to the food, beverage and other industries.

The Company is a public limited company incorporated and domiciled in the United Kingdom and registered in England. The address of its registered office is 5 Marble Arch, London W1H 7EJ. The Company has its primary listing on the London Stock Exchange.

2. Basis of preparation

The Group's principal accounting policies are unchanged compared with the year ended 31 March 2023. This condensed set of consolidated financial information for the six months to 30 September 2023 has been prepared on a going concern basis and on the basis of the accounting policies set out in the Group's 2023 Annual Report, in accordance with UK adopted IAS 34, 'Interim Financial Reporting' and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

The Directors are satisfied that the Group has adequate resources to continue to operate as a going concern for the foreseeable future and that no material uncertainties exist with respect to this assessment. In making the assessment, the Directors have considered the Group's balance sheet position and forecast earnings and cash flows for the period from the date of approval of this condensed set of consolidated financial information to 31 March 2025. The business plan used to support the going concern assessment (the "base case") is derived from Board-approved forecasts together with certain downside sensitivities.

Further details of the Directors' assessment are set out below:

At 30 September 2023, the Group has significant available liquidity, including £391 million of cash and US\$800 million (£655 million) from a committed and undrawn revolving credit facility, of which US\$100 million matures in March 2025 and US\$700 million matures in March 2026. In April 2023, the Group repaid, ahead of maturity and from existing cash, a US\$95 million (£77 million) US Private Placement Note which matured in October 2023. A further US\$25 million relating to a US Private Placement Note has also been repaid on maturity from cash after the balance sheet date. The next earliest maturity date for any of the Group's US Private Placement notes is October 2025, when US\$180 million will mature.

The Group has only one debt covenant requirement which is to maintain a net debt to EBITDA ratio of not more than 3.5 times. On the covenant-testing basis this was 0.6 times at 30 September 2023. For a covenant breach to occur it would require a significant reduction in Group profit. Such reduction is considered to be extremely unlikely.

As set out in our 31 March 2023 Annual Report, during May 2023, the Directors modelled the impact of a 'worst case scenario' to the 'base case' by including the same two plausible but severe downside risks also used for the Group's viability statement, being: an extended shutdown of one of our large corn wet mill manufacturing facilities following operational failure or energy shortage; and the loss of two of our largest Food & Beverage Solutions customers. In aggregate, such 'worst case scenarios' did not result in any material uncertainty to the Group's going concern assessment and the resultant position still had significant headroom above the Group's debt covenant requirement. The Directors also calculated a 'reverse stress test' which represents the changes that would be required to the 'base case' in order to breach the Group's debt covenant. Such 'reverse stress test' showed that the forecast Group profit would have to reduce significantly in order to cause a breach.

Since the assessment in May, the Directors updated the model to consider similar downside cases and to reflect the most recent Board approved forecasts incorporating the current inflationary outlook. Based on this assessment, the Directors concluded that in both the base case and worst case scenario, the Group has significant liquidity and covenant headroom throughout the period to 31 March 2025. Accordingly, the Directors have concluded that there are no material uncertainties with respect to going concern and have adopted the going concern basis in preparing the condensed consolidated financial information of the Group as at 30 September 2023.

The condensed set of consolidated financial information is unaudited but has been reviewed by the external auditor and its report to the Company is set out on page 33. The information shown for the year ended 31 March 2023 does not constitute statutory accounts as defined in Section 435 of the Companies Act 2006 and has been extracted from the Group's 2023 Annual Report which has been approved by the Board of Directors on 24 May 2023 and filed with the Registrar of Companies.

The report of the auditor on the financial statements contained within the Group's 2023 Annual Report was unqualified and did not contain a statement under either Section 498(2) or Section 498(3) of the Companies Act 2006. The interim financial statements should be read in conjunction with the annual consolidated financial statements for the year ended 31 March 2023, which were prepared in accordance with UK adopted International Accounting Standards.

The condensed set of consolidated financial information for the six months to 30 September 2023 on pages 12 to 30 was approved by the Board of Directors on 8 November 2023.

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

2. Basis of preparation (continued)

Risks and uncertainties

The principal risks and uncertainties affecting the business activities of the Group are detailed on pages 67 to 75 of the Tate & Lyle Annual Report 2023, a copy of which is available on the Company's website at www.tateandlyle.com. The Board considers that the principal risks set out in the Annual Report 2023 remain unchanged and that actions continue to be taken to substantially mitigate the impact of such risks, should they materialise.

Discontinued operations and application of Held for Sale

On 1 April 2022 the Group completed the disposal of a controlling stake in a new company and its subsidiaries ('Primient' or the 'Primient business' or 'Primient disposal group'), comprising its Primary Products business in North America and Latin America to KPS Capital Partners, LP ('KPS') (the 'Transaction'). The Group currently holds a 49.7% interest in Primient.

In accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations', from 1 July 2021 the Group classified the business that became Primient on 1 April 2022 as a disposal group held for sale and a discontinued operation. An operation is classified as discontinued if it is a component of the Group that: (i) has been disposed of, or meets the criteria to be classified as held for sale; and (ii) represents a separate major line of business or geographic area of operations or will be disposed of as part of a single coordinated plan to dispose of a separate major line of business or geographic area of operations. The results of discontinued operations are presented separately from those of continuing operations.

New accounting standards

On 1 April 2023, the Group adopted IFRS 17 'Insurance Contracts'. The standard introduces a new model for accounting for insurance contracts. The adoption of this standard has had no material impact on the Group's financial statements.

On 23 May 2023, amendments to IAS 12 'Income Taxes' came into effect relating to International Tax Reform – Pillar Two Model Rules, which were endorsed by the UK Endorsement Board on 19 July, whereby an entity shall disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. The amendments provide a temporary mandatory exemption from deferred tax accounting for the top-up tax, which is effective immediately. The expected impact of this amendment will be disclosed within the 2024 Annual Report.

No other new standards, new interpretations or amendments to standards or interpretations that are effective or that have been published but are not yet effective, are expected to have a material impact on the Group's financial statements.

Use of alternative performance measures

The Group also presents alternative performance measures, including adjusted earnings before interest, tax, depreciation and amortisation ('adjusted EBITDA'), adjusted profit before tax, adjusted earnings per share, free cash flow, net debt to EBITDA and return on capital employed. These alternative performance measures reported by the Group are not defined terms under IFRS and may therefore not be comparable with similarly-titled measures reported by other companies. Refer to further details on pages 8 to 11 ('Non-GAAP measures').

Reconciliations of the alternative performance measures to the most directly comparable IFRS measures are presented in Note 3.

Exceptional items

Exceptional items comprise items of income, expense and cash flow, including tax items that: are material in amount; and are outside the normal course of business or relate to events which do not frequently recur, and therefore merit separate disclosure in order to provide a better understanding of the Group's underlying financial performance. Exceptional items in the Group's financial statements are classified on a consistent basis across accounting periods. Examples of events that give rise to the disclosure of material items of income, expense and cash flow as exceptional items include, but are not limited to:

- significant impairment events;
- significant business transformation activities;
- disposals of operations or significant individual assets;
- litigation claims by or against the Group; and
- restructuring of components of the Group's operations.

For tax items to be treated as exceptional, amounts must be material and their treatment as exceptional enable a better understanding of the Group's underlying financial performance.

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

3. Reconciliation of alternative performance measures

Income statement measures

The Group presents alternative performance measures including adjusted earnings before interest, tax, depreciation and amortisation ('adjusted EBITDA'), adjusted profit before tax and adjusted earnings per share.

The following table shows the reconciliation of the key income statement alternative performance measures to the most directly comparable measures reported in accordance with IFRS:

Continuing operations £m unless otherwise stated	Six months to 30 September 2023			Six months to 30 September 2022		
	IFRS reported	Adjusting items	Adjusted reported	IFRS reported	Adjusting items	Adjusted reported
Revenue	857	–	857	849	–	849
EBITDA	170	8	178	161	11	172
Depreciation ¹	(29)	1	(28)	(29)	–	(29)
Amortisation	(18)	11	(7)	(18)	12	(6)
Operating profit	123	20	143	114	23	137
Net finance expense	(4)	–	(4)	(11)	–	(11)
Share of profit/(loss) of joint venture	11	6	17	(35)	48	13
Profit before tax	130	26	156	68	71	139
Income tax expense	(28)	(6)	(34)	(12)	(18)	(30)
Profit for the period	102	20	122	56	53	109
Effective tax rate expense %	21.3%		21.9%	18.4%		21.9%
Earnings per share:						
Basic earnings per share (pence)	25.8p	–	–	13.5p	–	–
Diluted earnings per share (pence)	25.4p	4.7p	30.1p	13.3p	12.8p	26.1p

Continuing operations £m unless otherwise stated	Year ended 31 March 2023		
	IFRS reported	Adjusting items	Adjusted reported
Revenue	1 751	–	1 751
EBITDA	291	29	320
Depreciation ¹	(59)	1	(58)
Amortisation	(36)	23	(13)
Operating profit	196	53	249
Net finance expense	(20)	–	(20)
Share of (loss)/profit of joint venture	(24)	48	24
Profit before tax	152	101	253
Income tax expense	(25)	(25)	(50)
Profit for the year	127	76	203
Effective tax rate expense %	16.8%		19.9%
Earnings per share:			
Basic earnings per share (pence)	31.3p	–	–
Diluted earnings per share (pence)	30.8p	18.5p	49.3p

1. For the six months to 30 September 2023, depreciation includes depreciation of £1 million related to the Quantum acquisition fair value adjustments which is excluded from adjusted operating profit (30 September 2022 – £nil; 31 March 2023 – £1 million).

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

3. Reconciliation of alternative performance measures (continued)

The following table shows the reconciliation of the adjusting items in the current and comparative periods:

	Note	Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Continuing operations				
Exceptional costs included in operating profit	5	8	11	28
Amortisation of acquired intangible assets		11	12	23
Unwind of fair value adjustments ¹		1	–	2
Adjusting items excluded from share of profit of joint venture (as shown below)		6	48	48
Total excluded from adjusted profit before tax		26	71	101
Tax credit on adjusting items		(6)	(18)	(25)
Total excluded from adjusted profit for the period		20	53	76

1. For the six months to 30 September 2023, unwind of fair value adjustments includes depreciation of £1 million (six months to 30 September 2022 – £nil; year ended 31 March 2023 – £1 million).

The following table shows the reconciliation of the Primient joint venture adjusting items impacting adjusted profit after tax:

		Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Primient adjusting items at Group's share				
Exceptional costs included in operating profit		1	51	52
Amortisation of acquired intangibles and other fair value adjustments		5	(3)	(4)
Total excluded from adjusted share of profit		6	48	48

The Group's share of exceptional costs of Primient in the six months to 30 September 2022 and year ended 31 March 2023 comprises certain non-recurring costs incurred by Primient as part of the Transaction and separation including the re-charge of shareholder costs. In addition, this included the unwind of fair value adjustments determined by the purchase price allocation which included certain net corn position fair value adjustments no longer recorded by Primient.

Cash flow measure

The Group also presents an alternative cash flow measure, 'free cash flow', which is defined as cash generated from total operations, after net interest and tax paid, after capital expenditure and excluding the impact of exceptional items.

Tax paid refers to tax paid for the Group's operations excluding any tax paid for its share of the Primient joint venture's results. The Group receives specific dividends from Primient in order to settle such tax liabilities. As all dividends received are excluded from free cash flow it is appropriate to exclude tax paid out of the receipt of these dividends.

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

3. Reconciliation of alternative performance measures (continued)

The following table shows the reconciliation of free cash flow relating to continuing operations:

	Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Adjusted operating profit from continuing operations	143	137	249
Adjusted for:			
Adjusted depreciation and adjusted amortisation ¹	35	35	71
Share-based payments charge	8	7	20
Other non-cash movements ²	(2)	–	(8)
Changes in working capital ³	(28)	(75)	(105)
Net retirement benefit obligations	(3)	(3)	(9)
Net capital expenditure	(46)	(26)	(71)
Net interest and tax paid ⁴	(30)	(13)	(28)
Free cash flow from continuing operations	77	62	119

1. Total depreciation of £29 million (30 September 2022 – £29 million; 31 March 2023 – £59 million) less £1 million of depreciation related to Quantum acquisition fair value adjustments (30 September 2022 – £nil; 31 March 2023 – £1 million) and amortisation of £18 million (30 September 2022 – £18 million; 31 March 2023 – £36 million) less £11 million (30 September 2022 – £12 million; 31 March 2023 – £23 million) of amortisation of acquired intangible assets.
2. In the year ended 31 March 2023, other non-cash movements excludes an inflow of £1 million not included in adjusted operating profit.
3. In the six months to 30 September 2022, changes in working capital exclude a cash inflow of £14 million collected on behalf of Quantum's previous owners which was returned to the previous owners in the second half of the prior year. In the six months to 30 September 2022 and in the year ended 31 March 2023, changes in working capital excludes the 2022 financial year bonus of £7 million to employees who have transitioned to Primient which is classified as a discontinued cash outflow. In the year ended 31 March 2023, this impact is partially offset by the increase of a legal provision relating to discontinued operations.
4. Net interest and tax paid excludes tax payments of £16 million relating to the Group's share of Primient's tax (30 September 2022 – £19 million; 31 March 2023 – £47 million) including the exceptional tax on the gain on disposal of Primient of £12 million (30 September 2022 – £15 million; 31 March 2023 – £42 million).

The following table shows the reconciliation of free cash flow to net cash generated from operating cash flows:

	Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Free cash flow from continuing operations	77	62	119
Adjusted for:			
Add: Adjusted free cash flow relating to discontinued operations	–	(7)	(7)
Less: exceptional cash flow	(11)	(37)	(59)
Less: tax payments relating to Primient and gain on disposal	(16)	(19)	(47)
Less: interest received	(10)	(2)	(11)
Add: share-based payment charge included in exceptional items	–	1	–
Add: cash flow collected on behalf of previous owners of Quantum	–	14	–
Add: net capital expenditure	46	26	71
Net cash generated from operating activities – total operations	86	38	66

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

4. Segment information

Segment information is presented on a basis consistent with the information presented to the Board (the designated Chief Operating Decision Maker (CODM)) for the purposes of allocating resources within the Group and assessing the performance of the Group's businesses.

The Group's core operations comprise three operating segments as follows: Food & Beverage Solutions, Sucralose and Primary Products Europe. These operating segments are also reportable segments. The Group does not aggregate operating segments to form reportable segments. Food & Beverage Solutions operates in the core categories of beverages, dairy, soups, sauces and dressings and bakery and snacks.

Sucralose, a high-intensity sweetener and a sugar reduction ingredient, is used in various food categories and beverages.

Primary Products Europe focuses principally on high-volume sweeteners and industrial starches. The Group is executing a planned transition away from these lower margin products in order to use the capacity to fuel growth in the Food & Beverage Solutions operating segment.

Whilst not part of the Group's core operations, its 49.7% investment in the Primient joint venture is also an operating segment and reportable segment. Primient is a leading producer of food and industrial ingredients, principally bulk sweeteners and industrial starches. Key products include nutritive sweeteners (such as high fructose corn syrup and dextrose), industrial starches, acidulants (such as citric acid) and commodities (such as corn gluten feed and meal and corn oil). Primient includes interests in the Almex and Bio-PDO joint ventures.

Central costs including head office, treasury and insurance activities have been allocated to segments. The allocation methodology is based on firstly attributing total selling and general administrative costs by the support provided to each segment directly, then allocating non-directly attributed costs mainly on the basis of segment share of Group gross profit.

Adjusted EBITDA is used as the measure of the profitability of the Group's businesses. For the Primient operating segment, the Board uses the Group's share of adjusted profit of the Primient joint venture as the measure of profitability of this business. Adjusted EBITDA and the Group's share of adjusted profit of the Primient Joint Venture are therefore the measures of segment profit presented in the Group's segment disclosures for the relevant operating segments.

All revenue is from external customers.

IFRS 8 Segment results

Six months to 30 September 2023

	Food & Beverage Solutions £m	Sucralose £m	Primary Products Europe £m	Primient Joint Venture £m	Total £m
Total operations					
Revenue	707	89	61	–	857
Adjusted EBITDA ¹	153	28	(3)	–	178
Adjusted EBITDA margin	21.7%	30.8%	(4.2%)	–	20.8%
Adjusted share of profit of joint venture ¹	–	–	–	17	17

1. Reconciled to statutory profit for the period for continuing operations in Note 3.

Six months to 30 September 2022*

	Food & Beverage Solutions £m	Sucralose £m	Primary Products Europe £m	Primient Joint Venture £m	Total £m
Total operations					
Revenue	691	97	61	–	849
Adjusted EBITDA ¹	144	34	(6)	–	172
Adjusted EBITDA margin	20.8%	34.5%	(8.8%)	–	20.2%
Adjusted share of profit of joint venture ¹	–	–	–	13	13

* Restated to reflect change in operating segments.

1. Reconciled to statutory profit for the period for continuing operations in Note 3.

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

4. Segment information (continued)

IFRS 8 Segment results (continued)

Year ended 31 March 2023

	Food & Beverage Solutions £m	Sucralose £m	Primary Products Europe £m	Primient Joint Venture £m	Total £m
Total operations					
Revenue	1 438	184	129	–	1 751
Adjusted EBITDA ¹	271	58	(9)	–	320
Adjusted EBITDA margin	18.8%	31.3%	(6.5%)	–	18.3%
Adjusted share of profit of joint venture ¹	–	–	–	24	24

1. Reconciled to statutory profit for the year for continuing operations in Note 3.

Geographic disclosures

	Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Revenue – total operations			
Food & Beverage Solutions			
North America	334	340	687
Asia, Middle East, Africa and Latin America	200	208	432
Europe	173	143	319
Food & Beverage Solutions – total	707	691	1 438
Sucralose	89	97	184
Primary Products Europe	61	61	129
Total	857	849	1 751

5. Exceptional items

Exceptional (costs)/income recognised in the income statement are as follows:

		Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Income statement – continuing operations	Footnotes			
Restructuring costs	(a)	(7)	(1)	(5)
Costs associated with the separation and disposal of Primient	(b)	(1)	(13)	(25)
Stabiliser product contamination		–	–	(1)
Historical legal matters		–	3	3
Exceptional items included in profit before tax		(8)	(11)	(28)
Exceptional items – continuing operations		(8)	(11)	(28)
Discontinued operations				
Gain on disposal of Primient		–	98	98
Exceptional items – discontinued operations		–	98	98
Exceptional items – total operations		(8)	87	70

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

5. Exceptional items (continued)

Continuing operations for the six months to 30 September 2023

- (a) As part of the Group's previously announced commitment to deliver US\$100 million of productivity savings in the five years ending 31 March 2028, a £7 million charge has been recognised related to organisational improvements to the Food & Beverage Solutions business and activities to drive productivity savings. This charge includes severance costs, project costs and information technology (IT) initiatives.
- (b) The Group incurred certain separation costs related to the Primient disposal which totalled £1 million. These costs consist principally of IT costs and relate to the final separation of IT infrastructure following the cessation of the transition services arrangement for IT support to Primient at the end of the prior financial year.

The net £8 million exceptional costs recorded in operating profit in continuing operations during the period resulted in £6 million (outflow) disclosed in exceptional operating cash flow. In addition, exceptional costs recorded in the prior year resulted in cash outflows in the period of £5 million.

In the prior period, the most significant exceptional costs related to the Primient disposal separation costs including, IT costs to separate the Group's and Primient's IT.

Tax credits or charges on exceptional items are only recognised to the extent that gains or losses incurred are expected to result in tax recoverable or payable in the future. The total tax impact of these exceptional items was a tax credit of £2 million.

Discontinued operations

In the six months to 30 September 2022 and year ended 31 March 2023, the Group recorded a gain of £98 million relating to the disposal on 1 April 2022 of a 50.1% controlling interest in Primient in exchange for gross cash proceeds of US\$1.4 billion (£1.1 billion). An exceptional tax charge of £33 million arose on this gain. Further details on the gain on disposal, and the associated tax charge, are set out in Note 7.

Cash flows from total operations

Further details in respect of cash flows from exceptional items are set out below.

		Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Net operating cash outflows on exceptional items	Footnotes			
Restructuring costs	(a)	(4)	–	(3)
Costs associated with the separation and disposal of Primient	(b)	(5)	(35)	(52)
US pension plan past service credit		–	–	(1)
Stabiliser product contamination		–	–	(1)
Historical legal matters		(2)	(2)	(2)
Net operating cash outflows – continuing operations		(11)	(37)	(59)
Net operating cash outflows – discontinued operations		–	–	(42)
Net operating cash outflows – total operations		(11)	(37)	(101)

Exceptional cash flows

The total cash adjustment relating to exceptional items presented in the cash flow statement of £3 million outflow reflects the net exceptional charge in profit before tax for total operations of £8 million which was £3 million lower than net cash outflows of £11 million set out in the table above.

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

6. Income tax expense

Income tax for the period is presented as follows:

- Statutory current and deferred taxes from continuing operations of £28 million, which when divided by statutory profit before tax from continuing operations of £130 million gives a statutory effective tax rate of 21.3%.
- Adjusted income tax expense from continuing operations of £34 million, which when divided by adjusted profit before tax from continuing operations of £156 million gives an adjusted effective tax rate of 21.9%. Adjusted income tax is different to statutory income tax due to the tax effect of adjusting and exceptional items.

Analysis of charge for the period

	Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Continuing operations			
Current tax:			
United Kingdom	(3)	(2)	(1)
Overseas	(38)	(16)	(66)
Tax credit on exceptional items	2	2	6
(Charge)/credit in respect of previous financial years	(1)	–	16
	(40)	(16)	(45)
Deferred tax:			
Credit/(charge) for the period	9	(3)	13
Credit/(charge) in respect of previous financial years	3	(5)	(6)
Tax credit on Primient exceptional items	–	12	13
Income tax expense	(28)	(12)	(25)
Statutory effective tax rate %	21.3%	18.4%	16.8%

Reconciliation to adjusted income tax expense

	Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Continuing operations			
Income tax expense:	(28)	(12)	(25)
Add back the impact of:			
Tax credit on exceptional items	(2)	(2)	(6)
Tax credit on Primient exceptional items	–	(12)	(13)
Tax credit on amortisation of acquired intangibles and other fair value adjustments	(3)	(3)	(7)
Tax (credit)/charge on amortisation of Primient acquired intangibles and other fair value adjustments	(1)	(1)	1
Adjusted income tax expense	(34)	(30)	(50)
Adjusted effective tax rate %	21.9%	21.9%	19.9%

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

7. Discontinued operations

As described in Note 2, on 1 July 2021 the Group classified the business that became Primient and in which a controlling stake was sold to KPS on 1 April 2022 as a disposal group held for sale and a discontinued operation.

The Primient business consists of the following operations:

- Corn wet mills in the US in Decatur, Illinois; Lafayette, Indiana; and Loudon, Tennessee.
- Acidulants plants in Dayton, Ohio; Duluth, Minnesota; and Santa Rosa, Brazil.
- Shareholdings in two joint ventures - Almex in Guadalajara, Mexico and Covation Biomaterials (formerly Bio-PDO), in Loudon, Tennessee.
- Grain elevator network and bulk transfer stations in North America.

Primary Products' European operations were not included in this transaction and are therefore not part of the discontinued operations.

Primient disposal

On 1 April 2022 the Group completed the disposal of a 50.1% controlling interest in Primient in exchange for gross cash proceeds of US\$1.4 billion (£1.1 billion), resulting in an exceptional gain on disposal before tax of £98 million (see Note 5).

A reconciliation of gross cash proceeds received is shown in the tables below:

	Six months to 30 September 2022 US\$m	Year to 31 March 2023 US\$m
Reconciliation of gross cash proceeds (US\$m)		
Cash consideration	330	330
Less: completion accounts adjustments in favour of the Group not yet received	(15)	(15)
Add: cash received for intercompany loan notes, payables and transaction costs	1 089	1 089
Add: contingent consideration received	–	31
Disposal of Primient, gross proceeds	1 404	1 435

	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Reconciliation of gross cash proceeds (£m)		
Cash consideration	253	253
Less: completion accounts adjustments in favour of the Group not yet received	(12)	(12)
Add: cash received for intercompany loan notes, payables and transaction costs	830	830
Add: contingent consideration received	–	24
Disposal of Primient, gross proceeds	1 071	1 095

In the six months to 30 September 2023, the completion accounts adjustment in favour of the Group of £12 million was received.

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

7. Discontinued operations (continued)

	Six months to 30 September 2022 £m	Year ended 31 March 2023 £m
Gain on disposal		
Cash consideration – as shown in table above ¹	253	253
Contingent consideration received ²	24	24
Fair value of investment in Primient joint venture on initial recognition	253	253
Total consideration for equity	530	530
Primient net assets derecognised on disposal on 1 April 2022 ³	(539)	(539)
Recycling of accumulated foreign exchange from other comprehensive income to the income statement	81	81
Recycling of cash flow hedges from other comprehensive income to the income statement	48	48
Impact of deal contingent forward ⁴	(33)	(33)
Other amounts	11	11
Gain on disposal before tax	98	98
Tax on gain on disposal	(33)	(33)
Gain on disposal	65	65

1 Included deferred consideration relating to the completion accounts adjustment not yet received of £12 million.

2 Contingent consideration was based on the dividend payable by Almex relating to the period under the Group's ownership.

3 Net assets held for sale at 31 March 2022 were £1 337 million. This amount excluded intercompany payable and loan balances which eliminated on consolidation prior to completion of the Transaction. Net assets derecognised on disposal included such amounts.

4 The Group entered into a deal contingent forward to hedge the currency risk associated with the consideration received from the Transaction which was partly used for the shareholder distribution on 16 May 2022. The fair value loss on this forward and the impact of the cost of hedging were recycled from other comprehensive income to the income statement on completion of the Transaction.

The tax charge arising on the gain on disposal of Primient was £54 million. Of this amount, £42 million has been paid in the year ended 31 March 2023. This tax charge was partially offset by a deferred tax credit of £21 million reflecting the change in measurement of the difference between the tax basis and carrying value of the investment. This resulted in a net tax charge on the gain on disposal of £33 million.

A reconciliation to the consolidated statement of cash flows is shown in the table below:

	Six months to 30 September 2022 £m	Year ended 31 March 2023 £m
Cash flows		
Total cash consideration of £253 million less completion accounts adjustments not yet received of £12 million – as shown above	241	241
Repayment of intercompany loan notes and payables and transaction costs	830	830
Less: cash outflow relating to deal contingent forward	(33)	(33)
Less: net cash derecognised on disposal	(17)	(17)
Add: contingent consideration received – as shown above	–	24
Disposal of business, net of cash derecognised on disposal	1 021	1 045

8. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to owners of the Company by the weighted average number of ordinary shares in issue during the period (excluding shares held by the Company and the Employee Benefit Trust to satisfy awards made under the Group's share-based incentive plans).

Diluted earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The average market price of the Company's ordinary shares during the six months to 30 September 2023 was 751p (30 September 2022 – 762p; 31 March 2023 – 752p). The dilutive effect of share-based incentives was 6.2 million shares (30 September 2022 – 5.3 million shares; 31 March 2023 – 7.3 million shares).

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

8. Earnings per share (continued)

	Six months to 30 September 2023			Six months to 30 September 2022		
	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
Profit attributable to owners of the Company (£ million)	102	–	102	56	65	121
Weighted average number of shares (million) – basic	398.2	n/a	398.2	410.5	410.5	410.5
Basic earnings per share (pence)	25.8p	–	25.8p	13.5p	15.9p	29.4p
Weighted average number of shares (million) – diluted	404.4	n/a	404.4	415.8	415.8	415.8
Diluted earnings per share (pence)	25.4p	–	25.4p	13.3p	15.7p	29.0p

	Year ended 31 March 2023		
	Continuing operations	Discontinued operations	Total
Profit attributable to owners of the Company (£ million)	127	63	190
Weighted average number of shares (million) – basic	404.1	404.1	404.1
Basic earnings per share (pence)	31.3p	15.7p	47.0p
Weighted average number of shares (million) – diluted	411.4	411.4	411.4
Diluted earnings per share (pence)	30.8p	15.4p	46.2p

Adjusted earnings per share

A reconciliation between profit attributable to owners of the Company from continuing operations and the equivalent adjusted measure, together with the resulting adjusted earnings per share measure, is shown below:

		Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Continuing operations	Notes			
Profit attributable to owners of the Company		102	56	127
Adjusting items:				
– exceptional costs in operating profit	5	8	11	28
– amortisation of acquired intangible assets and other fair value adjustments	3	12	12	25
– adjusting items excluded from share of profit of joint venture	3	6	48	48
– tax credit on adjusting items	3, 6	(6)	(18)	(25)
Adjusted profit attributable to owners of the Company	3	122	109	203
Weighted average number of shares (million) – diluted		404.4	415.8	411.4
Adjusted earnings per share (pence) – continuing operations		30.1p	26.1p	49.3p

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

8. Earnings per share (continued)

		Six months to 30 September 2023 £m	Six months to 30 September 2022 £m	Year to 31 March 2023 £m
Total operations	Note			
Adjusted profit attributable to owners of the Company – Continuing operations	3	122	109	203
Adjusted loss attributable to owners of the Company – Discontinued operations		–	–	(2)
Adjusted profit attributable to owners of the Company – Total operations		122	109	201
Adjusted earnings per share (pence) – total operations		30.1p	26.1p	48.9p

9. Dividends on ordinary shares

The Directors have declared an interim dividend of 6.2p per share for the six months to 30 September 2023 (six months to 30 September 2022 – 5.4p per share), payable on 5 January 2024.

The final dividend for the year ended 31 March 2023 of £52 million, representing 13.1p per share, was paid during the six months to 30 September 2023.

On 16 May 2022, the Group returned £497 million to ordinary shareholders by way of a special dividend of £1.07 per Existing Ordinary share in the capital of Tate & Lyle PLC. In order to maintain the comparability, so far as possible, of Tate & Lyle PLC's share price before and after the special dividend, the Group also completed a share consolidation resulting in ordinary shareholders receiving six New Ordinary shares with a nominal value of 29 1/6 pence each for every seven Existing Ordinary shares that they held.

10. Net debt – total operations

Movements in the Group's net debt were as follows:

	Cash and cash equivalents £m	Borrowings and lease liabilities £m	Total £m
At 1 April 2023	475	(713)	(238)
Movements from cash flows	(85)	82	(3)
Currency translation differences	1	(7)	(6)
Lease liabilities	–	(4)	(4)
Other non-cash movements	–	2	2
At 30 September 2023	391	(640)	(249)

In April 2023, the Group repaid, ahead of maturity and from existing cash, US\$95 million relating to its US Private Placement Note which matured in October 2023.

TATE & LYLE PLC

NOTES TO THE FINANCIAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

11. Investments in equities and financial instruments

Carrying amount versus fair value

The fair values of the Group's cash and cash equivalents, trade and other receivables and trade and other payables approximate their carrying amounts due to their short-term nature. The fair value of borrowings, excluding lease liabilities, is estimated to be £520 million (30 September 2022 – £656 million; 31 March 2023 – £608 million) and has been determined by discounted estimated cash flows with an applicable market quoted yield, using quoted market prices, discounted estimated cash flows based on broker dealer quotations or quoted market prices. The carrying value of other assets and liabilities held at amortised cost is not materially different from their fair value.

Fair value measurements recognised in the balance sheet

The table below shows the Group's financial assets and liabilities measured at fair value at 30 September 2023. The fair value hierarchy categorisation, valuation techniques and inputs, are consistent with those used in the year ended 31 March 2023.

	At 30 September 2023				At 31 March 2023			
	Level 1 £m	Level 2 £m	Level 3 £m	Total £m	Level 1 £m	Level 2 £m	Level 3 £m	Total £m
Assets at fair value								
Financial assets at FVPL ¹	–	–	20	20	–	–	20	20
Financial assets at FVOCI ¹	–	–	7	7	–	–	22	22
Derivative financial instruments:								
– commodity derivatives	1	–	–	1	3	–	–	3
Assets at fair value	1	–	27	28	3	–	42	45
Liabilities at fair value								
Derivative financial instruments:								
– commodity derivatives	(2)	–	–	(2)	(4)	–	–	(4)
Liabilities at fair value	(2)	–	–	(2)	(4)	–	–	(4)

1. Included in Investment in equities in the Consolidated Statement of Financial Position.

Included in investments in equities are assets classified as FVOCI. These relate principally to long-term strategic investments that the Group does not control, nor has significant influence over. The investments are non-listed and are mainly start-ups or in the earlier stages of their lifecycle. Therefore, fair value has been determined based on the most recent funding rounds adjusted for indicators of impairment. The fair values assigned to each of the investments have different significant unobservable inputs.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level of input that is significant to the fair value measurement as a whole) at the end of the reporting period. There were no transfers between Level 1 and Level 2 fair value measurements during the period, and no transfers into or out of Level 3 fair value measurements during the six months to 30 September 2023.

The following table reconciles the movement in the Group's net financial assets classified in 'Level 3' of the fair value hierarchy:

	Financial assets at FVPL £m	Financial assets at FVOCI £m	Total £m
At 1 April 2023	20	22	42
Other comprehensive income ¹	–	(16)	(16)
Purchases	2	1	3
Disposals	(2)	–	(2)
At 30 September 2023	20	7	27

1. The £16 million charge recognised in other comprehensive income relates to the full impairment of the Group's investment in In infant Health. At the balance sheet date it is considered unlikely that the Group will participate in the forthcoming funding round which will result in the Group's interest in that company being fully diluted.

12. Events after the balance sheet date

On 30 October 2023, the Group repaid its US\$25 million US private placement 3.83% fixed rate note on maturity using cash.

On 2 November 2023, the Group received dividend payments of US\$37 million from Primient.

There are no other material post balance sheet events requiring disclosure in respect of the six months to 30 September 2023.

TATE & LYLE PLC

ADDITIONAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

Calculation of changes in constant currency

Where changes in constant currency are presented in this statement, they are calculated by retranslating current period results at prior period exchange rates. The following table provides a reconciliation between the current period and the six months to September 2022 at actual exchange rates and at constant currency exchange rates. Absolute numbers presented in the tables are rounded for presentational purposes, whereas the growth percentages are calculated on unrounded numbers.

Six months to 30 September	2023	FX	2023 at constant currency	Underlying growth	2022*	Change	Change in constant currency
Adjusted performance	£m	£m	£m	£m	£m	%	%
Continuing operations	£m	£m	£m	£m	£m	%	%
Revenue	857	22	879	30	849	1%	4%
Food & Beverage Solutions	153	5	158	14	144	7%	10%
Sucralose	28	1	29	(5)	34	(18%)	(14%)
Primary Products Europe	(3)	–	(3)	3	(6)	52%	51%
Adjusted EBITDA	178	6	184	12	172	4%	7%
Adjusted operating profit	143	5	148	11	137	4%	8%
Net finance expense	(4)	–	(4)	7	(11)	65%	64%
Share of adjusted profit of joint venture	17	–	17	4	13	26%	32%
Adjusted profit before tax	156	5	161	22	139	12%	16%
Adjusted income tax expense	(34)	(1)	(35)	(5)	(30)	(12%)	(16%)
Adjusted profit after tax	122	4	126	17	109	12%	16%
Adjusted EPS (pence)	30.1p	1.1p	31.2p	5.1p	26.1p	15%	19%

* Restated to reflect change in operating segments and use of adjusted EBITDA.

Currency Sensitivities

Currency-sensitivity information for the six months to 30 September 2023 is summarised below. This sets out the sensitivity to a 5% strengthening of pound sterling impacting the Group's revenue and EBITDA in the six months to 30 September 2023:

Currency	Six months to 30 September 2023 ¹	Six months to 30 September 2022 ²	Change (%) ³	Six months impact (£m) of 5% strengthening of GBP (vs 2023 average rate) ⁴	
				Revenue	EBITDA
USD	1.26	1.21	3.5%	(21)	(7)
EUR	1.16	1.17	(1.5%)	(13)	(3)
Other ⁵				(6)	–

1. Based on average daily spot rates from 1 Apr 2023 to 30 Sep 2023

2. Based on average daily spot rates from 1 Apr 2022 to 30 Sep 2022

3. Change versus average spot rates for the previous period

4. Based on best prevailing assumptions around currency profiles

5. Other currencies include CNY, AUD, JPY, MXN, PLN, ZAR, BRL, AED, THB

TATE & LYLE PLC

ADDITIONAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

Statement of Directors' responsibilities

The Directors confirm: that this condensed consolidated set of financial information has been prepared on the basis of the accounting policies set out in the Group's 2023 Annual Report, and in accordance with UK adopted International Accounting Standard 34 "Interim Financial Reporting"; that the condensed consolidated set of financial statements gives a true and fair view of the assets, liabilities, financial position and profit or loss as required by the Disclosure Guidance and Transparency Rules (DTRs) sourcebook of the United Kingdom's Financial Conduct Authority, paragraph DTR 4.2.4; and that the interim management report herein includes a fair review of the information required by paragraphs DTR 4.2.7 and DTR 4.2.8, namely:

- an indication of important events that have occurred during the first six months and their impact on the condensed set of consolidated financial information;
- a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- material related party transactions in the first six months and any material changes in the related party transactions described in the last Annual Report.

The Directors are responsible for the maintenance and integrity of the Company's website. UK legislation governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors of Tate & Lyle PLC are listed in the Tate & Lyle Annual Report for the year ended 31 March 2023. The following changes have been made to the Board in the six months to 30 September 2023.

Dr Gerry Murphy stepped down as Chair of the Board on 1 September 2023. The Board appointed Warren Tucker as Interim Chair from that date.

On 8 November 2023, it was announced that David Hearn was appointed as a Director and Chair of the Tate & Lyle Board from 1 January 2024. On his appointment, Warren Tucker will step down as Interim Chair but will continue to serve as a non-executive director and as Chair of the Audit Committee.

Mr Paul Forman, the Senior Independent Director and who led the Chair's succession process, will retire from the Board on 31 December 2023 having served his nine-year term. As previously announced, Kimberly (Kim) Nelson will become Senior Independent Director on 1 January 2024.

For and on behalf of the Board of Directors:

Nick Hampton

Chief Executive

Dawn Allen

Chief Financial Officer

8 November 2023

TATE & LYLE PLC

ADDITIONAL INFORMATION FOR THE SIX MONTHS TO 30 SEPTEMBER 2023

INDEPENDENT REVIEW REPORT TO TATE & LYLE PLC

Conclusion

We have been engaged by the Company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 which comprises the condensed (interim) consolidated income statement, condensed (interim) consolidated statement of comprehensive income, condensed (interim) consolidated statement of financial position, condensed (interim) consolidated statement of cash flows, condensed (interim) consolidated statement of changes in equity and the related explanatory notes 1 to 12. We have read the other information contained in the half yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 September 2023 is not prepared, in all material respects, in accordance with UK adopted International Accounting Standard 34 and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Basis for Conclusion

We conducted our review in accordance with International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" (ISRE) issued by the Financial Reporting Council. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

As disclosed in note 2, the annual financial statements of the Group are prepared in accordance with UK adopted international accounting standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with UK adopted International Accounting Standard 34, 'Interim Financial Reporting'.

Conclusions relating to Going Concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for Conclusion section of this report, nothing has come to our attention to suggest that management have inappropriately adopted the going concern basis of accounting or that management have identified material uncertainties relating to going concern that are not appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with this ISRE, however future events or conditions may cause the entity to cease to continue as a going concern.

Responsibilities of the directors

The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

In preparing the half-yearly financial report, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the review of the financial information

In reviewing the half-yearly report, we are responsible for expressing to the Company a conclusion on the condensed set of financial statements in the half-yearly financial report. Our conclusion, including our Conclusions Relating to Going Concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for Conclusion paragraph of this report.

Use of our report

This report is made solely to the company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Financial Reporting Council. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Ernst & Young LLP

London

8 November 2023