



Ingredion Inc. (INGR)

Updated February 3rd, 2026, by Derek English

Key Metrics

| | | | | | |
|-----------------------------|-------|---|------------------|----------------------------------|-----------------------|
| Current Price: | \$119 | 5 Year Annual Expected Total Return: | 12.8% | Market Cap: | \$7.45 B |
| Fair Value Price: | \$171 | 5 Year Growth Estimate: | 3.0% | Ex-Dividend Date: | 04/01/26 ¹ |
| % Fair Value: | 70% | 5 Year Valuation Multiple Estimate: | 7.5% | Dividend Payment Date: | 04/22/26 ² |
| Dividend Yield: | 3.3% | 5 Year Price Target | \$198 | Years Of Dividend Growth: | 15 |
| Dividend Risk Score: | C | Sector: | Consumer Staples | Rating: | Hold |

Overview & Current Events

Ingredion Inc (INGR) is a multinational ingredient solutions company headquartered in Westchester, Illinois. Founded in 1906, INGR was incorporated as a Delaware corporation in 1997, operates in over 44 countries, and employs more than 11,000 people. The company is principally engaged in producing and selling starches and sweeteners for various industries. Essentially, Ingredion turns grains, fruits, vegetables, and other plant-based materials into value-added ingredient solutions for the food, beverage, animal nutrition, brewing, and industrial markets. Ingredion operates in three business segments: Texture & Healthful Solutions, Food & Industrial Ingredients-LATAM and Food & Industrial Ingredients - U.S./Canada.

Ingredion reported full-year 2025 results on February 3rd, 2026, showing solid profitability despite softer industry volumes and ongoing operational challenges in North America. Net sales declined 3% year-over-year to \$7.22 billion, reflecting lower volumes and unfavorable price mix as raw material costs eased. Despite this, gross profit increased 2% to \$1.83 billion, with gross margin expanding to 25.3%, supported by pricing, cost savings, and a richer mix of higher-value specialty ingredients. Reported operating income rose 15% to \$1.02 billion, while adjusted operating income increased modestly by 1% to \$1.03 billion. Reported EPS climbed 15% to \$11.18, while adjusted EPS increased 4.5% to \$11.13. Texture & Healthful Solutions once again stood out as the key growth engine, delivering its seventh consecutive quarter of volume growth and record adjusted operating income of \$405 million, up 16% year-over-year. Segment margins expanded to 16.9%, driven by strong demand for clean-label solutions, sugar reduction, and specialty starches across North America and Asia-Pacific. In contrast, Food & Industrial Ingredients was impacted by persistent operational disruptions at the Argo facility, higher maintenance costs, and weaker sweetener demand, with operating income declining 16% to \$315 million. LATAM delivered a good performance, generating record operating income of \$493 million supported by network optimization, improved brewing volumes and long-term customer contracts.

Growth on a Per-Share Basis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|---------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------|----------------|----------------|
| EPS | \$6.55 | \$7.06 | \$6.17 | \$6.13 | \$5.15 | \$6.67 | \$7.34 | \$9.60 | \$9.71 | \$11.18 | \$11.40 | \$13.22 |
| DPS | \$1.85 | \$2.10 | \$2.43 | \$2.51 | \$2.53 | \$2.57 | \$2.66 | \$2.91 | \$3.14 | \$3.22 | \$3.28 | \$4.19 |
| Shares³ | 72.3 | 72.0 | 70.9 | 66.9 | 67.2 | 67.1 | 66.7 | 66.7 | 66.7 | 66.7 | 65.7 | 65.7 |

Ingredion's earnings-per-share have grown at a CAGR of 6.1% since 2016. While the company saw a slight decline in 2019 and 2020 due to lower sweetener demand, commodity margin pressures, and higher production and supply chain costs, its cost-smart initiative enabled it to save ~\$170 million.

Adjusted EPS increased again in 2025, supported by margin expansion and disciplined capital allocation. Management's 2026 guidance implies modest earnings growth as adjusted Eps is expected to sit somewhere between \$11.00 and \$11.80.

¹ Estimated ex-dividend date.

² Estimated dividend payment date.

³ Share count is in millions.

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We have estimated in between for safety. Dividend growth remains consistent and the average five-year CAGR sits at 5%. We expect this trend to continue through 2031.

Valuation Analysis

| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | Now | 2031 |
|-----------|------|------|------|------|------|------|------|------|------|------|------|------|
| Avg. P/E | 19.1 | 19.8 | 14.8 | 15.2 | 15.3 | 14.6 | 13.3 | 11.3 | 12.7 | 11.6 | 10.4 | 15.0 |
| Avg. Yld. | 1.5% | 1.5% | 2.7% | 2.7% | 3.2% | 2.6% | 2.7% | 2.7% | 2.6% | 2.5% | 3.3% | 2.1% |

Ingredion expects single-digit sales growth in 2026 as the global market share in clean and simple ingredients, global alternative protein ingredients, and reduced sugar ingredients will increase to over \$70 billion within the next four years. The company has positioned itself to capitalize on this growth by expanding its specialty ingredient portfolio in 2019. This will enable rapid, efficient customer co-creation to develop new food and beverages. The company is starting to see the benefits of this expansion as Sioux City has doubled its production of pea protein isolate, helping to increase sales by three figures worldwide. Ingredion is trading at a price-to-earnings ratio of 10.4, which is below its average P/E ratio of 14.8 since 2016. The stock is trading at 70% of our fair value estimate of \$171, and we currently have a five-year price target of \$198.

Safety, Quality, Competitive Advantage, & Recession Resiliency

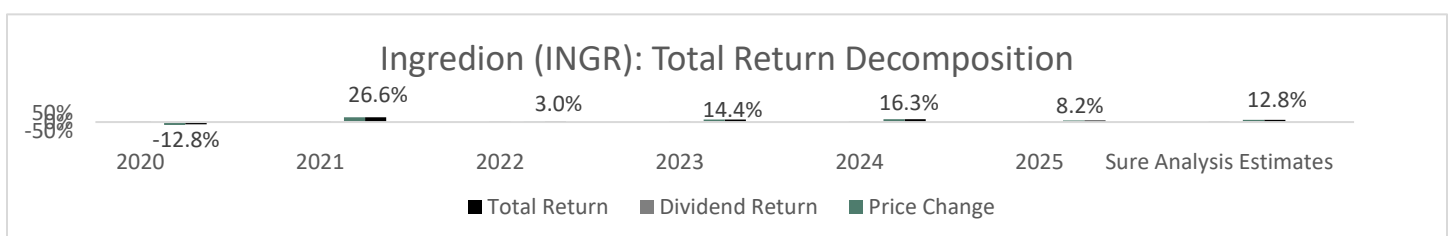
| Year | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 | 2025 | 2026 | 2031 |
|--------|------|------|------|------|------|------|------|------|------|------|------|------|
| Payout | 28% | 30% | 39% | 41% | 49% | 39% | 36% | 30% | 32% | 29% | 29% | 32% |

Ingredion is a leading provider of ingredients to industries that show growth potential, including the food and beverage industry. The company has a simple business model and nicely positioned itself in the global food supply chain. During the Great Recession, the company performed relatively better than the broader market, with a slight drop in sales and earnings in 2009 before quickly returning to growth in 2010. We have seen a similar trend during the COVID pandemic, with the company quickly returning to growth last year. However, as we have seen, supply chain issues and a higher inflationary environment can impact on the company's bottom line. The starch and sweetener industry is highly competitive, particularly in North America. Many companies' products are considered essential ingredients that compete with virtually identical products manufactured by other companies in the industry, such as Archer-Daniels-Midland (ADM). The company tries to gain a competitive advantage by investing heavily in R&D with a team of over 500 scientists who work on plant science, food formulations, and the development of non-food applications such as starch-based biopolymers.

Final Thoughts & Recommendation

INGR is a solid and straightforward business that will likely grow its dividend in future years. However, some risks should be considered, such as regulation, competition, and the price of raw materials, especially corn. Volumes have also softened, though management expects growth to continue this year. Despite these challenges, we are confident the company can meet its expectations. With a five-year CAGR estimate of 12.8% and a moderate dividend risk score, Ingredion receives a hold recommendation from Sure Dividend.

Total Return Breakdown by Year



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Income Statement Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Revenue | 5958 | 6082 | 6244 | 6289 | 6209 | 5987 | 6894 | 7946 | 8160 | 7430 |
| Gross Profit | 1242 | 1401 | 1472 | 1368 | 1312 | 1272 | 1331 | 1494 | 1749 | 1791 |
| Gross Margin | 20.8% | 23.0% | 23.6% | 21.8% | 21.1% | 21.2% | 19.3% | 18.8% | 21.4% | 24.1% |
| SG&A Exp. | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| D&A Exp. | 194 | 196 | 209 | 247 | 220 | 213 | 220 | 215 | 219 | 214 |
| Operating Profit | 685 | 825 | 865 | 767 | 721 | 675 | 697 | 766 | 968 | 1010 |
| Operating Margin | 11.5% | 13.6% | 13.9% | 12.2% | 11.6% | 11.3% | 10.1% | 9.6% | 11.9% | 13.6% |
| Net Profit | 402 | 485 | 519 | 443 | 413 | 348 | 117 | 492 | 643 | 647 |
| Net Margin | 6.7% | 8.0% | 8.3% | 7.0% | 6.7% | 5.8% | 1.7% | 6.2% | 7.9% | 8.7% |
| Free Cash Flow | 406 | 487 | 455 | 353 | 352 | 489 | 92 | (148) | 741 | 1135 |
| Income Tax | 187 | 246 | 237 | 167 | 158 | 152 | 123 | 166 | 188 | 277 |

Balance Sheet Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------------|------|------|------|------|------|------|------|------|------|------|
| Total Assets | 5074 | 5782 | 6080 | 5728 | 6040 | 6858 | 6999 | 7561 | 7642 | 7444 |
| Cash & Equivalents | 434 | 512 | 595 | 327 | 264 | 665 | 328 | 236 | 401 | 997 |
| Accounts Receivable | 775 | 923 | 961 | 951 | 977 | 1011 | 1130 | 1411 | 1279 | 939 |
| Inventories | 715 | 789 | 823 | 824 | 861 | 917 | 1172 | 1597 | 1450 | 1187 |
| Goodwill & Int. Ass. | 1011 | 1286 | 1296 | 1251 | 1238 | 1346 | 1348 | 1301 | 1303 | 1264 |
| Total Liabilities | 2894 | 3187 | 3163 | 3320 | 3268 | 3856 | 3774 | 4299 | 3992 | 3554 |
| Accounts Payable | 423 | 440 | 493 | 452 | 504 | 599 | 774 | 873 | 778 | 604 |
| Long-Term Debt | 1831 | 1953 | 1863 | 2101 | 1847 | 2186 | 2046 | 2483 | 2188 | 1831 |
| Shareholder's Equity | 2144 | 2565 | 2891 | 2388 | 2751 | 2981 | 3136 | 3195 | 3593 | 3864 |
| D/E Ratio | 0.85 | 0.76 | 0.64 | 0.88 | 0.67 | 0.73 | 0.65 | 0.78 | 0.61 | 0.47 |

Profitability & Per Share Metrics

| Year | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|-------------------------|-------|-------|-------|-------|-------|-------|--------|--------|--------|--------|
| Return on Assets | 7.9% | 8.9% | 8.8% | 7.5% | 7.0% | 5.4% | 1.7% | 6.8% | 8.5% | 8.6% |
| Return on Equity | 18.6% | 20.6% | 19.0% | 16.8% | 16.1% | 12.1% | 3.8% | 15.5% | 18.6% | 17.2% |
| ROIC | 10.0% | 11.3% | 11.1% | 9.5% | 9.0% | 7.1% | 2.2% | 8.9% | 11.1% | 11.2% |
| Shares Out. | 73 | 74.1 | 73.5 | 71.8 | 67.4 | 67.6 | 67.8 | 67.0 | 67.0 | 66.6 |
| Revenue/Share | 81.62 | 82.08 | 84.95 | 87.59 | 92.12 | 88.57 | 101.68 | 118.60 | 121.79 | 111.56 |
| FCF/Share | 5.56 | 6.57 | 6.19 | 4.92 | 5.22 | 7.23 | 1.36 | (2.21) | 11.06 | 17.04 |

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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