TATE & LYLE

STATEMENT OF HALF YEAR RESULTS

For the six months to 30 September 2020

	Adjusted results[1]			Statutory results		
	2020	2019	**vs 2019**	**2020**	2019	**vs 2019**
Revenue	**£1 389m**	£1 476m	**(4%)**			**(6%)**
Profit before tax (PBT)	**£180m**	£181m	**+3%**	**£157m**	£164m	**(4%)**
Diluted earnings per share	**32.1p**	30.5p	**+9%**	**28.4p**	27.8p	**+2%**
Free cash flow	**£194m**	£171m	**+£23m**			
Net debt (vs. at 31 March 2020)	**£358m**	£451m				
Dividend per share				**8.8p**	8.8p	–

Movements in adjusted results are shown in constant currency throughout this statement.

Key highlights

- Robust first half performance
  - Food & Beverage Solutions revenue and profit[2] higher
  - Sucralose softer demand, profit[2] lower
  - Primary Products profit[2] steady, helped by strong Commodities
- Strong operational execution and cost discipline underpins financial performance
- Priorities to 'Sharpen, Accelerate and Simplify' continue to support business progress
- Texturant portfolio strengthened with agreement to acquire speciality tapioca food starch business
- Balance sheet remains strong with access to US$1.4 billion liquidity
- Purpose-driven response to Covid-19 keeping employees safe and customers served

Financial highlights

- +9% increase in Food & Beverage Solutions profit[2] at £98m; volume in-line and revenue +1% higher
- (12%) lower Sucralose profit[2] at £25m
- Primary Products profit[2] at £83m in line with the comparative period
  - Sweeteners and Starches profit[2] £(11)m lower; Commodities profit[2] +£11m higher
- +21% increase in share of profit after tax of joint ventures including £4m foreign exchange benefit in Almex
- (4%) decrease in Group statutory profit before tax
- +3% increase in adjusted profit before tax
- +9% increase in adjusted diluted EPS
  - Benefitting from joint venture foreign exchange and lower effective tax rate of 16.6% (2019: 20.9%)
- +£23m higher adjusted free cash flow at £194m
- Net debt to EBITDA ratio 0.7x
- Interim dividend maintained at 8.8p per share

1 The adjusted results for the six months to 30 September 2020 have been adjusted to exclude exceptional items, amortisation of acquired intangible assets and the tax on those adjustments. A reconciliation of statutory and adjusted information is included in Note 2 to the Financial Information. Growth percentages are calculated on unrounded numbers. Changes in adjusted performance metrics are in constant currency.

2 Adjusted operating profit

NICK HAMPTON, CHIEF EXECUTIVE, SAID:

"The first half of the year demonstrated the strength, resilience and agility of our business with Group profit higher, revenue growth in Food & Beverage Solutions and the interim dividend maintained.

This performance reflects the outstanding commitment of our people who have kept our operations running and our customers served through the pandemic. Our purpose of *Improving Lives for Generations* remains at the heart of our response to Covid-19, inspiring our people to look after their colleagues, families and local communities. I am very proud of, and humbled by, their resilience in the face of so many challenges.

Both business divisions performed well supported by excellent operational performance and rigorous cost discipline. Primary Products delivered steady earnings despite a significant reduction in out-of-home consumption in North America. Food & Beverage Solutions delivered revenue and profit growth as our technical capabilities in sweetening, texture and fibre fortification supported customer demand for products that are lower in sugar, calories and fat, and with added fibre.

We continue to make strategic progress. We signed an agreement to acquire a speciality tapioca food starch business in Thailand expanding our customer offering of plant-based, clean-label texturant solutions. Our new business and innovation pipelines remain healthy, New Products revenues are up 8% and we continue to find creative ways to use technology to support and connect with our customers.

While we are pleased with our progress in this challenging environment, considerable uncertainty remains. The duration and severity of the pandemic is unclear, out-of-home consumption remains below pre-pandemic levels and the annual sweetener contracting round is still to be completed. Given this uncertainty, we are not issuing guidance for the current year ending 31 March 2021. We will update stakeholders of our progress in our third quarter trading update on 28 January 2021.

In May we set out four priorities for the year – to look after our colleagues and communities, strengthen our relationships with customers, continue to progress our strategy and maintain our financial strength. We are making good progress against these priorities and they remain our near-term focus. We are also working to adapt to, and embrace, the new business environment and ways of working and are taking the necessary steps to invest in Tate & Lyle to ensure we emerge from this period an even stronger business.

5 November 2020

HALF-YEAR OVERVIEW

Business environment and trading

Demand in the first half closely correlated to the imposition and easing of lockdowns in our largest markets of North America and Europe. In April and May, with lockdowns in place in both regions, we saw a significant reduction in demand for products used in out-of-home consumption, partially offset by stronger in-home consumption. In June and during the second quarter demand improved as lockdowns eased although out-of-home demand remains below pre-pandemic levels. In the higher growth markets of Asia Pacific and Latin America, demand improved in China during the half as it emerged from lockdown, while in Latin America demand slowed as the half progressed and the region went into lockdown.

All our manufacturing facilities have remained fully operational. Our operations and customer-facing teams adapted quickly to a new working environment and have reacted effectively to our customers' changing needs. We continue to modify our demand planning process, as required, to serve customer needs and operate a flexible supply chain.

The Group's performance reflected excellent operational execution, productivity benefits and cost reduction. It also reflected strong Commodities profits from the earlier phasing of some commodities contracts into the first half and higher market demand for corn oil, and foreign exchange gains in our businesses in Latin America.

Delivering our priorities for the year

In May we set out four priorities for the year – to look after our colleagues and communities, strengthen our relationships with customers, continue to progress our strategy and maintain our financial strength. We are making good progress against these priorities and they remain our near-term focus.

Look after our colleagues and communities

Our purpose of *Improving Lives for Generations* is a powerful motivator for our people and has been central to our response to Covid-19. Our purpose pillars of Supporting Healthy Living and Building Thriving Communities are particularly relevant in the current environment. We have intensified our programme to support the mental wellbeing of colleagues as the pandemic continues, and to promote health education more widely. Working with Nestle in Latin America we launched a free online education programme on the health benefits of dietary fibre and, in the UK, we became a Founder Member of FastFutures, a programme to help young people from diverse backgrounds learn new skills and increase their employability.

We are making good initial progress on the sustainability commitments we set out in May (under our Caring for our Planet purpose pillar). Three major projects are underway at our plants in Lafayette and Decatur (both US) and Santa Rosa (Brazil) to reduce greenhouse gas emissions and increase operational efficiency at each site. When completed, these three projects will reduce our greenhouse gas emissions by up to 20% and deliver on our commitment to eliminate coal from our operations by 2025. Our greenhouse gas emissions targets for 2030 have been validated by the Science Based Targets Initiative and our sustainable agriculture programme supporting 1.5 million acres of US-grown corn is progressing well.

Build stronger customer relationships

We continue to stay very close to our customers and to find new and creative ways to support and connect with them during the pandemic. Over 75% of discussions with customers on growth opportunities are currently being held on Microsoft Teams or Zoom. We have increased the use of customer webinars on topics such as sugar and calorie reduction and plant-based ingredients and accelerated the launch of customer-focused online programmes. For example, in July we launched Sweetener Vantage™ Expert Systems, a set of innovative sweetener solution design tools to help our customers create sugar-reduced food and drinks using low-calorie sweeteners. This was originally planned to be launched in 2021 but we brought it forward by a year to provide further technical support and additional services for our customers.

Despite the challenges of the pandemic, the value of our new business pipeline for Food & Beverage Solutions grew by 10% in the half.

Continue to progress our strategy
In October we signed an agreement to acquire an 85% shareholding in a speciality tapioca food starch business in Thailand. This investment strengthens our texturant platform and brings new tapioca capabilities and raw material sourcing expertise. It also establishes a dedicated tapioca facility in Asia Pacific and expands our customer offering in categories including dairy, bakery, snacks, noodles, and soups, sauces and dressings.

We continue to work closely with customers on new product innovation and reformulation. Despite Covid-19, the risk adjusted value of our innovation pipeline grew by 4% in the half. New Products revenue was once again strong, up 8% in constant currency, with double-digit growth in our texturant platform which benefitted from an increase in revenue from clean-label texturants.

Maintain our financial strength
We continued to strengthen our balance sheet. In May, we extended the maturity of our committed but undrawn US$800 million revolving credit facility by one year to 2025. In August, we issued US$200 million in US private placement bonds at an average coupon of 2.96%. As a result, we have strong liquidity headroom with access to US$1.4 billion through cash on hand and a committed and undrawn revolving credit facility. Leverage remains low with a net debt to EBITDA ratio at 30 September 2020 of 0.7x (0.5x on a covenant basis).

During the half we took steps to reduce costs, preserve cash and drive productivity to mitigate the financial impact of lower demand. Actions taken included freezing salary increases and recruitment, significantly reducing discretionary costs and re-prioritising capital commitments. On productivity, our programme to deliver US$150 million benefits over a six-year period ending 31 March 2024 remains on track. These benefits come from many areas including capital investments to reduce energy costs, supply chain efficiency improvements and SG&A savings. The combination of SG&A savings and productivity resulted in a £19 million benefit in the half.

No employees were furloughed, and no government aid has been sought.

Changes to Executive Management

- Andrew Taylor, previously President, Innovation and Commercial Development, was appointed as President, Asia, Middle East, Africa and Latin America effective from 1 October 2020.
- Victoria Spadaro Grant has been appointed as President, Innovation and Commercial Development and as a member of the Executive Committee and joined the Group in November. Victoria joins from Barilla, the Italian multinational food company, where she has been Chief Global Research Development and Quality Officer since 2014.
- Harry Boot, President, Asia Pacific, Food & Beverage Solutions will leave the Company on 31 March 2021.
- On 7 October 2020 it was announced that Imran Nawaz, Chief Financial Officer will leave the Company in April 2021 to become Chief Financial Officer of Tesco plc. A process is underway to appoint a successor and an announcement will be made in due course.

SEGMENTAL OPERATING PERFORMANCE

Six months to 30 September 2020	Volume change	Revenue	Revenue growth	Adjusted operating profit	Adjusted operating profit change
North America	+3%	£240m	+3%	–	–
Asia Pacific and Latin America	(5%)	£110m	+1%	–	–
Europe, Middle East and Africa	(1%)	£125m	(1%)	–	–
Food & Beverage Solutions	**–%**	**£475m**	**+1%**	**£98m**	**+9%**
Sucralose	**(2%)**	**£72m**	**(2%)**	**£25m**	**(12%)**
Sweeteners and Starches	–	–	–	£67m	(13%)
Commodities	–	–	–	£16m	+ >99%
Primary Products	**(7%)**	**£842m**	**(7%)**	**£83m**	**–%**
Central costs				£(24)m	(11%)
Total Group		**£1 389m**	**(4%)**	**£182m**	**+2%**

The adjusted results for the six months to 30 September 2020 have been adjusted to exclude exceptional items, amortisation of acquired intangible assets and the tax on those adjustments. A reconciliation of statutory and adjusted information is included in Note 2 to the Financial Information. Growth percentages are calculated on unrounded numbers. Changes in revenue and adjusted operating profit are in constant currency.

FOOD & BEVERAGE SOLUTIONS

Strong profit growth

Volume was in line with the comparative period with revenue increasing by 1% in constant currency to £475 million. Stronger demand for packaged and shelf-stable foods for consumption in-home offset reduced demand for ingredients used in food and drink consumed out-of-home (representing 15% to 25% of revenue).

Adjusted operating profit was 9% higher in constant currency at £98 million with good operational performance and strong cost discipline. The effect of currency translation was to decrease revenue by £10 million but had no overall impact on adjusted operating profit.

To increase our focus on building our business and presence in higher growth markets, a new single Asia, Middle East, Africa and Latin America region has been created comprising the regions previously reported as Asia Pacific, Latin America and Middle East and Africa (formerly part of Europe, Middle East and Africa).

In 'Additional Information' on page 30 of this statement, the divisional results for the six months to 30 September 2020 and for the year ended 31 March 2020 have been provided on this revised supplementary disclosure model, which the Group will adopt in the future.

North America

Top-line momentum continued with volume and revenue in constant currency 3% higher. The Covid-19 pandemic changed demand patterns significantly in the half with reduced demand for out-of-home consumption, particularly in the food service sector, offset by strong growth in in-home consumption across categories such as bakery, dairy and soups, sauces and dressings. Revenue increased to £240 million.

Asia Pacific and Latin America

Volume decreased by 5% while revenue increased by 1% in constant currency helped by good price and mix management, especially in Latin America which benefitted from US dollar-based pricing. Revenue increased to £110 million with both Asia Pacific and Latin America delivering low single-digit revenue growth.

In Asia Pacific, revenue growth was strong in China while revenue declined in South East Asia in the face of the Covid-19 pandemic. In Latin America, revenue grew modestly, slowing as the region went into lockdown later than other parts of the world. Revenue growth was strong in Brazil while it declined in Mexico. Across Latin America, new front-of-pack labelling rules are leading to increased reformulation opportunities with customers, particularly to reduce sugar.

In October, the Group announced it had signed an agreement to acquire an 85% shareholding in Chaodee Modified Starch Co., Ltd. (CMS), an established tapioca modified food starch business located in the main tapioca region of eastern Thailand. This investment enables Food & Beverage Solutions to offer a broader range of tapioca-based solutions to meet customers' needs for better tasting and cleaner label foods. We will operate CMS in partnership with the former owner. Together with our partner, we intend to invest in the facility over the next three years to increase capacity significantly for higher functionality starches. The CMS facility will be supplied with substrate by a co-located tapioca starch mill fully owned and operated by our partner.

Europe, Middle East and Africa

Volume and revenue in constant currency decreased by 1%. Revenue was in line with the prior year in Western Europe reflecting solid demand for in-home consumption with mix benefitting from increased revenue of high-grade maltodextrin (used in categories such as baby food) following the opening of additional capacity at our facility in Slovakia. In Turkey, Middle East and Africa revenue declined reflecting the impact of the Covid-19 pandemic and increased credit risk management in the region. Revenue decreased slightly to £125 million.

New Products

Revenue from New Products (products launched in the last seven years) increased by 8% in constant currency to £58 million and represent 12% of Food & Beverage Solutions revenue.

Our texturants platform delivered strong double-digit revenue growth driven by high demand for our Non-GMO and CLARIA® line of functional clean-label starches. Revenue from the sweeteners platform grew modestly as sugar and calorie reduction, particularly in beverage, dairy, confectionery and bakery remained a focus for customers and consumers. We also saw strong revenue growth from our stevia sweeteners. In the health and wellness platform, revenue was lower reflecting reduced consumption in the sports nutrition category due to Covid-19 lockdowns.

SUCRALOSE

Softer demand due to reduced out-of-home consumption

Sucralose volume and revenue in constant currency decreased by 2%. Lockdowns led to lower demand for products consumed out-of-home, particularly beverages. Demand in September was higher than usual due to the phasing of some customer orders. Revenue was £72 million. The impact of the lockdowns is expected to continue into the second half.

Adjusted operating profit at £25 million was 12% lower in constant currency reflecting the de-leveraging impact of lower revenue and one-off production costs. Currency translation decreased revenue by £2 million but had no overall impact on adjusted operating profit.

PRIMARY PRODUCTS

Resilient performance in challenging market conditions

Volume was 7% lower with North American sweetener volume 8% lower and North American industrial starch volume 9% lower reflecting the impact of the Covid-19 pandemic. Revenue at £842 million decreased by 7% in constant currency, reflecting lower volume, improved mix and the pass through of lower corn costs. Adjusted operating profit at £83 million was in-line with the comparative period in constant currency. Currency translation decreased revenue by £11 million and adjusted operating profit by £3 million.

Adjusted operating profit in Sweeteners and Starches was 13% lower in constant currency. Actions to reduce costs across the business especially in operations and further productivity benefits were successful in mitigating some of the impact of lower volume, while high levels of customer service were maintained throughout the half. Profit also benefitted from transactional foreign exchange of £3 million in the half, and this helped to mitigate the loss of profit arising from the decision, in the prior year, to close our small, non-core, savoury ingredients business which contributed profit of £5 million in the comparative period. This business closed in December 2019. Commodities adjusted operating profit at £16 million was £11 million higher in constant currency.

Sweeteners

Volume was 8% lower reflecting reduced out-of-home consumption (representing around 30% of sweetener consumption) as lockdowns in North America impacted consumer consumption patterns. The Covid-19 pandemic also impacted consumption in Mexico, with export volume lower in the half. The easing of lockdowns from June onwards led to an improvement in demand as the half progressed although it remains below pre-pandemic levels. Performance in our Bio-PDO™ joint venture was lower reflecting weaker demand.

Industrial Starches

Volume was 9% lower as customers in the paper industry took actions to reduce capacity temporarily as demand for printing and writing paper was impacted by the closure of many schools and offices during lockdown. As lockdowns eased, demand improved and some customer capacity re-opened. Packaging demand was higher in the half, benefitting from increased on-line shopping during lockdown. Our strategy over recent years to diversify away from domestic paper production helped to mitigate the impact of the pandemic.

Commodities

Commodities delivered adjusted operating profit of £16 million, £11 million higher in constant currency. Co-product recoveries from sales of corn oil were significantly higher, reflecting market conditions including increased market demand from home cooking during the pandemic. In addition, some earlier than normal contracting brought forward certain commodities income into the first half.

Summary of financial results for the six months to 30 September 2020 (unaudited)

Six months to 30 September[1] **Continuing and total operations**	**2020** **£m**	2019 £m	Change %	Constant currency change %
Revenue	**1 389**	1 476	(6%)	(4%)
Adjusted operating profit				
- Food & Beverage Solutions	**98**	90	9%	9%
- Sucralose	**25**	29	(12%)	(12%)
- Primary Products	**83**	86	(3%)	–
- Central	**(24)**	(22)	(11%)	(11%)
Adjusted operating profit	**182**	183	–	2%
Net finance expense	**(15)**	(15)	1%	–
Share of profit after tax of joint ventures	**13**	13	3%	21%
Adjusted profit before tax	**180**	181	–	3%
Exceptional items	**(18)**	(11)	(65%)	(67%)
Amortisation of acquired intangible assets	**(5)**	(6)	4%	4%
Profit before tax	**157**	164	(4%)	–
Income tax expense	**(24)**	(33)		
Profit for the year	**133**	131		
Earnings per share (pence)				
Adjusted diluted	**32.1p**	30.5p	6%	9%
Diluted	**28.4p**	27.8p	2%	7%
Cash flow and net debt				
Adjusted free cash flow	**194**	171		
Net debt – At 30 September (comparative 31 March 2020)	**358**	451		

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 2.

Central costs

Central costs, which include head office costs and certain treasury and legal activities, were 11% higher (11% in constant currency) at £24 million, mainly reflecting higher self-insurance costs.

Net finance expense and liquidity

Net finance expense from continuing operations at £15 million was in line with the comparative period. This reflected the benefit of lower borrowing costs following the refinancing, at lower cost, of a bond in November 2019, offset by the loss of non-cash finance income following the buy-in of the main UK defined benefit pension scheme during the prior year.

The Group raised new debt in the half increasing its access to liquidity. In May, the Group extended the maturity of its US$800 million revolving credit facility by a year to 2025. In August, the Group issued US$200 million private placement debt comprising US$100 million 2.91% notes maturing in 2030 and US$100 million 3.01% notes maturing in 2032.

Share of profit after tax of joint ventures

The Group's share of profit after tax of joint ventures of £13 million was 3% higher (21% higher in constant currency) principally due to higher profits in Almex, the Group's joint venture in Mexico. Almex saw weaker sweetener demand in the half as a result of the Covid-19 pandemic, however profit was higher, benefitting from the impact of transactional foreign exchange of £4 million. Demand at DuPont Tate & Lyle Bio Products (Bio-PDO™) was weaker than the comparative period.

Exceptional items

The Group recorded a net exceptional charge of £18 million, which principally comprised £20 million of restructuring charges (£17 million cash costs and £3 million non-cash costs) for the previously-announced simplification and productivity programme, consisting of the following:

- £16 million of costs relating to productivity and simplification projects, including third-party advisors costs, accelerated depreciation of assets being replaced with more efficient alternatives, Global Operations cost saving initiatives, ISIT and other associated project costs; and
- £4 million of severance costs for roles removed from the organisation.

The Group also recognised exceptional income of £2 million in relation to a favourable settlement of an insurance claim for a historical legal matter that has been treated previously as an exceptional charge.

The exceptional cash outflows for the period totalled £17 million, comprising £9 million of cash outflows related to charges recorded in the current period and £8 million of cash outflows resulting from exceptional costs recorded in prior years.

In the comparative period, the Group recorded a net exceptional charge of £11 million which comprised £5 million of restructuring costs related to the productivity programme and a £6 million charge related to the decision to exit the Primary Products' non-core savoury business.

The Group is in the third year of a six-year programme to generate productivity benefits of US$150 million by 31 March 2024. During the six months to 30 September 2020, exceptional cash costs in respect of this programme of US$22 million (£17 million) were recognised (either already paid or provided), bringing the total to date to US$55 million against the previously-announced estimate of around US$75 million.

Taxation

The Group's adjusted effective tax rate was 16.6% (30 September 2019 – 20.9%). The rate was lower than the comparative period reflecting the release of a tax provision held at 31 March 2020 for which the tax liability did not materialise and a beneficial change in US tax law, enacted in the half. We expect the adjusted effective tax rate for the year ending 31 March 2021 to be at a similar level to that of the current half year.

The reported effective tax rate (on statutory earnings) was 15.4% (30 September 2019 – 20.4%), lower due to the impact of the factors highlighted above.

Earnings per share

Adjusted basic earnings per share increased by 5% (9% in constant currency) to 32.5p and adjusted diluted earnings per share at 32.1p were 6% higher (9% in constant currency). This constant currency growth benefitted from transactional foreign exchange benefit in joint ventures and a lower effective tax rate (together 9 percentage points). Statutory diluted earnings per share increased by 0.6p to 28.4p, reflecting the items above and higher exceptional costs in the period.

Dividend

The Board is recommending an unchanged interim dividend for the six months to 30 September 2020 of £41 million or 8.8p per share. This will be paid on 6 January 2021 to all shareholders on the Register of Members on 20 November 2020. In addition to the cash dividend option, shareholders will continue to be offered a Dividend Reinvestment Plan alternative.

Cash flow, net debt and liquidity

Adjusted free cash flow was £194 million (2019 – £171 million). The increase of £23 million reflects strong working capital management and lower retirement benefit contributions following the 'buy-in' of the main UK defined benefit scheme in the prior year.

We continue to expect capital expenditure for the 2021 financial year to be between £140 million and £160 million.

Overall net debt at 30 September 2020 of £358 million was £93 million lower than at 31 March 2020. This movement mainly reflects the strong net cash flow generated from operating activities and the favourable translation impact of the weaker US dollar on US dollar-denominated debt, partially offset by the prior year final dividend payment.

At 30 September 2020, the Group held cash and cash equivalents of £484 million and had access to a committed, undrawn revolving credit facility of US$800 million until 2025. Net debt to EBITDA ratio was 0.7 times (31 March 2020 – 0.9 times). On a covenant-testing basis, net debt to EBITDA ratio was 0.5 times, which was materially lower than the required covenant ratio of not greater than 3.5 times, demonstrating significant headroom above this covenant requirement.

Retirement benefits

The Group maintains pension plans for certain of 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.

At 30 September 2020, the Group's retirement benefit obligations were in a net deficit of £191 million (31 March 2020 – net deficit of £203 million). 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, net deficit of £77 million).

In the six months to 30 September 2020, the net deficit decreased by £12 million as large actuarial losses from lower discount rates in both the UK and US were more than offset by increases in the market value of assets. In addition, the US Dollar denominated plans benefitted from a foreign exchange translation gain of £7 million, leading to a total translation gain of £8 million. Overall, net pre-tax income of £9 million from changes in retirement benefit schemes was recognised directly in reserves.

In the prior year, the Group de-risked certain of its retirement benefit obligations by supporting the trustees of the main UK defined benefit pension scheme in completing a £930 million bulk annuity insurance policy 'buy-in' for that scheme. The 'buy-in' secured an insurance asset that fully matches the remaining pension liabilities of the scheme, with the result that the Company no longer bears any investment, longevity, interest rate or inflation risk.

In the six months to 30 September 2020, pension contributions were £13 million lower than in the comparative period as a result of the cessation of contributions to the main UK scheme following the 'buy-in'.

Basis of preparation

The Group's principal accounting policies are unchanged compared with the year ended 31 March 2020.

Details of the basis of preparation, including information in respect of the Group's alternative performance measures, can be found in Note 1 to the attached financial information. Growth percentages are calculated on unrounded numbers.

Going concern

After making enquiries, the Directors are satisfied that the Group has adequate resources to continue to operate for a period of not less than 12 months from the date of approval of the financial information and that there are no material uncertainties in their assessment. For these reasons, the Directors continue to adopt the going concern basis in preparing the condensed consolidated financial information of the Group. Set out below are the principal considerations made by the Directors in making this assessment, including consideration of the Group's forecasts of profit, cash flow, liquidity and covenant compliance up to 31 March 2022.

The Group has significant available liquidity at 30 September 2020, including £484 million of cash and US$800 million of committed and undrawn revolving credit facility, which does not mature until 2025. The Group has no borrowings requiring refinancing before 2023 and has recently demonstrated its ability to raise debt, issuing US$200 million of new private placement debt in August 2020, raising ten- and twelve-year debt at an average coupon of 2.96%. The Group has only one financial covenant requirement – to maintain net debt to EBITDA ratio of not greater than 3.5 times. On the covenant testing basis this was 0.5 times at 30 September 2020.

As set out in our 31 March 2020 Annual Report, during May 2020, the Directors undertook a detailed review of both going concern and the longer-term viability of the Group in the context of the emerging impact of the Covid-19 pandemic. At the time of the assessment in May 2020, Group performance was significantly impacted by the first full month of lockdown in the US, particularly on the Primary Products' bulk sweetener business. As a result, at that time, the Directors modelled the impact of a 'worst case scenario', including a severe and extended impact from lower out-of-home consumption across Primary Products and Food & Beverage Solutions due to Covid-19.

Since the assessment in May, the impact of Covid-19 on the Group's performance has been significantly less severe than the assumptions used in that 'worst case scenario'. As a result, the Group's base forecasts have been updated to show a more realistic impact of Covid-19 on performance for the second half of the current year and for the year ending 31 March 2022.

In addition, for the purposes of assessing going concern, the Directors have again modelled a 'worst case scenario' that shows the impact on the Group's forecasts of a slower recovery from Covid-19 in the year ending 31 March 2022 as well as the impact of the same two risks used in the Group's most recent viability assessment unrelated to Covid-19; being a major operational failure causing an extended shutdown of our largest manufacturing facility and the loss of two of our largest Food & Beverage Solutions customers. This 'worst case scenario' continues to show significant headroom above required covenant compliance and liquidity.

As part of their assessment, the Directors also updated the Group's 'reverse stress test'– i.e. the adverse changes that would be required to the 'worst case scenario' in order for there to be any risk to the going concern of the Group. The results of this 'reverse stress test' show that a decline of more than 100 per cent of profit would have to occur before the Group's net debt to EBITDA covenant was breached – i.e. the Group would have to become loss making in either of the years ending 31 March 2021 or 31 March 2022. The Directors believe this to be an extremely unlikely scenario. In addition, the Group has and continues to demonstrate its ability to operate all of its manufacturing facilities safely in the current environment.

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 2020.

Risks and uncertainties

The principal risks and uncertainties affecting the business activities of the Group are detailed on pages 63 to 67 of the Tate & Lyle Annual Report 2020, a copy of which is available on the Company's website at www.tateandlyle.com. In our view these principal risks remain unchanged from those disclosed therein and actions continue to be taken to substantially mitigate the impact of such risks, should they materialise.

CAUTIONARY STATEMENT AND CONFERENCE CALL DETAILS

Cautionary statement

This statement of Half 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 Half Year Results for the six months to 30 September 2020 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, 1 Kingsway, London WC2B 6AT.

Webcast and Q&A Details

An audio presentation of the results by Chief Executive, Nick Hampton, and Chief Financial Officer, Imran Nawaz, will be available to view on our website from 07.00 (GMT) on Thursday 5 November 2020. To access the presentation, visit https://brrmedia.news/m3ege.

This presentation will be live streamed at 10.00 (GMT), and will then be followed by a live Q&A session. To view and listen to this audio webcast and Q&A, visit https://brrmedia.news/bkwqb. 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 audio webcast with Q&A will be available on the same link at https://brrmedia.news/bkwqb within two hours of the end of the live broadcast.

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CONDENSED (INTERIM) CONSOLIDATED INCOME STATEMENT (UNAUDITED)

Continuing operations	Notes	**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m	Year to 31 March 2020 £m
Revenue	2	**1 389**	1 476	2 882
Operating profit	2	**159**	166	296
Finance income		**1**	4	5
Finance expense		**(16)**	(19)	(33)
Share of profit after tax of joint ventures		**13**	13	28
Profit before tax		**157**	164	296
Income tax expense	2	**(24)**	(33)	(51)
Profit for the period - total operations		**133**	131	245

Profit for the periods presented from total operations is entirely attributable to owners of the Company.

Earnings per share		**Pence**	Pence	Pence
– basic	2	**28.6p**	28.2p	52.8p
– diluted	2	**28.4p**	27.8p	52.1p

Analysis of adjusted profit for the period		**£m**	£m	£m
Profit before tax		**157**	164	296
Adjusted for:				
Net charge for exceptional items	4	**18**	11	24
Amortisation of acquired intangible assets		**5**	6	11
Adjusted profit before tax	2	**180**	181	331
Adjusted income tax expense	2	**(29)**	(38)	(59)
Adjusted profit for the period	2	**151**	143	272

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

	Note	**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m	Year to 31 March 2020 £m
Profit for the period		**133**	131	245
Other comprehensive (expense)/income:				
Items that have been/may be reclassified to profit or loss:				
(Loss)/gain on currency translation of foreign operations		**(35)**	75	46
Fair value gain/(loss) on net investment hedges		**13**	(18)	(18)
Net gain/(loss) on cash flow hedges		**1**	(9)	(1)
Share of other comprehensive (expense)/income of joint ventures		**(3)**	4	(3)
Tax effect of the above items		**–**	–	–
		(24)	52	24
Items that will not be reclassified to profit or loss:				
Re-measurement of retirement benefit plans:				
– return on plan assets	8	**186**	114	(58)
– impact of ‘buy-in’ on main UK pension scheme		**–**	(195)	(195)
– net actuarial (loss)/gain on retirement benefit obligations	8	**(177)**	(155)	12
Change in the fair value of FVOCI investments	7	**(1)**	1	2
Tax effect of the above items		**(3)**	45	41
		5	(190)	(198)
Total other comprehensive expense		**(19)**	(138)	(174)
Total comprehensive income/(expense)		**114**	(7)	71

Total comprehensive income all relates to continuing operations and is entirely attributable to owners of the Company.

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

	Notes	**At 30 September 2020 £m**	At 30 September 2019 £m	At 31 March 2020 £m
ASSETS				
Non-current assets				
Goodwill and other intangible assets		**328**	348	340
Property, plant and equipment		**1 152**	1 189	1 190
Investments in joint ventures		**98**	95	91
Investments in equities	7	**65**	64	63
Retirement benefit surplus	8	**9**	10	4
Deferred tax assets		**30**	24	30
Trade and other receivables		**1**	1	–
Derivative financial instruments	7	**3**	–	1
		1 686	1 731	1 719
Current assets				
Inventories		**391**	413	456
Trade and other receivables		**314**	315	323
Current tax assets		**5**	5	10
Derivative financial instruments	7	**9**	12	5
Other current financial assets	7	**38**	24	67
Cash and cash equivalents	6	**484**	361	271
		1 241	1 130	1 132
TOTAL ASSETS		**2 927**	2 861	2 851
EQUITY				
Capital and reserves				
Share capital		**117**	117	117
Share premium		**407**	406	406
Capital redemption reserve		**8**	8	8
Other reserves		**223**	272	239
Retained earnings		**674**	575	629
TOTAL EQUITY		**1 429**	1 378	1 399
LIABILITIES				
Non-current liabilities				
Borrowings	6	**800**	538	682
Retirement benefit deficit	8	**200**	217	207
Deferred tax liabilities		**29**	35	42
Provisions		**12**	14	11
Derivative financial instruments	7	**–**	2	2
		1 041	806	944
Current liabilities				
Borrowings	6	**42**	256	40
Trade and other payables		**333**	305	370
Provisions		**20**	22	21
Current tax liabilities		**51**	42	38
Derivative financial instruments	7	**1**	46	20
Other current financial liabilities	7	**10**	6	19
		457	677	508
TOTAL LIABILITIES		**1 498**	1 483	1 452
TOTAL EQUITY AND LIABILITIES		**2 927**	2 861	2 851

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

	Notes	**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m	Year to 31 March 2020 £m
Cash flows from operating activities				
Profit before tax from continuing operations		**157**	164	296
Adjustments for:				
Depreciation of property, plant and equipment (excluding exceptional items)		**72**	72	137
Amortisation of intangible assets		**16**	18	35
Share-based payments		**7**	7	14
Exceptional income statement items	4	**1**	–	1
Net finance expense		**15**	15	28
Share of profit after tax of joint ventures		**(13)**	(13)	(28)
Net retirement benefit obligations		**(2)**	(16)	(21)
Changes in working capital and other non-cash movements		**26**	21	2
Cash generated from continuing operations		**279**	268	464
Net income tax paid		**(24)**	(25)	(49)
Interest paid		**(10)**	(13)	(30)
Net cash generated from operating activities		**245**	230	385
Cash flows from investing activities				
Purchase of property, plant and equipment		**(62)**	(62)	(141)
Disposal of property, plant and equipment (exceptional)	4	**–**	(1)	(1)
Disposal of property, plant and equipment		**5**	–	–
Investments in intangible assets		**(7)**	(11)	(25)
Purchase of equity investments	7	**(3)**	(3)	(6)
Disposal of equity investments	7	**2**	2	4
Interest received		**1**	3	5
Dividends received from joint ventures		**4**	27	35
Net cash used in investing activities		**(60)**	(45)	(129)
Cash flows from financing activities				
Purchase of own shares including net settlement		**(4)**	(8)	(22)
Cash inflow from additional borrowings		**153**	1	157
Cash outflow from repayment of borrowings		**–**	(2)	(234)
Repayment of leases		**(18)**	(18)	(37)
Dividends paid to the owners of the Company	5	**(97)**	(97)	(137)
Net cash generated from/(used in) financing activities		**34**	(124)	(273)
Net increase/(decrease) in cash and cash equivalents	6	**219**	61	(17)
Cash and cash equivalents				
Balance at beginning of period		**271**	285	285
Net increase/(decrease) in cash and cash equivalents		**219**	61	(17)
Currency translation differences		**(6)**	15	3
Balance at end of period	6	**484**	361	271

A reconciliation of the movement in cash and cash equivalents to the movement in net debt is presented in Note 6.

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	Total equity £m
At 1 April 2020	**523**	**8**	**239**	**629**	**1 399**
Profit for the period	**–**	**–**	**–**	**133**	**133**
Other comprehensive (expense)/income	**–**	**–**	**(25)**	**6**	**(19)**
Total comprehensive (expense)/income	**–**	**–**	**(25)**	**139**	**114**
Hedging losses transferred to inventory	**–**	**–**	**13**	**–**	**13**
Tax effect of the above item	**–**	**–**	**(4)**	**–**	**(4)**
Transactions with owners:					
Share-based payments, net of tax	**–**	**–**	**–**	**7**	**7**
Issue of share capital	**1**	**–**	**–**	**–**	**1**
Purchase of own shares including net settlement	**–**	**–**	**–**	**(4)**	**(4)**
Dividends paid (Note 5)	**–**	**–**	**–**	**(97)**	**(97)**
At 30 September 2020	**524**	**8**	**223**	**674**	**1 429**
At 1 April 2019	523	8	217	733	1 481
Profit for the period	–	–	–	131	131
Other comprehensive income/(expense)	–	–	53	(191)	(138)
Total comprehensive income/(expense)	–	–	53	(60)	(7)
Hedging losses transferred to inventory	–	–	2	–	2
Transactions with owners:					
Share-based payments, net of tax	–	–	–	7	7
Purchase of own shares including net settlement	–	–	–	(8)	(8)
Dividends paid	–	–	–	(97)	(97)
At 30 September 2019	523	8	272	575	1 378
At 1 April 2019	523	8	217	733	1 481
Profit for the year	–	–	–	245	245
Other comprehensive income/(expense)	–	–	26	(200)	(174)
Total comprehensive income	–	–	26	45	71
Hedging gains transferred to inventory	–	–	(6)	–	(6)
Tax effect of the above item	–	–	2	–	2
Transactions with owners:					
Share-based payments, net of tax	–	–	–	14	14
Purchase of own shares including net settlement	–	–	–	(22)	(22)
Dividends paid	–	–	–	(137)	(137)
Other movement	–	–	–	(4)	(4)
At 31 March 2020	523	8	239	629	1 399

Total equity is entirely attributable to owners of the Company.

NOTES TO THE FINANCIAL INFORMATION

For the six months to 30 September 2020

1. Presentation of half year financial information

The principal activity of Tate & Lyle PLC and its subsidiaries, together with its joint ventures, 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 1 Kingsway, London WC2B 6AT. The Company has its primary listing on the London Stock Exchange.

Basis of preparation

This condensed set of consolidated financial information for the six months to 30 September 2020 has been prepared on a going concern basis in accordance with the Disclosure and Transparency Rules of the Financial Conduct Authority and IAS 34 Interim Financial Reporting as adopted by the European Union (EU). The condensed set of consolidated financial information should be read in conjunction with the Group's Annual Report and Accounts for the year to 31 March 2020, which were prepared in accordance with IFRSs as adopted by the EU.

After making enquiries, the Directors are satisfied that the Group has adequate resources to continue to operate for a period of not less than 12 months from the date of approval of the financial information and that there are no material uncertainties in their assessment. For these reasons, the Directors continue to adopt the going concern basis in preparing the condensed consolidated financial information of the Group. Set out below are the principal considerations made by the Directors in making this assessment, including consideration of the Group's forecasts of profit, cash flow, liquidity and covenant compliance up to 31 March 2022.

The Group has significant available liquidity at 30 September 2020, including £484 million of cash and US$800 million of committed and undrawn revolving credit facility, which does not mature until 2025. The Group has no borrowings requiring refinancing before 2023 and has recently demonstrated its ability to raise debt, issuing US$200 million of new private placement debt in August 2020, raising ten- and twelve-year debt at an average coupon of 2.96%. The Group has only one financial covenant requirement – to maintain net debt to EBITDA ratio of not greater than 3.5 times. On the covenant testing basis this was 0.5 times at 30 September 2020.

As set out in our 31 March 2020 Annual Report, during May 2020, the Directors undertook a detailed review of both going concern and the longer-term viability of the Group in the context of the emerging impact of the Covid-19 pandemic. At the time of the assessment in May 2020, Group performance was significantly impacted by the first full month of lockdown in the US, particularly on the Primary Products' bulk sweetener business. As a result, at that time, the Directors modelled the impact of a 'worst case scenario', including a severe and extended impact from lower out-of-home consumption across Primary Products and Food & Beverage Solutions due to Covid-19.

Since the assessment in May, the impact of Covid-19 on the Group's performance has been significantly less severe than the assumptions used in that 'worst case scenario'. As a result, the Group's base forecasts have been updated to show a more realistic impact of Covid-19 on performance for the second half of the current year and for the year ending 31 March 2022.

In addition, for the purposes of assessing going concern, the Directors have again modelled a 'worst case scenario' that shows the impact on the Group's forecasts of a slower recovery from Covid-19 in the year ending 31 March 2022 as well as the impact of the same two risks used in the Group's most recent viability assessment unrelated to Covid-19; being a major operational failure causing an extended shutdown of our largest manufacturing facility and the loss of two of our largest Food & Beverage Solutions customers. This 'worst case scenario' continues to show significant headroom above required covenant compliance and liquidity.

As part of their assessment, the Directors also updated the Group's 'reverse stress test'– i.e. the adverse changes that would be required to the 'worst case scenario' in order for there to be any risk to the going concern of the Group. The results of this 'reverse stress test' show that a decline of more than 100 per cent of profit would have to occur before the Group's net debt to EBITDA covenant was breached – i.e. the Group would have to become loss making in either of the years ending 31 March 2021 or 31 March 2022. The Directors believe this to be an extremely unlikely scenario. In addition, the Group has and continues to demonstrate its ability to operate all of its manufacturing facilities safely in the current environment.

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 2020.

The condensed set of consolidated financial information is unaudited, but has been reviewed by the external auditors. The condensed set of consolidated financial information in the Statement of Half Year Results does not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. The Group's published Annual Report and Accounts for the year to 31 March 2020 were approved by the Board of Directors on 20 May 2020 and filed with the Registrar of Companies.

1. Presentation of half year financial information (continued)

Basis of preparation (continued)

The report of the auditors on those accounts was unqualified and did not contain an emphasis of matter paragraph or a statement under Section 498 (2) or (3) of the Companies Act 2006. The condensed set of consolidated financial information for the six months to 30 September 2020 on pages 13 to 28 was approved by the Board of Directors on 4 November 2020.

The presentation of the balance sheet at 30 September 2019 and cash flow statement for the six months to 30 September 2019 has been amended in two limited areas to align better with the presentation adopted at 31 March 2020 and as presented at 30 September 2020.

Changes in accounting policy and disclosures

The accounting policies adopted in the preparation of the condensed set of consolidated financial information are consistent with those of the Group's Annual Report and Accounts for the year to 31 March 2020, but also reflect the adoption, with effect from 1 April 2020, of new or revised accounting standards, as set out below.

- Amendments to IFRS 3 Definition of a Business
- Amendments to IAS 1 Presentation of Financial Statements and IAS 8 Definition of Material

The adoption of these amendments from 1 April 2020 has had no material effect on the Group's financial statements.

No other new standards, new interpretations or amendments to standards or interpretations have been published which are expected to have a significant impact on the Group's financial statements.

Seasonality

The Group's principal exposure to seasonality is in relation to working capital. The Group's inventories are subject to seasonal fluctuations reflecting the timing of crop harvests in North America and purchases. Inventory levels typically increase from September to November and gradually reduce in the first six months of the calendar year.

Changes in constant currency

Where year-on-year changes in constant currency are presented in this statement, they are calculated by retranslating current year results at prior year exchange rates. Reconciliations of the movement in constant currency have been included in 'Additional information' within this document.

Use of alternative performance measures

The Group also presents alternative performance measures, including adjusted operating profit, adjusted profit before tax, adjusted earnings per share and adjusted free cash flow, which are used for internal performance analysis and incentive compensation arrangements for employees. They are presented because they provide investors with additional information about the performance of the business which the Directors consider to be valuable. For the periods presented, alternative performance measures exclude, where relevant:

- **Exceptional items** (excluded as they 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);
- **Amortisation of acquired intangible assets** (costs associated with amounts recognised through acquisition accounting that impact earnings compared to organic investments); and
- **Tax on the above items and tax items that themselves 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.

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. Reconciliations of the alternative performance measures to the most directly comparable IFRS measures are presented in Note 2.

1. Presentation of half year financial information (continued)

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. 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.

Exceptional items in the Group's financial statements are classified on a consistent basis across accounting periods.

2. Reconciliation of alternative performance measures

Income statement measures

For the reasons set out in Note 1, the Group presents alternative performance measures including adjusted operating profit, adjusted profit before tax and adjusted earnings per share.

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

	Six months to 30 September 2020			Six months to 30 September 2019		
£m unless otherwise stated Continuing operations	**IFRS reported**	**Adjusting items**	**Adjusted reported**	IFRS reported	Adjusting items	Adjusted reported
Revenue	**1 389**	**–**	**1 389**	1 476	–	1 476
Operating profit	**159**	**23**	**182**	166	17	183
Profit before tax	**157**	**23**	**180**	164	17	181
Income tax expense	**(24)**	**(5)**	**(29)**	(33)	(5)	(38)
Profit for the period	**133**	**18**	**151**	131	12	143
Effective tax rate %	**15.4%**		**16.6%**	20.4%		20.9%
Earnings per share:						
Number of ordinary shares[1] - basic	**464.0**		**464.0**	464.1		464.1
Basic earnings per share (pence)	**28.6p**	**3.9p**	**32.5p**	28.2p	2.6p	30.8p
Number of ordinary shares[1] - diluted	**468.8**		**468.8**	469.9		469.9
Diluted earnings per share (pence)	**28.4p**	**3.7p**	**32.1p**	27.8p	2.7p	30.5p

1 Weighted average

	Year to 31 March 2020		
£m unless otherwise stated Continuing operations	IFRS reported	Adjusting items	Adjusted reported
Revenue	2 882	–	2 882
Operating profit	296	35	331
Profit before tax	296	35	331
Income tax expense	(51)	(8)	(59)
Profit for the year	245	27	272
Effective tax rate %	17.1%		17.9%
Earnings per share:			
Number of ordinary shares[1] - basic	464.2		464.2
Basic earnings per share (pence)	52.8p	5.8p	58.6p
Number of ordinary shares[1] - diluted	470.6		470.6
Diluted earnings per share (pence)	52.1p	5.7p	57.8p

1 Weighted average

2. Reconciliation of alternative performance measures (continued)

Income statement measures (continued)

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

Continuing operations	Note	**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m	Year to 31 March 2020 £m
Exceptional costs in operating profit	4	**18**	11	24
Amortisation of acquired intangible assets		**5**	6	11
Total excluded from adjusted profit before tax		**23**	17	35
Tax credit on adjusting items		**(5)**	(5)	(8)
Total excluded from adjusted profit for the period		**18**	12	27

Cash flow measure

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

The following table shows the reconciliation of adjusted free cash flow:

Continuing operations	**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m	Year to 31 March 2020 £m
Adjusted operating profit	**182**	183	331
Adjusted for:			
Depreciation and adjusted amortisation[1]	**83**	84	161
Share-based payments charge, net of tax	**7**	7	14
Changes in working capital and other non-cash movements	**26**	21	2
Net retirement benefit obligations	**(2)**	(16)	(21)
Capital expenditure	**(69)**	(73)	(166)
Net interest and tax paid	**(33)**	(35)	(74)
Adjusted free cash flow	**194**	171	247

1 Total depreciation of £75 million (30 September 2019 – £79 million; 31 March 2020 – £145 million) and amortisation of £16 million (30 September 2019 – £18 million; 31 March 2020 – £35 million) less £3 million (30 September 2019 – £7 million; 31 March 2020 – £8 million) of accelerated depreciation recognised in exceptional items and £5 million (30 September 2019 – £6 million; 31 March 2020 – £11 million) of amortisation of acquired intangibles

Financial strength measure

At the interim period the Group uses the net debt to EBITDA ratio to assess its financial strength. Performance is based on the previous 12 months' results. The ratio is calculated based on unrounded figures in £ million.

Calculation of net debt to EBITDA ratio	**30 September 2020 £m**	31 March 2020 £m
Net debt (Note 6)	**358**	451
Adjusted operating profit	**330**	331
Add back depreciation and adjusted amortisation	**160**	161
EBITDA[1]	**490**	492
Net debt to EBITDA ratio (times)	**0.7**	0.9

1 EBITDA is calculated as adjusted operating profit of £330 million for the past 12 months (31 March 2020 – £331 million) adding back depreciation of £137 million for the past 12 months (total depreciation of £141 million less £4 million of accelerated depreciation recognised in exceptional items) (31 March 2020 – depreciation of £137 million (total depreciation of £145 million less £8 million of accelerated depreciation recognised in exceptional items) and amortisation of £23 million for the past 12 months (total amortisation of £33 million less £10 million of amortisation of acquired intangible assets) (31 March 2020 – amortisation of £24 million (total amortisation of £35 million less £11 million of amortisation of acquired intangible assets)

NOTES TO THE FINANCIAL INFORMATION

For the six months to 30 September 2020

3. Segment information

Segment information is presented on a basis consistent with the information presented to the Board (the designated Chief Operating Decision Maker). All revenue is from external customers.

a) Segment results

	Six months to 30 September 2020				
Continuing operations	**Food & Beverage Solutions £m**	**Sucralose £m**	**Primary Products £m**	**Central £m**	**Total £m**
Revenue	**475**	**72**	**842**	**–**	**1 389**
Adjusted operating profit[1]	**98**	**25**	**83**	**(24)**	**182**
Adjusted operating margin	**20.5%**	**34.9%**	**9.9%**	**n/a**	**13.1%**

1 Reconciled to statutory profit for the period in Note 2.

	Six months to 30 September 2019				
Continuing operations	Food & Beverage Solutions £m	Sucralose £m	Primary Products £m	Central £m	Total £m
Revenue	478	76	922	–	1 476
Adjusted operating profit[1]	90	29	86	(22)	183
Adjusted operating margin	18.8%	38.0%	9.3%	n/a	12.4%

1 Reconciled to statutory profit for the period in Note 2.

	Year to 31 March 2020				
Continuing operations	Food & Beverage Solutions £m	Sucralose £m	Primary Products £m	Central £m	Total £m
Revenue	942	161	1 779	–	2 882
Adjusted operating profit[1]	162	63	158	(52)	331
Adjusted operating margin	17.2%	39.3%	8.9%	n/a	11.5%

1 Reconciled to statutory profit for the year in Note 2.

b) Geographic disclosure: revenue	**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m	Year to 31 March 2020 £m
Food & Beverage Solutions			
North America	**240**	235	470
Asia Pacific and Latin America	**110**	115	214
Europe, Middle East and Africa	**125**	128	258
Food & Beverage Solutions – total	**475**	478	942
Sucralose – total	**72**	76	161
Primary Products			
Americas	**798**	870	1 683
Rest of the world	**44**	52	96
Primary Products – total	**842**	922	1 779
Total	**1 389**	1 476	2 882

NOTES TO THE FINANCIAL INFORMATION

For the six months to 30 September 2020

4. Exceptional items

Exceptional items recognised in the income statement are as follows:

Income statement – continuing operations	Footnotes	**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m	Year to 31 March 2020 £m
Restructuring costs	(a)	**(20)**	(5)	(19)
Gain on settlement of insurance claim	(b)	**2**	–	–
Primary Products' savoury business exit		**–**	(6)	(5)
Exceptional items included in profit before tax		**(18)**	(11)	(24)

In the six months to 30 September 2020, costs recorded as exceptional principally related to the Group's previously-announced programme to simplify the business and drive productivity. The Group also recorded exceptional income in relation to a historical legal case. These are set out below:

a) The Group recognised £20 million of restructuring costs, comprising £16 million of costs relating to productivity and simplification projects, principally for third-party advisors costs, accelerated depreciation of assets being replaced with more efficient alternatives, Global Operations cost saving initiatives, ISIT and other associated project costs. In addition, the Group recognised £4 million of severance costs for roles removed from the organisation. Of the £20 million charge, £5 million was recorded in Food & Beverage Solutions whilst £3 million was recorded in Primary Products and £12 million was recognised within Central.

b) The Group recognised an exceptional gain of £2 million within Central in relation to a historical legal matter that has been treated previously as an exceptional charge. The favourable settlement of the related insurance claim enabled the Group to recover some of its past legal costs and decrease the associated provision held for future legal costs.

Of the net £18 million exceptional charge recorded during the period, £9 million was reflected in exceptional cash flow. In addition, £8 million of exceptional costs recorded in prior years resulted in cash outflows in the six months to 30 September 2020, such that net cash outflow from exceptional items was £17 million.

The most significant exceptional costs in the comparative periods were restructuring charges related to the Group's previously-announced programme to simplify the business and drive productivity. Other exceptional costs in the comparative periods related to exit costs for the Primary Products' small, non-core savoury ingredients business, mainly comprising the cost of writing off the associated assets of the business.

Tax credits/charges on exceptional items are only recognised to the extent that gains/losses incurred are expected to result in tax recoverable/payable in the future. The total tax impact of these exceptional items was a tax credit of £4 million.

Cash flows from exceptional items are set out below.

Net cash outflows on exceptional items	Footnotes	**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m	Year to 31 March 2020 £m
Restructuring costs	(a)	**(14)**	(7)	(13)
Gain on settlement of insurance claim	(b)	**–**	–	–
Primary Products' savoury business exit		**–**	–	(1)
Oats ingredients business disposal		**–**	(1)	(1)
Asset remediation[1]		**(3)**	(4)	(9)
Net cash outflows – exceptional items		**(17)**	(12)	(24)

1 Cash outflow of £3 million relates to utilisation of existing provision

Cash outflows in the comparative period for the Oats ingredients business disposal related to the impairment and subsequent disposal of the Group's Oats ingredients business. Cash outflows in relation to asset remediation related to costs to remediate environmental health and safety risks associated primarily with idle assets at manufacturing sites in North America.

The total cash flows on exceptional items are included in the statement of cash flows as follows:

4. Exceptional items (continued)

Reconciliation to the statement of cash flows		**Six months to 30 September 2020 £m**	Six months to 30 September 2019 £m	Year to 31 March 2020 £m
Exceptional charge included in profit before tax		**18**	11	24
Cash outflows relating to restructuring costs	(a)	**(14)**	(7)	(13)
Cash inflows relating to gain on settlement of insurance claim	(b)	**–**	–	–
Cash outflows relating to Primary Products' savoury business exit		**–**	–	(1)
Cash outflows relating to asset remediation		**(3)**	(4)	(9)
As presented within cash flows from operating activities		**1**	–	1
Cash flows relating to Oats ingredients business disposal		**–**	(1)	(1)
As presented within cash flows from investing activities		**–**	(1)	(1)

5. Dividends on ordinary shares

The Directors have declared an interim dividend of 8.8p per share for the six months to 30 September 2020 (six months to 30 September 2019 – 8.8p per share), payable on 6 January 2021.

The final dividend for the year to 31 March 2020 of £97 million, representing 20.8p per share, was paid during the six months to 30 September 2020.

6. Net debt

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

	At 30 September 2020 £m	At 30 September 2019 £m	At 31 March 2020 £m
Borrowings	**(688)**	(610)	(551)
Debt-related derivative financial instruments	**–**	(32)	–
Lease liabilities	**(154)**	(184)	(171)
Cash and cash equivalents	**484**	361	271
Net debt	**(358)**	(465)	(451)

On 6 August 2020, the Group issued a US$200 million (£152 million) debt private placement comprising US$100 million 2.91% notes maturing in 2030 and US$100 million 3.01% notes maturing in 2032.

On 19 November 2019, the Group refinanced its maturing £200 million 6.75% bond with the proceeds from drawing down US$100 million (£77 million) 3.31% notes due 2029 and US$100 million (£77 million) 3.41% notes due 2031, with the remaining amount made up from cash balances.

At 30 September 2020, the Group held no debt-related derivative financial instruments (i.e. there were no currency and interest rate swaps used to manage the currency and interest rate profile of the Group's net debt). Such derivative financial instruments matured during the prior year at the date of the refinancing of the £200 million bond and no additional debt-related derivative financial instruments were entered into since that date. At 30 September 2019, the net fair value of these derivatives, comprised assets of £7 million and liabilities of £39 million.

A reconciliation of the movement in cash and cash equivalents to the movement in net debt is as follows:

6. Net debt (continued)

	Six months to 30 September 2020 £m	Six months to 30 September 2019 £m	Year to 31 March 2020 £m
Net debt at beginning of the period	**(451)**	(504)	(504)
Net increase/(decrease) in cash and cash equivalents	**219**	61	(17)
Net (increase)/decrease in borrowings and leases	**(135)**	19	114
Decrease in net debt resulting from cash flows	**84**	80	97
Currency translation differences[1]	**15**	(23)	(22)
Fair value and other movements	**–**	(3)	2
Leases and non-cash movements	**(6)**	(15)	(24)
Decrease in net debt in the period	**93**	39	53
Net debt at end of the period	**(358)**	(465)	(451)

1 Includes the foreign currency element of the fair value movement on currency swaps (2019 only) and the translation of foreign denominated borrowings

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

	Cash and cash equivalents £m	Borrowings and lease liabilities £m	Total £m
At 31 March 2020	**271**	**(722)**	**(451)**
Movements from cash flows	**219**	**(135)**	**84**
Currency translation differences	**(6)**	**21**	**15**
Leases and non-cash movements	**–**	**(6)**	**(6)**
At 30 September 2020	**484**	**(842)**	**(358)**

7. Investments in equities and financial instruments

Carrying amount versus fair value

The fair value of borrowings, excluding lease liabilities, is estimated to be £735 million (30 September 2019 – £629 million; 31 March 2020 – £556 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 2020. The fair value hierarchy categorisation, valuation techniques and inputs, are consistent with those used in the year to 31 March 2020.

7. Investments in equities and financial instruments (continued)

Fair value measurements recognised in the balance sheet (continued)

	At 30 September 2020				At 31 March 2020			
	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								
Investments in equities[1]	**–**	**–**	**65**	**65**	–	–	63	63
Derivative financial instruments:								
– forward foreign exchange contracts	**–**	**–**	**–**	**–**	–	1	–	1
– commodity derivatives	**12**	**–**	**–**	**12**	5	–	–	5
Other financial assets (commodity pricing contracts) [2]	**–**	**1**	**37**	**38**	–	–	67	67
Assets at fair value	**12**	**1**	**102**	**115**	5	1	130	136
Liabilities at fair value								
Derivative financial instruments:								
– commodity derivatives	**(1)**	**–**	**–**	**(1)**	(22)	–	–	(22)
Other financial liabilities (commodity pricing contracts) [2]	**–**	**(1)**	**(9)**	**(10)**	–	(3)	(16)	(19)
Liabilities at fair value	**(1)**	**(1)**	**(9)**	**(11)**	(22)	(3)	(16)	(41)

1 Includes FVPL assets of £39 million (31 March 2020 – £36 million) and FVOCI assets of £26 million (31 March 2020 – £27 million)
2 Fair value adjustments due to risks hedged

Derivative assets/(liabilities) and other financial assets/(liabilities) are presented in the statement of financial position as follows:

	At 30 September 2020		At 31 March 2020	
	Assets £m	Liabilities £m	Assets £m	Liabilities £m
Non-current derivative financial instruments:	**3**	**–**	1	(2)
Current derivative financial instruments	**9**	**(1)**	5	(20)
Total derivative financial instruments	**12**	**(1)**	6	(22)
Current other financial assets/(liabilities) (commodity pricing contracts)	**38**	**(10)**	67	(19)

The Group manages its US net corn position, comprising the purchase, sale and inventory of corn and corn-based goods, including co-products, on a net basis. The Group has designated the components of its US net corn position in effective fair value hedge accounting relationships whereby the hedged item is a group of items with offsetting risk positions. This results in each element of the net corn position being marked to market. The Group uses financial instruments (mainly corn futures contracts) as hedging instruments to manage this net position. Recording all components of the US net corn position at fair value also aligns with the underlying economics and risk management of the business. All changes in fair value of hedged items and hedging instruments are recorded in operating costs.

The most significant unobservable inputs in the valuation of US commodity contracts remain the future price of co-product positions and basis and so are included as Level 3 financial instruments. Basis represents the difference in price between the corn pricing on the Chicago Mercantile Exchange and localised pricing that can be achieved for physical delivery. It is typically driven by local supply, demand and logistics factors. Both co-product positions and basis are valued based on the Group's own assessment of the particular commodity, its supply and demand and expected pricing. A 25% movement in the price of co-products and basis would result in a net fair value movement of £9 million and £4 million respectively.

The derivative and other financial instruments included within the Group's Level 2 financial instruments are valued based on observable inputs. The fair value of swaps is based indirectly on published rate curves and the commodity pricing contracts are valued by reference to the Chicago Mercantile Exchange.

Investments in equities are valued based on management's assessment of the value of those investments and so is sensitive to a number of market and non-market factors.

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 2020.

The following table reconciles the movement in the Group's net financial instruments and fair value adjustments due to risks hedged classified in 'Level 3' of the fair value hierarchy:

7. Investments in equities and financial instruments (continued)

Fair value measurements recognised in the balance sheet (continued)

	Commodity pricing contracts – assets £m	Commodity pricing contracts – liabilities £m	Financial assets at FVPL £m	Financial assets at FVOCI £m	Total £m
At 1 April 2020	**67**	**(16)**	**36**	**27**	**114**
Income statement:					
– prior year amounts settled	**(46)**	**15**	**–**	**–**	**(31)**
– current year unrealised net gain/(loss)	**16**	**(8)**	**–**	**–**	**8**
Other comprehensive income	**–**	**–**	**–**	**(1)**	**(1)**
Non-qualified deferred compensation arrangements	**–**	**–**	**5**	**–**	**5**
Purchases	**–**	**–**	**3**	**–**	**3**
Disposals	**–**	**–**	**(2)**	**–**	**(2)**
Currency translation differences	**–**	**–**	**(3)**	**–**	**(3)**
At 30 September 2020	**37**	**(9)**	**39**	**26**	**93**

8. Retirement benefit obligations

At 30 September 2020, the Group's retirement benefit obligations are in a net deficit of £191 million (31 March 2020 – deficit of £203 million). The closing total net deficit substantially comprises the unfunded schemes in the US. In the prior year, the main UK pension scheme was subject to a bulk annuity insurance policy 'buy-in' and the schemes assets were replaced with an insurance asset matching UK scheme liabilities. The net deficit of £20 million relating to UK plans was not subject to this 'buy-in'.

In the six months to 30 September 2020, the main movements in retirement benefit obligations were as follows, each of which is recorded in other comprehensive income and had no impact on profit and loss:

- £48 million increase in benefit obligation in the US principally from the impact of lower discount rate (from 2.9% to 2.3%);
- £129 million increase in the UK benefit obligation also principally from the impact of lower discount rate (from 2.3% to 1.5%);
- £186 million increase in market value of assets which are designed to match, as far as possible, the obligation movement.

Other movements in retirement benefit obligations comprise a net income statement charge of £5 million, employer contributions of £5 million and a decrease in the net deficit for currency translation of £8 million.

These movements are set out in the following table:

8. Retirement benefit obligations (continued)

	Six months to 30 September 2020			
	UK plans £m	US plans (funded) £m	US plans (unfunded) £m	Total £m
Net deficit at 31 March 2020	**(19)**	**(43)**	**(141)**	**(203)**
Income statement:				
– current service costs	–	–	(1)	(1)
– administration costs	(1)	(1)	–	(2)
– net interest expense	–	–	(2)	(2)
Other comprehensive income:				
– actual return higher than interest on plan assets	127	59	–	186
– actuarial (loss)/gain:				
– changes in financial assumptions	(131)	(39)	(9)	(179)
– changes in demographic assumptions	–	–	–	–
– experience against assumptions	2	–	–	2
Other movements:				
– employer's contributions	1	–	4	5
– non-qualified deferred compensation arrangements	–	(5)	–	(5)
– currency translation differences	1	2	5	8
Net deficit at 30 September 2020	**(20)**	**(27)**	**(144)**	**(191)**

Following the prior year main UK plan 'buy-in', actuarial movements recorded in other comprehensive income in relation to the main UK plan's liabilities are matched by an equal and opposite movement recorded in other comprehensive income on its assets. The net £2 million loss recorded in other comprehensive income is in relation to UK plans not subject to the 'buy-in'.

For the main UK plan, other than meeting ongoing administration costs, the Group does not expect to make any further contributions in relation to the main UK scheme until the financial year ending 31 March 2022 when the Group anticipates a one-off contribution to settle a post transaction price adjustment in respect of the bulk annuity insurance policy. Payments to the main UK scheme in the six months to 30 September 2020 include £1 million in fees and expenses met on behalf of the scheme.

During the year ending 31 March 2021 the Group expects to contribute approximately £9 million to its defined benefit pension plans and to pay approximately £5 million in relation to retirement medical benefits, principally in the US.

9. Contingent liabilities

The Group is subject to claims and litigation generally arising in the ordinary course of its business. Provision is made when liabilities are considered likely to arise and the expected quantum of the exposure can be estimated reliably. The risk in relation to claims and litigation is monitored on an ongoing basis and provisions amended accordingly. It is not expected that claims and litigation existing at 30 September 2020 will have a material adverse effect on the Group's financial position.

10. Events after the reporting period

On 27 October 2020 the Group signed an agreement to acquire an 85% shareholding in Chaodee Modified Starch Co., Ltd., an established tapioca modified food starch manufacturer located in the main tapioca growing region of eastern Thailand. This investment enables the Group to offer a broader range of tapioca-based solutions to meet customers' needs for better tasting and cleaner label foods in categories including dairy, bakery, snacks, noodles and soup, sauces and dressings.

There are no other material post balance sheet events requiring disclosure in respect of the six months to 30 September 2020.

TATE & LYLE PLC

ADDITIONAL INFORMATION

For the six months to 30 September 2020

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 six months to September 2020 performance at actual exchange rates and at constant currency exchange rates. Absolute numbers presented in the table are rounded for presentational purposes, whereas the growth percentages are calculated on unrounded numbers.

Six months to 30 September Adjusted performance Continuing operations	**2020 £m**	FX £m	2020 at constant currency £m	Underlying growth £m	2019 £m	Change %	Change in constant currency %
Revenue	**1 389**	23	1 412	(64)	1 476	(6%)	(4%)
Food & Beverage Solutions	**98**	–	98	8	90	9%	9%
Sucralose	**25**	–	25	(4)	29	(12%)	(12%)
Primary Products	**83**	3	86	–	86	(3%)	–
Central	**(24)**	–	(24)	(2)	(22)	(11%)	(11%)
Adjusted operating profit	**182**	3	185	2	183	–	2%
Net finance expense	**(15)**	–	(15)	–	(15)	1%	–
Share of profit after tax of joint ventures	**13**	3	16	3	13	3%	21%
Adjusted profit before tax	**180**	6	186	5	181	–	3%
Adjusted income tax expense	**(29)**	(1)	(30)	8	(38)	21%	20%
Adjusted profit after tax	**151**	5	156	13	143	5%	9%
Adjusted diluted EPS (pence)	**32.1p**	1.2p	33.3p	2.8p	30.5p	6%	9%

Impact of changes in exchange rates

The Group's reported financial performance at average rates of exchange for the six months to 30 September 2020 was unfavourably impacted by currency translation. The average and closing US dollar and Euro exchange rates used to translate reported results were as follows:

	Average rates		**Closing rates**	
Six months to 30 September	**2020**	2019	**2020**	2019
US dollar : sterling	**1.27**	1.26	**1.29**	1.23
Euro : sterling	**1.12**	1.13	**1.10**	1.13

For the six months to 30 September 2020, net foreign exchange translation had no impact on Food & Beverage Solutions and Sucralose adjusted operating profit but it decreased Primary Products adjusted operating profit by £3 million, with adjusted profit before tax for the Group decreasing in total by £6 million.

ADDITIONAL INFORMATION

For the six months to 30 September 2020

Food & Beverage Solutions – adjustment of regional disclosure following creation of Asia, Middle East, Africa and Latin America region

To increase our focus on building our business and presence in higher growth markets, a new single Asia, Middle East, Africa and Latin America region has been created comprising the regions previously reported as Asia Pacific, Latin America and Middle East and Africa (formerly part of Europe, Middle East and Africa).

Below are the Food & Beverage Solutions divisional results for the six months to 30 September 2020 and for the year ended 31 March 2020 on this revised supplementary disclosure model, which the Group will adopt in the future.

Six months to 30 September 2020	Volume change	Revenue £m	Revenue growth
North America	+3%	240	+3%
Asia, Middle East, Africa and Latin America	(6%)	131	–
Europe	1%	104	–
Food & Beverage Solutions	**–**	**475**	**+1%**

Year ended 31 March 2020	Volume change	Revenue £m	Revenue growth
North America	+2%	470	+6%
Asia, Middle East, Africa and Latin America	+5%	263	+7%
Europe	(5%)	209	(1%)
Food & Beverage Solutions	**1%**	**942**	**+5%**

Revenue growth percentages for the six months to 30 September 2020 and for the year to 31 March 2020 are calculated on unrounded numbers and in constant currency.

ADDITIONAL INFORMATION

For the six months to 30 September 2020

Statement of Directors' responsibilities

The Directors confirm: that this condensed consolidated set of financial information has been prepared in accordance with International Accounting Standard 34 Interim Financial Reporting as adopted by the European Union; 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 2020; there have been no changes to the Board in the six months to 30 September 2020.

For and on behalf of the Board of Directors:

Nick Hampton
Chief Executive

Imran Nawaz
Chief Financial Officer

4 November 2020

INDEPENDENT REVIEW REPORT TO TATE & LYLE PLC

Introduction

We have been engaged by the Company to review the condensed set of financial statements in the Statement of Half Year Results for the six months to 30 September 2020 which comprises the condensed consolidated income statement, the condensed consolidated statement of comprehensive income, the condensed consolidated statement of financial position, the condensed consolidated statement of cash flows, the condensed consolidated statement of changes in equity and the related explanatory notes. We have read the other information contained in the Statement of Half Year Results and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the Company in accordance with guidance contained in International Standard on Review Engagements 2410 (UK and Ireland) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. 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.

Directors' Responsibilities

The Statement of Half Year Results is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the Statement of Half Year Results in accordance with the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

As disclosed in Note 1, the annual financial statements of the Group are prepared in accordance with IFRSs as adopted by the European Union. The condensed set of financial statements included in this Statement of Half Year Results has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting", as adopted by the European Union.

Our Responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Statement of Half Year Results based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. 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.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Statement of Half Year Results for the six months to 30 September 2020 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure Guidance and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Ernst & Young LLP
London
4 November 2020