Full year results for the year ended 31 March 2022
Issued: Thursday 9 June 2022

TATE & LYLE

Strong top-line growth, accelerated innovation and major strategic milestone passed

HEADLINES

- Continuing operations (new Tate & Lyle) delivered +18% revenue and +14% profit[1] growth
- Significant acceleration in innovation with +35% New Product revenue growth
- Effective management of cost inflation through pricing, productivity and cost discipline
- Major strategic divestment re-positions Tate & Lyle as growth-focused food & beverage solutions business
- Acquisition of leading dietary fibre business in China significantly strengthens fortification platform
- Double-digit reduction in GHG emissions in last two years[2] and new carbon net zero commitment by 2050
- Strong balance sheet enables investment for growth and payment of £500m special dividend in May 2022

FINANCIAL SUMMARY[3]

	Adjusted results[4]			Statutory results		
	2022	2021	**vs 2021**	**2022**	2021	**vs 2021**
Continuing operations						
Revenue	**£1,375m**	£1,211m	**+18%**	**£1,375m**	£1,211m	**+14%**
Profit before tax	**£145m**	£134m	**+14%**	**£42m**	£90m	**(54%)**
Diluted earnings per share	**24.9p**	25.2p	**+4%**	**5.5p**	19.1p	**(71%)**
Free cash flow	**£72m**	£153m	**(£81)m**			
Discontinued operations						
Profit after tax	**£146m**	£169m	**(9%)**	**£210m**	£164m	**29%**
Total operations						
Diluted earnings per share	**56.0p**	61.2p	**(4%)**	**50.2p**	53.8p	**(7%)**
Net cash from operating activities				**£103m**	£369m	**(£266)m**
Net debt	**£626m**	£417m				
Dividend per share				**21.8p**	30.8p	**(29%)**

NICK HAMPTON, CHIEF EXECUTIVE SAID:

"This has been a landmark year for the company. New Tate & Lyle delivered double-digit organic revenue growth across all regions and double-digit profit[1] growth despite significant inflation across the supply chain. We also passed a major strategic milestone by refocusing the Group on our faster growing speciality food and beverage solutions business. To do this during a global pandemic, while serving our customers, accelerating innovation and living our purpose is a testament to the resilience, ambition and agility of all my colleagues.

Tate & Lyle is now a focused global leader in sweetening, mouthfeel and fortification, and very well-placed to benefit from growing consumer demand for healthier food and drink. Our strong balance sheet allows us to invest in organic and inorganic growth and the acquisition of Quantum Hi-Tech, a leading dietary fibre business in China, demonstrates our ability to further strengthen our portfolio and deliver on our growth agenda.

We entered the 2023 financial year with strong top-line momentum, innovation gathering pace and our productivity programme continuing to deliver benefits. Customer demand remains high and while the conflict in Ukraine has caused significant inflation in raw material, energy and logistics costs globally, we are taking actions to mitigate these pressures including supplementary pricing.

For the year ending 31 March 2023, we expect further progress with adjusted profit before tax in line with market expectations and revenue growth reflecting top-line momentum and the pricing through of higher input costs.

In the near term, our focus remains on continuity of supply, serving our customers and maintaining our financial strength and strategic progress. We have emerged from the pandemic a stronger, more ambitious business, and are excited about our future growth potential."

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1 Adjusted profit before tax for continuing operations
2 Scope 1 and 2 absolute greenhouse gas (GHG) emissions in total operations in two years from the baseline of year ended 31 December 2019
3 Continuing operations is Food & Beverage Solutions (including European Primary Products business and certain stranded costs); Sucralose; and Central costs. Discontinued operations is the disposed Primary Products business (now called Primient). Total operations are continuing and discontinued operations combined.
4 The adjusted results for the year ended 31 March 2022 exclude exceptional items, amortisation of acquired intangible assets, the tax on those adjustments and tax items that are themselves exceptional. The adjusted results of discontinued operations have also been adjusted to exclude the impact of IFRS 5 held for sale accounting. A reconciliation of statutory and adjusted information is included in Note 3 and Note 8 to the Financial Information. Growth percentages are calculated on unrounded numbers. Changes in adjusted performance metrics are in constant currency throughout this statement.

HIGHLIGHTS[1]

Continuing operations (new Tate & Lyle) delivers strong revenue and profit growth

- Revenue +18% and adjusted profit before tax +14%
- Food & Beverage Solutions maintains positive top-line momentum:
  - Volume +5% with particularly strong performance from Asia, Middle East, Africa and Latin America
  - Revenue +19% with double-digit organic growth across all regions; 2ppts growth from acquisitions
  - Profit[2] +12% benefitting from positive mix; profit[2] +7% including Primary Products Europe at £160m
- Robust performance from Sucralose:
  - Volume +15% led by strong demand in beverages and the benefit of production optimisation
  - Revenue +13% with higher volume partially offset by customer mix
  - Profit[2] +15% at £61m
- Adjusted diluted EPS +4% reflecting a significantly lower adjusted effective tax rate in the prior year
- Pro-forma adjusted diluted EPS[3] at 40.0p assumes full-year effect of share consolidation
- Free cash flow of £72m (2021 – £153m) despite higher working capital requirements of £41m due to business separation planning

Significant acceleration in innovation and New Product revenue growth

- New Product revenue +35% reflecting strong demand for sugar reduction and clean label solutions
- New Products represent 14% of Food & Beverage Solutions revenue (16% ex-Primary Products Europe)
- Integration of tapioca and stevia businesses acquired in the 2021 financial year progressing well

Major strategic milestone passed to re-position Tate & Lyle as a growth-focused business

- Completed sale of controlling stake in Primary Products in the Americas creating Primient joint venture
- Tate & Lyle re-positioned as a focused global leader in sweetening, mouthfeel and fortification

Acquisition of Quantum Hi-Tech, a leading dietary fibre business in China

- Significantly strengthens fortification platform and solutions offering for customers
- Further expands business and presence in higher growth markets of China and Asia

Effective management of cost inflation in year through pricing, productivity and cost discipline

- Continuing operations: £100m inflation mitigated by pricing, productivity, cost discipline and volume/mix
- Six-year productivity programme to deliver US$150m benefits achieved two years ahead of schedule

Profit[4] from total operations (Group) in-line with last year due to weaker discontinued operations

- Discontinued operations (Primient) volume in-line; adjusted profit after tax (9)% lower at £146m
  - Sweeteners & Starches profit[2] down (42)% as operational disruption outweighed firm demand
  - Commodities profit[2] 52% higher benefiting from exceptionally strong market conditions
- Statutory profit after tax (7)% lower at £236m
  - Exceptional costs of £96m partially offset by £83m benefit from held for sale accounting adjustments
- Adjusted diluted EPS (4)% lower at 56.0p; profit before tax in line with prior year and tax rate higher
- Net cash from operating activities of £103m, £(266)m lower mainly reflecting £(217)m higher working capital and £(60)m of exceptional cash costs (mainly Primient disposal related)
- Return on capital employed of 14.9%, down 240bps impacted by discontinued operations lower profits
- Net debt £209m higher at £626m at 31 March 2022; net debt to EBITDA ratio 1.3x pre-Primient closing

Strong balance sheet enables investment for growth and c.£500m special dividend paid in May

- Gross cash proceeds from sale of Primient business of approximately £1.1bn (including favourable working capital adjustment to recover working capital investment) subject to post-completion adjustments
- Returned c.£500m to shareholders in May 2022 by a special dividend and associated share consolidation
- Recommended final dividend of 12.8p reflects new earnings base and associated share consolidation

Good progress on sustainability programme and building a more agile and inclusive culture

- Scope 1 and 2 absolute GHG emissions 12% lower[5]; new commitment to be carbon net zero by 2050
- Building agile, ambitious and diverse culture; 42% of top 500 managers in new Tate & Lyle are women
- New targets established to progress equity, diversity and inclusion over next 2, 5 and 10 years

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1 Adjusted metrics percentage changes are in constant currency
2 Adjusted operating profit
3 Pro-forma EPS calculation shown in Additional Information at the end of this statement
4 Adjusted profit before tax
5 Reduction against baseline of year ended 31 December 2019; total operations

MAJOR MILESTONE PASSED IN STRATEGIC TRANSFORMATION

Tate & Lyle re-positioned as a growth-focused speciality food and beverage solutions business

Following the sale of a controlling stake in Primary Products in the Americas, now called 'Primient' (this transaction is explained in more detail later in this statement), Tate & Lyle has been re-positioned as a leading global speciality food and beverage solutions business focused on faster growing markets. With our leading expertise in sweetening, mouthfeel and fortification, this provides the opportunity to further:

- Benefit from growing global consumer demand for healthier food and drink
- Accelerate growth through a step-up in R&D investment and innovation
- Increase the focus on solutions development to support and strengthen customer relationships.

During the year, we made good progress accelerating growth in Food & Beverage Solutions and positioning the business for future growth:

- Double-digit revenue growth in each region with New Product revenue up 35% in constant currency
- New Product revenue is 14% of Food & Beverage Solutions revenue (16% ex-Primary Products Europe)
- Value of wins from new business pipeline increased by 23%
- 10 New Products and more than 30 stevia-based sweetener solutions launched from innovation pipeline
- Agreement to acquire Quantum Hi-Tech (Guangdong) Biological Co., Ltd, a leading dietary fibre business in China
- Projects to build growth capacity in progress with total capital expenditure in 2023 financial year expected to be in the £90 million to £100 million range.

We plan to increase investment in R&D and innovation to more than 4% of Food & Beverage Solutions revenue each year (year ended 31 March 2022 – 3.4%), and expect to grow revenue from New Products to around 20% of Food & Beverage Solutions revenue by the financial year ending 31 March 2027.

With our new strategic focus, positive top-line momentum, and plans to increase investment in R&D and innovation, we are confident we have a strong platform to drive organic growth, supplemented by acquisitions. Our ambition for the five years ending 31 March 2027 is to deliver:

- Organic revenue growth of mid-single digit percent per annum
- Operating margin expansion of at least 50 to 100 basis points per annum on average
- Organic return on capital employed improvement of 50 basis points per annum on average.

The performance of Food & Beverage Solutions over the four years ended 31 March 2022 with a compound annual revenue growth of 8%[1] validates this ambition and demonstrates the potential of the new Tate & Lyle as a growth-focused business.

Primient well-positioned for the future

Primient is a leading producer of food and industrial ingredients made from plant-based, renewable sources. It has a strong future as a privately owned business, supported by Tate & Lyle as owners of a 49.9% interest, and controlled by our partner KPS Capital Partners, LP (KPS).

KPS has a proven track record of successfully creating value in manufacturing and industrial businesses. As partners, we have worked closely together since the transaction was announced to set up Primient for the future and the business is now well-positioned to pursue its strategic growth opportunities, with a strong and established management team.

The twenty-year supply agreements we have in place will ensure both parties continue to work together for the benefit of the two businesses. Tate & Lyle will also benefit from an ongoing cash dividend stream from Primient and potential future value creation from the retained equity stake.

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1 Excludes Sucralose and retained European Primary Products business

OVERVIEW OF THE YEAR

Business environment and trading

The year saw improved customer demand in many of our key markets although the trading environment remained challenging as we managed significant supply chain disruption, evolving Covid-19 restrictions, rapidly increasing cost inflation and, latterly, uncertainty related to the conflict in Ukraine.

In continuing operations (new Tate & Lyle), Food & Beverage Solutions saw strong demand as in-home consumption remained robust and out-of-home consumption continued to recover. The business continues to benefit from increasing global consumer awareness of the importance of a healthier diet. With its broad portfolio and technical capabilities in sweetening, mouthfeel and fortification, Food & Beverage Solutions provides customers with solutions to reduce sugar, calories and fat, and add fibre to their products. These capabilities, together with good commercial execution including a positive 2022 calendar year pricing round, and the impact of acquisitions, supported strong top-line delivery in the year. Operating profit benefited from strong mix management, cost discipline in the face of inflationary headwinds and productivity benefits mitigated by selective investments in future growth.

Sucralose benefited from a combination of recovering out-of-home consumption leading to strong volume growth in beverages, increased volume from the optimisation of production at our plant in McIntosh, Alabama, and being the only sucralose plant based outside China.

In the continuing business (new Tate & Lyle), we saw cost inflation totaling £100 million during the year in areas such as energy, labour, consumables and transportation. This was mitigated by a combination of pricing, productivity benefits, cost discipline, and volume growth and mix improvement.

In discontinued operations (Primient), sweetener volume was in line with the prior year with stronger demand offset by operational disruption including from the installation of new gas turbines at the facility in Lafayette, Indiana, to increase long-term efficiency and environmental performance. This, together with cost inflation particularly in the third quarter of the financial year (before calendar year contracts were renewed in the fourth quarter), resulted in lower profits. Commodities saw higher profits due to exceptionally strong market conditions.

We entered the 2022 calendar year with renewed customer contracts that offset expected inflation. Since then, the conflict in Ukraine has caused significant further inflation in raw material (including corn), energy and logistics costs globally, especially in Europe. A programme of supplementary price increases has been implemented across our main markets to recover incremental input costs together with a continued focus on productivity and cost control. To ensure supply continuity we have committed agreements in place for key production inputs such as corn and energy covering the majority of the first half of the 2023 financial year.

Delivering strategic progress

Growth within new Tate & Lyle is being driven by the delivery of our strategic growth framework. This framework is centered on four pillars – market focus; portfolio expansion; accelerate innovation; and creating integrated solutions for customers. Progress in each pillar during the year is summarised below.

Market focus

- We aim to maximise opportunities in all our markets, to grow above the market in developed markets and accelerate growth in the faster growing markets of Asia, Middle East, Africa and Latin America.
- We focus on four global categories – dairy, beverage, bakery and soups, sauces and dressings – as well as two or three regional categories where we have local expertise such as confectionery and snacks. This category focus, combined with our expertise in sweetening, mouthfeel and fortification, provides a bespoke and attractive offering for customers.
- During the year, in North America revenue from bakery and snacks grew by 19% and from beverages by 12% supported by demand for our fibre and stevia solutions. In Europe, dairy grew by 14% helped by demand for our clean label solutions. In Asia, Middle East, Africa and Latin America, revenue grew by 25% with good progress across our focus categories as customers continued to demand solutions that reduce sugar, calories and fat in their products.

Portfolio expansion

- The integration of the two businesses acquired at the end of the 2021 financial year (Sweet Green Fields, a leading global stevia solutions business, and Chaodee Modified Starch Co., Ltd. a speciality tapioca food starch business in Thailand) is progressing well.
  - The expanded stevia business delivered revenue 92% higher. To meet growing customer demand, we are investing in our stevia facility in Anji, China and our production line in the US to increase capacity, and diversifying leaf sourcing beyond China.
  - The three-year capital investment programme at our facility in Thailand to significantly increase capacity of higher functionality tapioca starches is underway.
- In March 2022, we announced the acquisition of Quantum Hi-Tech (Guangdong) Biological Co., Ltd (Quantum), a leading prebiotic dietary fibre business in China for a total consideration of US$237 million. Quantum has a high-quality portfolio of fructo-oligosaccharides (FOS) and galacto-oligosaccharides (GOS), and this acquisition strengthens our position as a leading global player in the fast-growing global dietary fibres market. It also strengthens our fortification platform, enhances our integrated solutions capabilities, and significantly extends our presence and customer offering in China and Asia.

Accelerate Innovation

- We continued to invest in R&D by building our strong in-house scientific expertise and with external partners through open innovation to create a leading portfolio of New Products and drive top-line growth.
- Investment in R&D increased to 3.4% of Food & Beverage Solutions revenue.
- New Product revenue grew by 35% with the sweetener platform up 97% driven by high demand for stevia solutions. Revenue from our mouthfeel platform was 19% higher reflecting consumer demand for cleaner labels.
- In April 2022, we acquired Nutriati, an ingredient technology business developing and producing chickpea protein and flour, expanding our capability to offer customers sustainable, plant-based solutions.

Integrated Solutions

- We continued to focus on creating integrated science-based solutions for our customers to strengthen our position as their growth partner. Our deep understanding of how ingredients interact across the food matrix in our core categories, together with our leading product portfolio and technical expertise, allows us to provide customers with a bespoke solutions offering.
- We continue to invest in accelerating our solutions offering by strengthening our customer-facing capabilities in areas such as sensory, prototyping and category and consumer insights. Pilot programmes are underway to further develop our ways of working with customers and build stronger solutions-based partnerships.
- In October 2021, we opened a new Customer Innovation and Collaboration Centre in Dubai to serve customers in the Middle East and Africa region, where consumer demand for healthier food and drink is increasing. The Centre's state-of-the-art technology is accelerating the innovation process for customers. In May 2022, we opened another Customer Innovation and Collaboration Centre in Santiago, Chile.
- In April 2021, to support our solutions offering, we launched the Stabiliser University™, an online modular course designed to help formulators and food scientists solve even the toughest stabiliser formulation challenges. This follows the success of three other curriculums – Texture University™, Sweetener University™ and Fibre University™ – which have attracted thousands of attendees worldwide.

Delivering on our near-term priorities as we entered the 2022 financial year

Looking after our colleagues and communities

- Appropriate Covid-19 safety protocols remain in place to ensure our workplaces are safe for our people.
- Established an Employee Resource Group to provide support and information on mental health.
- Created a new team dedicated to progressing equity, diversity and inclusion.
- Guided by our purpose, we are actively supporting humanitarian relief efforts for the Ukrainian people, in particular by supporting charities that are providing food, clothes and shelter to refugees arriving in the regions of Poland and Slovakia where we have operations.

Strengthen our relationships with customers

- Partnered with Coca-Cola, Nutrição em Pauta, a leading nutrition education platform in Brazil, and the Brazilian Society for Food and Nutrition, to offer health and food industry professionals a free-to-access digital course to explain the origins, safety and efficacy of low and no calorie sweeteners.
- Partnered with the Kellogg's Nutrition and Health Institute to launch an online course to share the latest science on dietary fibres with health clinicians, nutritionists, and industry professionals in Latin America.

Continue to progress our strategy

- On 12 July 2021, we entered into an agreement to sell a controlling stake in a new company and its subsidiaries (Primient), comprising our Primary Products business in North America and Latin America and our interests in the Almidones Mexicanos S.A de C.V and DuPont Tate & Lyle Bio-Products Company, LLC joint ventures, to KPS Capital Partners, LP (KPS) (the Transaction). The Transaction was approved by Ordinary Shareholders at a general meeting on 30 September 2021 and completed on 1 April 2022. As a result, KPS holds a 50.1% interest in Primient and has Board and operational control. Tate & Lyle holds a 49.9% interest in Primient.
- Further details of how we are progressing our strategy is in the 'Delivering strategic progress' section.

Maintain our financial strength

- We continued to execute against our productivity programme to deliver US$150 million of benefits over a six-year period ending 31 March 2024. In total operations, US$34 million of benefits were delivered during the year of which US$26 million was realised from projects in our operations and US$8 million from SG&A savings. Total benefits since the programme started are now US$158 million, delivering the targeted benefits two years ahead of schedule.
- Productivity remains an important part of the culture of the new Tate & Lyle, helping to drive further efficiencies in our business. In continuing operations, we are targeting a further US$10 million of benefits in the 2023 financial year.
- Free cash flow from continuing operations was lower at £72 million, due in part to rising inflation later in the financial year and decisions we took to preserve service to customers ahead of closing the Primient transaction. Nonetheless, the Primient transaction has left Tate & Lyle with a strong balance sheet ready to support investment for growth with pro-forma[1] net leverage of less than 1.0x net debt to EBITDA.

DIVIDENDS

Proceeds from sale of controlling stake in Primient

On completion of the Transaction, Tate & Lyle received gross cash proceeds of approximately £1.1 billion (US$1.4 billion), taking into account estimates of cash, debt, debt-like items and working capital balances at completion. After one-off transaction and separation costs, as well as estimated tax liabilities associated with the Transaction, net proceeds were approximately £0.9 billion (US$1.2 billion) subject to customary post-completion adjustments in accordance with the Transaction documentation.

£500 million special dividend and associated share consolidation

Having taken into account all relevant considerations, the Board decided to return approximately £500 million to ordinary shareholders by way of a special dividend of £1.07 per existing ordinary share. To maintain comparability, so far as possible, of the Company's share price before and after the special dividend, it was accompanied by a consolidation and division of the Company's ordinary share capital resulting in ordinary shareholders receiving six new ordinary shares for every seven existing ordinary shares they held. Information about the special dividend and share consolidation was set out in the shareholder circular dated 7 April 2022. The special dividend and share consolidation were approved by shareholders at a General Meeting on 26 April 2022. The share consolidation applied to ordinary shareholders on the Register on 29 April 2022, while the special dividend was paid on 16 May 2022.

Final dividend for year ended 31 March 2022

As previously communicated, the sale of the controlling stake in Primient reduces the Group's earnings base by around 50%. As a result, the Board has decided to reduce the dividend to reflect this new base. The pay-out ratio (dividend cost compared to the Group's earnings base) has been maintained at the same level, and the Board intends to operate a progressive dividend policy from the new base. The share consolidation reduced the number of ordinary shares in issue, allowing dividends to be paid over a smaller number of shares, with the result that dividends per share reduce by less than the 50%. The Board is recommending a final dividend for the year ended 31 March 2022 of 12.8p (2021 – 22.0p) per share, bringing the full year dividend to 21.8p per share (2021 – 30.8p). This will be paid on 5 August 2022 to all shareholders on the Register on 1 July 2022. As well as the cash dividend option, shareholders will be offered a Dividend Reinvestment Plan alternative. The interim dividend for the year ending 31 March 2023 is expected to be similarly adjusted to reflect the new earnings base.

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1 Pro-forma leverage on 1 April 2022 calculated after: completion of Primient disposal; the £500 million (approx.) special dividend paid to shareholders and the acquisition of Quantum Hi-Tech (US$237 million).

PURPOSE

New purpose statement

With the challenges of Covid-19, the past year has made us even more determined to deliver on our purpose. As the new Tate & Lyle, we will be more ambitious with our purpose and positively impact the world through the science of food. So that is why, while our three purpose pillars remain unchanged, we have evolved our purpose statement from 'Improving Lives for Generations' to 'Transforming Lives through the Science of Food'.

We remain committed to delivering our existing 2025 purpose targets for our Supporting Healthy Living and Building Thriving Communities purpose pillars – information on progress against our targets for these two purpose pillars will be published in our Annual Report 2022. Progress on our targets for our Caring for our Planet purpose pillar are set out below.

Good progress against our 2030 sustainability targets and commitments

In May 2020, we announced a set of ambitious environmental targets for 2030 to reduce our greenhouse gas emissions (GHG), beneficially use all the waste we generate, reduce water use and continue to support sustainable agriculture. We also committed to eliminate the use of coal in all our operations by 2025. In September 2020, our Scope 1 and 2 and Scope 3 absolute GHG emissions reduction targets were validated as science-based by the Science Based Targets initiative, meaning they are in line with the goals of the Paris Agreement.

In light of the separation of the Tate & Lyle and Primient businesses, we have recalculated the 2019 baseline for our environmental targets (details will be in our Annual Report 2022). Despite the material change in Tate & Lyle's operational footprint, we remain committed to delivering our existing targets for GHG emissions, waste and water use by 2030.

In both total operations (Tate & Lyle Group) and continuing operations (new Tate & Lyle), we made good progress against our 2030 targets in the second year of measurement against our 2019 baseline, as shown in the table below.

Environmental area	2030 Target	Total operations[1]	Continuing operations[1]
Scope 1 and 2 GHG emissions	30% absolute reduction	-12%	-4%
Scope 3 GHG emissions	15% absolute reduction	-1%	-5%
Use less water	15% intensity reduction	+3%	-3%
Beneficial use of waste	100% beneficial use	83%	91%

1 In the two calendar years from the baseline of the year ended 31 December 2019

The 12% reduction in Scope 1 and 2 absolute GHG emissions in total operations was driven by the completion of projects to replace coal-fired boilers with natural gas-fired heat and power systems at the plants in Lafayette, Indiana and Decatur, Illinois (both now part of Primient). Both projects were the final stage of a multi-year US$150 million capital investment programme to reduce GHG emissions and increase operational efficiency in our plants. With the completion of these projects, we delivered on our commitment to eliminate the use of coal in all our operations four years ahead of schedule.

During the year, we continued to operate our sustainable corn programme in the US Midwest with Truterra LLC, the only one of its kind in our industry. In line with our commitment to maintain sustainable acreage equivalent to the volume of corn we buy annually, we supported 1.4 million acres of sustainable corn in the year. We also expanded our sustainability programme for stevia farmers in China, developed in partnership with Earthwatch Europe and the Nanjing Agricultural University, which helps growers lower their environmental impact and improve their economic returns. With the decreased concentration of corn-based products in the new Tate & Lyle, we are working on expanding our sustainable agriculture commitment to cover more crops than corn, such as stevia.

In addition to our existing targets, we are setting a new target that, by 2030, we will purchase renewable energy to supply 100% of the electricity we use, therefore eliminating our Scope 2 GHG emissions. We will report our progress on this new target next year.

Tate & Lyle commits to being carbon net zero by 2050

During the year, we carried out an analysis of what a net zero carbon emissions pathway would look like for Tate & Lyle, including comprehensive Scope 1 and 2 decarbonisation reviews at our four largest plants (after business separation) and an in-depth review of our Scope 3 emissions. On the basis of this work, Tate & Lyle is committing to being carbon net zero by 2050. More details will be provided in our Annual Report 2022.

New targets and commitments for equity, diversity and inclusion

We believe people are at their best when they feel they can be themselves, and businesses are at their best when everyone can be seen, heard and valued. This is why equity, diversity and inclusion is a key part of our purpose and a business-wide priority. During the year we launched a set of actionable targets and commitments for the next two, five and ten years to progress equity, diversity and inclusion inside our business and also working with our customers, suppliers and local communities. These targets, which are set out in full in our Purpose Report 2021 (on our website), include:

- By 2025, we will achieve gender parity in leadership and management roles
- By 2030, teams at all levels will be representative of their local communities
- By 2030, we will expand our spend with diverse suppliers globally, with interim goals for North America supplier diversity by 2027.

We are already making positive progress. On gender equality, for example, in April 2021 our UK gender pay gap was -1.7% in favour of women. Currently, 56% of our Executive Committee and 45% of our Board are women. In addition, of the top 500 managers in new Tate & Lyle, 42% are women.

BOARD AND MANAGEMENT

Changes to the Board of Directors

- Patrícia Corsi joined the Board as a non-executive director on 1 May 2021.
- Dawn Allen joined the Board on 16 May 2022 as Chief Financial Officer. She replaced Vivid Sehgal, who stepped down from the Board on 3 November 2021.
- Dr Isabelle Esser joined the Board as a non-executive director on 1 June 2022.

Changes to the Executive Committee

- William ‘Bill’ Magee was appointed as President, North America and as a member of Tate & Lyle’s Executive Committee, with effect from 1 October 2021.
- Jim Stutelberg, President, Primary Products stepped down from the Executive Committee to take up his new role as Chief Executive, Primient on 1 April 2022.
- Vivid Sehgal stepped down from the Executive Committee on 31 December 2021.

OPERATING PERFORMANCE – CONTINUING OPERATIONS (NEW TATE & LYLE)

Reporting changes

Following the Transaction to sell the controlling stake in Primient which was announced in July 2021, Primient was classified as held for sale and met the definition of a discontinued operation under IFRS 5. As a result, Primient is treated as a discontinued operation for all of the year ended 31 March 2022 and this classification has been adopted in this results statement. The continuing operations comprise: Food & Beverage Solutions (into which the European Primary Products business, which is not part of the Transaction, and certain stranded costs have been combined); Sucralose; and Central costs. The results for the comparative period have been restated on a consistent basis. From 1 April 2022 our interest in Primient will be reported as a joint venture.

Year ended 31 March 2022	Volume change	Revenue	Revenue growth	Adjusted operating profit	Adjusted operating profit change
North America	+2%	£542m	+16%	–	–
Asia, Middle East, Africa and Latin America	+15%	£325m	+25%	–	–
Europe[1]	+4%	£345m	+19%	–	–
Food & Beverage Solutions	**+5%**	**£1,212m**	**+19%**	**£160m**	**+7%**
Memo: Food & Beverage Solutions (before reporting changes)	*+6%*	*£1,111m*	*+19%*	*£190m*	*+12%*
Sucralose	**+15%**	**£163m**	**+13%**	**£61m**	**+15%**
Central costs				**(£51m)**	**in line**
Total – continuing operations		**£1,375m**	**+18%**	**£170m**	**+12%**

The adjusted results for the year ended 31 March 2022 have been adjusted to exclude exceptional items, amortisation of acquired intangible assets, the tax on those adjustments and tax items that are themselves exceptional. A reconciliation of statutory and adjusted information is included in Note 3 to the Financial Information. Growth percentages are calculated on unrounded numbers. Changes in revenue and adjusted operating profit are in constant currency.

1 Includes loss from the retained European Primary Products business for the year ended 31 March 2022 £(21) million loss (2021 – £(14) million loss) and cost reallocations (stranded costs) of £(9) million (2021 – £(7) million).

FOOD & BEVERAGE SOLUTIONS

Excellent top-line growth

Volume increased by 5% with revenue 19% higher in constant currency at £1,212 million. Customer demand for ingredients used for in-home consumption, such as packaged and shelf-stable foods, remained strong, supplemented by increasing demand for ingredients used in food and drink consumed out-of-home. Consumer demand for healthier food and beverages that are lower in sugar and calories, with cleaner labels and added fibre, also continued to grow. Strong mix management, together with pricing through of input cost inflation and higher corn costs contributed 12ppts of price/mix leverage. Acquisitions contributed 2ppts to revenue growth. European Primary Products is now included in the Food & Beverage Solutions division.

Looking through the impact of the Covid-19 pandemic and before the impact of reporting changes, compared to the year ended 31 March 2020, volume was 10% higher and revenue 28% higher.

Adjusted operating profit was 7% higher in constant currency at £160 million with the benefit of strong mix management, cost discipline in the face of inflationary headwinds and productivity benefits mitigated by selected investments in future growth. Input cost inflation impacted profit, especially in the final quarter of the 2021 calendar year, before customer contracts for the 2022 calendar year were renewed that offset expected inflation while seeking to at least maintain absolute unit margins. Operating losses in the European Primary Products business increased by £7 million to £21 million reflecting the impact of higher corn and other input costs. Excluding this, adjusted operating profit for the division was 12% higher in constant currency. The effect of currency translation decreased revenue by £50 million and adjusted operating profit by £7 million.

North America

Top-line momentum continued with volume 2% higher as strong demand for in-home consumption continued supported by improving out-of-home demand, especially for customers in the food service channel. Demand for solutions which make food and beverage healthier remained strong in our focus categories in North America, driving volume growth ahead of the overall food and beverage market (which remained in line with the prior year). Growth was driven by good performance across categories such as beverage, confectionery, dairy, bakery and nutrition especially for solutions using our fibre, no- or low-calorie sweetener and clean label texturant portfolios.

Revenue was 16% higher in constant currency at £542 million. Significant volume to revenue growth leverage reflects good mix with particularly strong growth from the fibre portfolio and New Products, the impact of acquisitions and the pricing through of input cost inflation. Revenue for New Products increased by 43% in North America, with high customer demand for stevia and allulose sweeteners and fibre solutions.

Asia, Middle East, Africa and Latin America

Volume was 15% higher reflecting double-digit growth in each region, the impact of acquisitions and a comparative period impacted by the pandemic. Revenue increased by 25% in constant currency to £325 million. Revenue growth was strong in each region benefiting from good mix and pricing, higher volume and the impact of acquisitions.

In Asia, revenue growth was strong in the South East and North Asia, with both benefiting from customers rebuilding inventory after the pandemic, together with good revenue growth in both tapioca and stevia. In China, revenue was slightly higher as good demand in some dairy sub-categories and stevia demand was partially offset by the exit from some lower margin business.

In March 2022, we agreed to acquire Quantum Hi-Tech (Guangdong) Biological Co., Ltd (Quantum), a leading prebiotic dietary fibre business in China. Quantum will strengthen our fortification platform, enhance our integrated solutions capabilities, and extend our presence and customer offering in China and Asia.

In Latin America, sugar reduction solutions for customers addressing new front-of-pack labelling regulations accelerated growth in the Mexico and Central American region, while growth was also robust in southern Latin America driven by stevia performance. In Brazil, revenue was lower reflecting a sustained impact from the pandemic. In Middle East and Africa, revenue grew strongly reflecting good performance in the United Arab Emirates, following the opening of our new Customer Innovation and Collaboration Centre in Dubai in the year, and also in Turkey and South Africa.

Europe

Volume was 4% higher. Revenue for the region was £345 million including £101 million from the retained European Primary Products business. Revenue was 19% higher in constant currency both before and after the inclusion of the European Primary Products business. Revenue growth benefited from strong performance in the beverage, bakery and confectionery categories, good mix management, the pricing through of input cost inflation and the impact of the pandemic in the prior year. European Primary Products revenue growth reflected higher pricing.

New Products

Revenue from New Products (products launched in the last seven years) increased by 35% in constant currency to £173 million, representing 14% of Food & Beverage Solutions revenue (16% excluding European Primary Products), with revenue growth across the three platforms of sweeteners, mouthfeel and fortification. Acquisitions, particularly the Sweet Green Fields stevia business, helped to accelerate New Product revenue growth.

The sweeteners platform delivered exceptionally strong performance with revenue nearly doubling in the year driven mainly by demand for stevia solutions. Stevia is an important natural sweetening ingredient for customers and consumers and our stevia solutions are used to reduce sugar and calories in products across a range of categories such as beverage, dairy, confectionery and bakery. Revenue in the mouthfeel platform also grew strongly reflecting good demand for clean label and higher functionality tapioca starches.

SUCRALOSE

Robust demand

Sucralose volume increased by 15% driven by strong customer demand in the beverage category as out-of-home consumption recovered and the benefit of optimisation of production at our facility in Alabama. Industry demand for sucralose continues to grow in support of sugar reduction initiatives, while the strong demand for our sucralose also reflected high customer service levels in a challenged global supply chain environment.

Revenue increased by 13% in constant currency to £163 million reflecting strong volume growth partially offset by the modest impact of customer mix.

Looking through the impact of the Covid-19 pandemic, compared to the year ended 31 March 2020, volume was 16% higher and revenue 12% higher.

Adjusted operating profit at £61 million was 15% higher in constant currency reflecting both operational leverage of higher volume and input cost inflation. Currency translation decreased revenue by £8 million and adjusted operating profit by £3 million.

The optimisation of production is expected to continue in the 2023 financial year generating small volume growth opportunities and creating mitigation for modest pricing headwinds and ongoing input cost inflation.

OPERATING PERFORMANCE – DISCONTINUED OPERATIONS (PRIMIENT)

Year ended 31 March 2022	Volume change	Revenue	Revenue growth	Adjusted operating profit	Adjusted operating profit change
Sweeteners and Starches[1]	–	–	–	£68m	(42%)
Commodities	–	–	–	£74m	+52%
Primary Products in the Americas	**in line**	**£1,757m**	**+15%**	**£142m**	**(16%)**
Memo: Primary Products[2] (before reporting changes)	*in line*	*£1,858m*	*+15%*	*£112m*	*(25%)*

The adjusted results for the year ended 31 March 2022 have been adjusted to exclude exceptional items, amortisation of acquired intangible assets, the tax on those adjustments and tax items that are themselves exceptional. Adjusted results for discontinued operations have also been adjusted to exclude the impact of IFRS 5 'held for sale' accounting. A reconciliation of statutory and adjusted information is included in Note 8 to the Financial Information. Growth percentages are calculated on unrounded numbers. Changes in revenue and adjusted operating profit are in constant currency.

1 Excludes European Primary Products, which has been retained. Reflects cost reallocations (stranded costs) transferred to Food & Beverage Solutions reflecting separation of the businesses (see Note 3).

2 Adjusted results for the former Primary Products operating segment which included European Primary Products, consistent with how the Group disclosed the results of the Primary Products operating segment in prior years.

A challenging year

Volume was in line with the prior year with sweetener volume also in line and industrial starch volume 8% higher. Sweetener volume benefited from improved out-of-home demand for beverages but was impacted by operational and wider supply chain disruption. Industrial starch volume benefited from its strategy to focus on packaging markets as well as a weak prior year impacted by Covid-19. Revenue at £1,757 million increased by 15% in constant currency reflecting the pass through of higher corn costs and significantly higher revenue from Commodities due to higher co-product prices.

Looking through the impact of the Covid-19 pandemic and before reporting changes, compared to the year ended 31 March 2020, volume was 5% lower and revenue was 16% higher.

Adjusted operating profit was 16% lower in constant currency at £142 million. Adjusted operating profit in Sweeteners and Starches at £68 million was 42% lower in constant currency reflecting increased costs in our operations including productivity-related operational disruption at the Lafayette, Indiana facility of £6 million, and other costs from global supply chain pressures, partially mitigated by benefits from the productivity programme. Input cost inflation impacted adjusted operating profit, especially in the final quarter of the 2021 calendar year, before customer contracts for the 2022 calendar year were renewed that offset expected inflation. Commodities adjusted operating profit at £74 million was 52% higher in constant currency reflecting exceptionally strong pricing in North American commodities markets.

Currency translation decreased revenue by £81 million and adjusted operating profit by £8 million.

Sweeteners

Volume was in line with the prior year as out-of-home consumption continued to recover after declining during Covid-19 lockdowns. The benefit of recovering demand was offset by the impact of operational disruption. Volume for customers in the domestic US market increased slightly, while exports to Mexico declined.

Industrial Starches

Volume was 8% higher as demand for paper and packaging recovered compared to weaker demand in the prior year. We continued to pursue our strategy to partner with customers focused on higher growth segments of the packaging market and more sustainable, plant-based packaging.

Commodities

Commodities delivered adjusted operating profit of £74 million, 52% higher in constant currency. Supply chain capacity concerns positively impacted North American commodities pricing driving co-product recoveries higher, especially in corn oil and corn gluten feed. Dynamics in the US ethanol market also improved, with pricing stronger on increased industry demand.

ADDITIONAL COMMENTARY IN FINANCIAL STATEMENTS

Year ended 31 March[1] **Continuing operations**	**2022** **£m**	Restated* 2021 £m	Change %	Constant currency change %
Revenue	**1 375**	1 211	14%	18%
Adjusted operating profit[2]				
- Food & Beverage Solutions	**160**	156	3%	7%
- Sucralose	**61**	55	9%	15%
- Central	**(51)**	(51)	1%	–
Adjusted operating profit	**170**	160	6%	12%
Net finance expense	**(25)**	(26)	4%	–
Adjusted profit before tax	**145**	134	8%	14%
Exceptional items	**(93)**	(34)	(>99%)	(>99%)
Amortisation of acquired intangible assets	**(10)**	(10)	(4%)	(9%)
Profit before tax	**42**	90	(54%)	(37%)
Income tax expense[3]	**(16)**	(1)	(>99%)	(>99%)
Profit for the year – continuing operations	**26**	89	(71%)	(46%)
Profit for the year – discontinued operations	**210**	164	29%	34%
Profit for the year – total operations	**236**	253	(7%)	6%
Earnings per share (pence) – continuing operations				
Adjusted diluted	**24.9p**	25.2p	(1%)	4%
Diluted	**5.5p**	19.1p	(71%)	(46%)
Earnings per share (pence) – total operations				
Adjusted diluted	**56.0p**	61.2p	(8%)	(4%)
Diluted	**50.2p**	53.8p	(7%)	6%
Cash flow and net debt – total operations				
Adjusted free cash flow	**16**	250		
Net debt	**626**	417		

* Restated to reflect discontinued operations (see Notes 2 and 8)

1. Adjusted results and certain other terms and performance measures used in this document are not directly defined within IFRS. We have provided descriptions of such metrics and their reconciliations to the most directly comparable measures reported in accordance with IFRS and the calculation (where relevant) of any ratios in Note 3.
2. For a reconciliation to the IFRS 8 segmental results refer to Note 4.
3. Statutory income tax expense on continuing operations of £16 million (2021 – £1 million) includes an adjusted income tax charge of £28 million (2021 – £16 million), exceptional tax charge of £12 million (2021 – exceptional tax credit of £7 million) and a tax credit on adjusting items of £24 million (2021 – £8 million). Refer to Note 7.

Continuing operations – adjusted operating profit

Year ended 31 March **Adjusted operating profit**	**2022** **£m**	2021 £m	Constant currency change %
Food & Beverage Solutions			
As previously reported	**190**	177	12%
Costs reallocation[1]	**(9)**	(7)	(21%)
Retained European Primary Products business[2]	**(21)**	(14)	(63%)
Food & Beverage Solutions	**160**	156	7%
Sucralose	**61**	55	15%
Central costs	**(51)**	(51)	–
Adjusted operating profit – continuing operations	**170**	160	12%

1. Inclusion of certain operating costs which are reallocated from Primary Products to Food & Beverage Solutions because they will remain with the Group post disposal.
2. Adjustment to include the European Primary Products business in Food & Beverage Solutions, which is not subject to the Primient disposal transaction.

Continuing operations

Continuing operations comprise: Food & Beverage Solutions (into which the European Primary Products business, which is not part of the Transaction, and certain stranded costs have been combined); Sucralose; and Central costs.

Central costs

Central costs, which include head office costs and certain treasury and legal activities, were in line with the prior year in constant currency at £51 million benefiting from strong discipline on overhead costs which offset higher costs from continued investment in the business.

Net finance expense and liquidity

Net finance expense from continuing operations at £25 million was 4% lower (in line with the prior year in constant currency), mainly reflecting lower net interest on the Group's net retirement benefit liabilities being offset by a full year of interest on the US$200 million US Private Placement Notes issued in the first half of the prior year.

Exceptional items

The Group recorded a net exceptional charge of £105 million in continuing operations, comprising £93 million of exceptional items included in profit before tax and a £12 million charge included as exceptional items within tax. Such items principally included the following:

- £79 million of cash costs associated with the transaction to dispose of the Primary Products business in the Americas ("Primient" or the "Primient business");
- £13 million non-cash impairment charge related to the write-off of dedicated assets in the European Primary Products business and certain other assets which are obsolete as a result of the Primient business disposal;
- £9 million net exceptional gain resulting from a variation of certain benefits within one of the US pension plans. This consists of a non-cash past service credit of £13 million which has been partially offset by a cash charge of £4 million;
- £9 million charge related to stabiliser product contamination, an issue affecting not only the Group but the wider industry, consisting of a £6 million write-off of impacted inventories and receivables and a further £3 million impairment of certain fixed assets;
- £1 million of cash costs relating to productivity and simplification projects in our operations; and
- £12 million tax charge due to a reduction in the amount of brought forward UK tax losses and the amount of US State tax credits that the Group expects to be able to utilise as a result of the agreement to sell a controlling interest in Primient.

Exceptional cash outflows for the year totalled £60 million (for total operations), comprising £48 million of cash outflows related to charges recorded in the current year and £12 million of cash outflows resulting from exceptional costs recorded in the prior year.

The Group is in the fourth year of its programme to generate productivity benefits of US$150 million by 31 March 2024 and has already exceeded this target, delivering US$158 million of total benefits to date. During the year ended 31 March 2022, exceptional cash costs in respect of this programme of US$4 million (£3 million, total operations) were recognised (either paid or provided), bringing the total to date to US$52 million.

In the prior year, the Group recorded a net exceptional charge of £34 million in continuing operations included in profit before tax and a £7 million credit included as an exceptional item within tax.

Taxation

The adjusted effective tax rate on continuing operations was 19.3% (31 March 2021 – 12.1%). The rate reflects the prevailing rates of corporation tax in the US and UK, the jurisdictions most applicable to the Group's activities. The prior year rate benefited from the release of certain tax provisions following expiry of statute of limitations as well as recognition of certain tax credits in the US. We expect the adjusted effective tax rate for the year ending 31 March 2023 to be slightly higher than the current year.

The reported effective tax rate (on statutory earnings) for continuing operations was 38.4% (31 March 2021 – 1.2%). The higher effective tax rate is due to the factors highlighted above and the impact of the £12 million exceptional tax charge on the de-recognition of deferred tax assets in the US and UK as a result of the agreement to sell a controlling interest in Primient. The prior year also benefited from an £7 million exceptional tax credit.

Earnings per share

For continuing operations, adjusted basic earnings per share decreased by 1% (increase of 4% in constant currency) to 25.2p and adjusted diluted earnings per share at 24.9p were also 1% lower (4% higher in constant currency). The increase in constant currency reflects strong business performance mitigated by a higher adjusted effective tax rate. Statutory diluted earnings per share decreased by 13.6p to 5.5p, reflecting lower statutory profit for the year mainly due to higher exceptional charges in the year.

Discontinued operations

Discontinued operations comprises the Primient business which represents a disposal group.

Year ended 31 March	**2022** **£m**	2021 £m	Change %	Constant currency change %
Revenue	**1 757**	1 596	10%	15%
Primary Products as previously reported – adjusted operating profit	**112**	158	(29%)	(25%)
Costs reallocation to continuing operations[1]	**9**	7	20%	21%
Transfer of European Primary Products business to continuing operations[2]	**21**	14	56%	63%
Adjusted operating profit	**142**	179	(21%)	(16%)
Net finance expense	**(3)**	(4)	30%	25%
Adjusted share of profit after tax of joint ventures	**35**	26	38%	37%
Adjusted profit before tax	**174**	201	(13%)	(9%)
Exceptional items	**(3)**	(8)	66%	64%
IFRS 5 held for sale adjustments	**83**	–	–	–
Profit before tax	**254**	193	32%	37%
Income tax expense	**(44)**	(29)	(50%)	(51%)
Profit for the year – discontinued operations	**210**	164	29%	34%

1. Exclusion of certain operating costs which are reallocated from Primary Products to Food & Beverage Solutions because they will remain with the Group post disposal.
2. Adjustment to include the European Primary Products business in Food & Beverage Solutions, which is not subject to the Primient disposal transaction.

Adjusted profit after tax for discontinued operations (which excludes the impact of exceptional items and IFRS 5 held for sale adjustments) of £146 million was 13% lower (9% lower in constant currency) than the prior year, mainly reflecting weaker operating performance.

IFRS 5 Held for Sale adjustments of £83 million

IFRS 5 requires certain adjustments to assets held for sale, for which the relevant items to the Group from the Primient disposal transaction were as follows:

- Cessation of depreciation of assets of the Primient business, this reduced operating costs by £68 million; and
- Cessation of equity accounting of the share of profits from the Group's existing joint venture interests in Almex and Bio-PDO. The impact of this resulted in a reduction in share of profit after tax of joint ventures of £27 million, however dividends recognised in the period were recorded as income within discontinued operations of £42 million.

Such adjustments applied prospectively from 1 July 2021 (being the date at which the Primient disposal transaction became highly probable) and comparatives are not restated. The impact of these adjustments is reflected in discontinued operations only.

Adjusted share of profit after tax of joint ventures

The Group's adjusted share of profit after tax of joint ventures of £35 million was 38% higher (37% higher in constant currency) principally due to higher profits in both joint ventures reflecting good demand for textiles and cosmetics at Bio-PDO and good demand for sweeteners at Almex. The statutory share of profit after tax of joint ventures of £8 million reflects the impact of stopping equity accounting on 1 July 2021 (reduction of £27 million).

Net finance expense

Relates to the interest charge on certain leases, principally railcars.

Exceptional items

Relates to the exceptional charge recognised within the Primient business. This cash charge of £3 million relates principally to productivity and simplification projects in its operations.

Total Operations

Total operations of the Group, comprise both the continuing operations and the discontinued operations.

Cash flow, net debt and liquidity

Year ended 31 March Adjusted free cash flow[1]	2022 £m	2021 basis of£m	Change £m
Continuing operations			
Adjusted operating profit	**170**	160	10
Adjusted depreciation and adjusted amortisation	**70**	87	(17)
Share-based payments charge	**10**	5	5
Changes in working capital	**(68)**	(8)	(60)
Capital expenditure	**(75)**	(60)	(15)
Pensions, tax and interest	**(39)**	(31)	(8)
Other non-cash movements	**4**	–	4
Adjusted free cash flow – continuing operations	**72**	153	(81)
Adjusted free cash flow – discontinued operations	**(56)**	97	(153)
Adjusted free cash flow – total operations	**16**	250	(234)

1. Adjusted results and a number of other terms and performance measures used in this document are not directly defined within IFRS. We have provided descriptions of the various metrics and their reconciliation to the most directly comparable measures reported in accordance with IFRS and the calculation (where relevant) of any ratios in Note 3.

Adjusted free cash flow for total operations was £16 million (2021 – £250 million) reflecting investments in working capital following actions to separate the Primient business and the adverse impact of input cost inflation. Adjusted free cash flow for total operations excludes cash outflows from exceptional items in the year of £60 million (2021 – £32 million).

In continuing operations free cash flow was £72 million, £81 million lower than the prior year. Of this year-on-year reduction, £41 million related to increased working capital driven by the completion of the sale of Primient where, to help mitigate the risks of separating our IT systems, we took decisions to build inventory to ensure good service was maintained to customers. Higher capital expenditure and the broader impact of inflation also contributed to the overall reduction.

In discontinued operations, free cash flow was a £(56) million outflow, £153 million lower than the prior year mainly due to the Primient disposal. As part of the closing of the transaction, US$120 million (£92 million) of higher working capital was recovered through increased disposal proceeds. Lower profits and the impact of inflation were further drivers of the year-on-year decline.

We expect capital expenditure for the 2023 financial year to be in the £90 million to £100 million range, an increase compared to investment in the 2022 financial year of £75 million. The increase reflects increased investment in growth capacity and investment related to acquired businesses.

Net debt at 31 March 2022 of £626 million was £209 million higher than in the prior year. The increase primarily reflects dividend payments of £144 million, cash exceptional costs of £60 million and an increase in value of debt denominated in foreign currencies of £24 million, which more than offset the free cash flow generated in the period.

Leverage at 31 March 2022 was 1.3x net debt to EBITDA on a total operations reported basis (2021 – 0.8x) and 1.1x on a covenant basis (2021 – 0.6x). Following receipt of cash proceeds from the sale of a controlling stake in the Primient business on 1 April 2022, the £497 million special dividend paid to shareholders and the acquisition of Quantum, the continuing Group has pro-forma net leverage of less than 1.0x net debt to EBITDA.

Retirement benefits

The Group maintains pension plans for its current employees and former employees in a number of countries. Certain of these arrangements are defined benefit pension schemes. All funded schemes in the UK and US are closed for further accrual. In the US, the Group also continues to provide an unfunded post-retirement medical benefit scheme. Consistent with the prior year, the largest component of the net deficit relates to schemes in the US that are by their nature unfunded schemes (e.g. US post-retirement medical benefit scheme).

On disposal of the Primient business, the Group retains all US defined benefit pension schemes but certain funded non-qualified deferred compensation arrangements as well as the unfunded post-retirement medical plans relating to employees who transitioned to the Primient business (together representing a net deficit of £28 million) were disposed of and were therefore classified as held for sale.

At 31 March 2022, the Group's retirement benefit obligations are in a net deficit of £107 million (31 March 2021 – net deficit of £140 million). This decrease of £33 million is principally due to classification of certain plans as held for sale as mentioned above. Excluding the impact of the held for sale classification, the net deficit decreased by £5 million mainly driven by a £13 million decrease as a result of a plan amendment to vary benefits to the US pension plans for which the past service credit was recognised within exceptional items. The net deficit decreased further as a result of employer contributions of £10 million. These decreases were partially offset by a currency translation charge of £8 million and other movements of £10 million.

During the year ended 31 March 2022, the asset performance closely matched and offset the actuarial gain in the funded plans. The actuarial gain was principally due to higher corporate bond yields in both the US and UK leading to higher discount rates.

The main UK plan was subject to a 'buy-in' in the 2020 financial year and therefore the significant decrease in obligations due to a higher discount rate was largely off-set by a decrease in the value of the 'buy-in' insurance policy. As a result, the balance sheet for the UK plans remained consistent with the prior year.

In the year ended 31 March 2022, pension contributions of £10 million were marginally lower than the prior year. In the first half of the next financial year, the Group expects to make a one-off contribution of approximately £11 million to settle a post-transaction price adjustment in respect of the bulk annuity policy 'buy in' of the main UK plan.

CAUTIONARY STATEMENT AND CONFERENCE CALL DETAILS

This statement of Full Year Results 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 of Full Year Results for the year ended 31 March 2022 can be found on our website at www.tateandlyle.com. A hard copy of this statement is also available from the Company Secretary, Tate & Lyle PLC, 5 Marble Arch, London W1H 7EJ.

Webcast and Q&A Details

Presentation Only
A presentation of the results by Chief Executive, Nick Hampton, and Chief Financial Officer, Dawn Allen, will be available to view on our website from 07.00 (BST) on Thursday 9 June 2022. To access the presentation, visit http://tateandlyle-events.com/. Please note that the Q&A will not be accessible via this link.

Presentation with Q&A
This presentation will be live streamed at 10.00 (BST), and will then be followed by a live Q&A session. Please register to view this webcast with Q&A by visiting https://event.on24.com/wcc/r/3794942/654DD352955B166EBE71F4955BA3C172. Please note that 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.

The archive version of the webcast with Q&A will be available on the link http://tateandlyle-events.com/ within two hours of the end of the live broadcast.

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