

Ingredion Inc
Form 10-Q
August 02, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2017

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

COMMISSION FILE NUMBER 1-13397

Ingredion Incorporated

(Exact name of Registrant as specified in its charter)

DELAWARE

(State or other jurisdiction of incorporation or organization)

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22-3514823

(I.R.S. Employer Identification Number)

5 WESTBROOK CORPORATE CENTER

WESTCHESTER, ILLINOIS 60154
(Address of principal executive offices) (Zip Code)

(708) 551-2600

(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

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Non-accelerated filer
(Do not check if a smaller reporting company)

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

CLASS	OUTSTANDING AT JULY 31, 2017
Common Stock, \$.01 par value	71,729,000 shares

PART I FINANCIAL INFORMATION

ITEM 1

FINANCIAL STATEMENTS

Ingredion Incorporated (“Ingredion”)

Condensed Consolidated Statements of Income

(Unaudited)

(in millions, except per share amounts)	Three Months Ended		Six Months Ended	
	June 30, 2017	2016	June 30, 2017	2016
Net sales before shipping and handling costs	\$ 1,542	\$ 1,533	\$ 3,079	\$ 2,966
Less: shipping and handling costs	85	78	169	151
Net sales	1,457	1,455	2,910	2,815
Cost of sales	1,084	1,100	2,185	2,121
Gross profit	373	355	725	694
Operating expenses	157	144	306	282
Other (income) expense, net	(1)	—	(3)	1
Restructuring/impairment charges	6	13	16	13
Operating income	211	198	406	398
Financing costs, net	20	19	41	33
Income before income taxes	191	179	365	365
Provision for income taxes	58	59	105	111
Net income	133	120	260	254
Less: Net income attributable to non-controlling interests	3	3	6	6
Net income attributable to Ingredion	\$ 130	\$ 117	\$ 254	\$ 248
Weighted average common shares outstanding:				
Basic	71.8	72.2	72.0	72.1
Diluted	73.2	74.0	73.4	73.8

Earnings per common share of Ingredion:

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Basic	\$ 1.81	\$ 1.62	\$ 3.53	\$ 3.44
Diluted	\$ 1.78	\$ 1.58	\$ 3.46	\$ 3.36

See Notes to Condensed Consolidated Financial Statements

PART I FINANCIAL INFORMATION

ITEM 1

FINANCIAL STATEMENTS

Ingredion Incorporated (“Ingredion”)

Condensed Consolidated Statements of Comprehensive Income (Loss)

(Unaudited)

(in millions)	Three Months Ended		Six Months Ended	
	June 30, 2017	2016	June 30, 2017	2016
Net income	\$ 133	\$ 120	\$ 260	\$ 254
Other comprehensive income:				
Gains on cash-flow hedges, net of income tax effect of \$1, \$7, \$4, and \$-, respectively	3	13	8	2
(Gains) losses on cash-flow hedges reclassified to earnings, net of income tax effect of \$-, \$4, \$1 and \$7, respectively	(2)	8	1	15
Actuarial gains (losses) on pension and other postretirement obligations, settlements and plan amendments, net of income tax effect of \$-, \$1, \$- and \$1, respectively	1	(4)	1	(4)
(Gains) losses related to pension and other postretirement obligations reclassified to earnings, net of income tax effect	(1)	1	(1)	1
Unrealized gains on investments, net of income tax effect	1	—	1	—
Currency translation adjustment	(8)	20	32	59
Comprehensive income	127	158	302	327
Less: Comprehensive income attributable to non-controlling interests	3	3	6	6
Comprehensive income attributable to Ingredion	\$ 124	\$ 155	\$ 296	\$ 321

See Notes to Condensed Consolidated Financial Statements

