

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Ingredion Incorporated:

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Ingredion Incorporated and subsidiaries (the Company) as of December 31, 2025 and 2024, the related consolidated statements of income, comprehensive income, equity and redeemable equity, and cash flows for each of the years in the three-year period ended December 31, 2025, and the related notes (collectively, the consolidated financial statements). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2025, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission, and our report dated February 17, 2026 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of a critical audit matter does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Sufficiency of audit evidence over inventory

As discussed in Notes 1 and 14 to the consolidated financial statements, the Company held \$1,227 million of inventory as of December 31, 2025. Inventories are comprised of raw materials, finished and in process, and manufacturing supplies that are physically located at certain of the Company's locations.

We identified the evaluation of the sufficiency of audit evidence over raw materials and finished goods inventory as a critical audit matter. Finished goods inventory is included within the finished and in process inventory. Evaluating the sufficiency of audit evidence obtained required subjective auditor judgment because of the geographical dispersion of the Company's raw materials and finished goods inventory and the need to determine the nature and extent of procedures to be performed.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over raw materials and finished goods inventory, including determining the Company locations for which those procedures were performed. For locations where procedures were performed, we evaluated the design and tested the operating effectiveness of certain internal controls over the inventory process. We also involved IT professionals with specialized skills and knowledge, who assisted in testing certain general IT and application controls related to the Company’s process of recording raw materials and finished goods inventory. We selected a sample of raw materials and finished goods inventory and counted inventory quantities through location visits during the year. For a selection of raw materials and finished goods inventory held at certain third-party warehouse locations, we confirmed the quantity held with third-party vendors. We also selected a sample of transactions used in the calculation of raw materials and finished goods inventory and compared inventory prices to underlying documentation, including third-party invoices. In addition, we evaluated the overall sufficiency of audit evidence obtained over raw materials and finished goods inventory by assessing the results of procedures performed, including the appropriateness of the nature and extent of audit effort.

/s/ KPMG LLP

We have served as the Company’s auditor since 1997.

Chicago, Illinois
February 17, 2026

Ingredion Incorporated
Consolidated Statements of Income
(dollars and shares in millions, except per share data)

	Year Ended December 31,		
	2025	2024	2023
Net sales	\$ 7,219	\$ 7,430	\$ 8,160
Cost of sales	5,391	5,639	6,411
Gross profit	1,828	1,791	1,749
Operating expenses	815	782	789
Other operating (income), net	(24)	(1)	(8)
Restructuring/impairment charges	21	127	11
Operating income	1,016	883	957
Financing costs	37	39	114
Net (gain) on sale of business	—	(90)	—
Other non-operating expense	5	3	4
Income before income taxes	974	931	839
Provision for income taxes	238	277	188
Net income	736	654	651
Less: Net income attributable to non-controlling interests	7	7	8
Net income attributable to Ingredion	\$ 729	\$ 647	\$ 643
Earnings per common share attributable to Ingredion common shareholders:			
Weighted average common shares outstanding:			
Basic	64.2	65.5	66.0
Diluted	65.2	66.6	67.0
Earnings per common share of Ingredion:			
Basic	\$ 11.36	\$ 9.88	\$ 9.74
Diluted	\$ 11.18	\$ 9.71	\$ 9.60

See the Notes to the Consolidated Financial Statements.

Ingredion Incorporated
Consolidated Statements of Comprehensive Income
(dollars in millions)

	Year Ended December 31,		
	2025	2024	2023
Net income	\$ 736	\$ 654	\$ 651
Other comprehensive income:			
(Losses) on cash flow hedges, net of income tax effect of \$3, \$12 and \$40	(6)	(36)	(111)
(Gains) losses on cash flow hedges reclassified to earnings, net of income tax effect of \$1, \$32 and \$21	(3)	88	57
Actuarial (losses) gains on pension and other postretirement obligations, settlements and plan amendments, net of income tax effect of \$2, \$6 and \$—	(4)	17	(2)
Losses on pension and other postretirement obligations reclassified to earnings, net of income tax effect of \$—	—	1	1
Currency translation adjustment	162	(100)	47
Comprehensive income	885	624	643
Less: Comprehensive income attributable to non-controlling interests	7	8	2
Comprehensive income attributable to Ingredion	<u>\$ 878</u>	<u>\$ 616</u>	<u>\$ 641</u>

See the Notes to the Consolidated Financial Statements.

Ingredion Incorporated
Consolidated Balance Sheets
(dollars and shares in millions, except per share amounts)

	As of December 31,	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,030	\$ 997
Short-term investments	3	11
Accounts receivable, net	1,185	1,093
Inventories	1,227	1,187
Prepaid expenses and assets held for sale	60	67
Total current assets	3,505	3,355
Property, plant and equipment, net	2,526	2,264
Intangible assets, net	1,269	1,264
Other non-current assets	597	561
Total assets	\$ 7,897	\$ 7,444
Liabilities and stockholders' equity		
Current liabilities:		
Short-term borrowings	\$ 48	\$ 44
Accounts payable	693	604
Accrued liabilities and liabilities held for sale	575	633
Total current liabilities	1,316	1,281
Long-term debt	1,742	1,787
Other non-current liabilities	473	486
Total liabilities	3,531	3,554
Share-based payments subject to redemption	64	60
Redeemable non-controlling interests	7	7
Ingredion stockholders' equity:		
Preferred stock — authorized 25.0 shares — \$0.01 par value, none issued	—	—
Common stock — authorized 200.0 shares — \$0.01 par value, 77.8 issued at December 31, 2025 and 2024	1	1
Additional paid-in capital	1,155	1,152
Less: Treasury stock (common stock: 14.8 and 13.3 shares at December 31, 2025 and 2024) at cost	(1,555)	(1,355)
Accumulated other comprehensive loss	(937)	(1,086)
Retained earnings	5,610	5,092
Total Ingredion stockholders' equity	4,274	3,804
Non-redeemable non-controlling interests	21	19
Total stockholders' equity	4,295	3,823
Total liabilities and stockholders' equity	\$ 7,897	\$ 7,444

See the Notes to the Consolidated Financial Statements.

Ingredion Incorporated
Consolidated Statements of Equity and Redeemable Equity
(dollars in millions)

	Total Equity								
	Preferred Stock	Common Stock	Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Retained Earnings	Non-Redeemable Non-Controlling Interests	Share-based Payments Subject to Redemption	Redeemable Non-Controlling Interests
Balance as of December 31, 2022	\$ —	\$ 1	\$ 1,132	\$ (1,148)	\$ (1,048)	\$ 4,210	\$ 16	\$ 48	\$ 51
Net income attributable to Ingredion	—	—	—	—	—	643	—	—	—
Net income attributable to non-controlling interests	—	—	—	—	—	—	7	—	1
Dividends declared	—	—	—	—	—	(199)	(3)	—	—
Repurchases of common stock, net	—	—	—	(101)	—	—	—	—	—
Share-based compensation, net of issuance	—	—	7	42	—	—	—	7	—
Fair market value adjustment to non-controlling interests	—	—	7	—	—	—	—	—	(7)
Purchases of non-controlling interests	—	—	—	—	—	—	—	—	(2)
Other comprehensive (loss)	—	—	—	—	(8)	—	(6)	—	—
Balance as of December 31, 2023	—	1	1,146	(1,207)	(1,056)	4,654	14	55	43
Net income attributable to Ingredion	—	—	—	—	—	647	—	—	—
Net income (loss) attributable to non-controlling interests	—	—	—	—	—	—	9	—	(2)
Dividends declared	—	—	—	—	—	(209)	(5)	—	—
Repurchases of common stock, net	—	—	—	(216)	—	—	—	—	—
Share-based compensation, net of issuance	—	—	12	68	—	—	—	5	—
Fair market value adjustment to non-controlling interests	—	—	(6)	—	—	—	—	—	6
Purchases of non-controlling interests	—	—	—	—	—	—	—	—	(40)
Other comprehensive (loss) income	—	—	—	—	(30)	—	1	—	—
Balance as of December 31, 2024	—	1	1,152	(1,355)	(1,086)	5,092	19	60	7
Net income attributable to Ingredion	—	—	—	—	—	729	—	—	—
Net income attributable to non-controlling interests	—	—	—	—	—	—	7	—	—
Dividends declared	—	—	—	—	—	(211)	(5)	—	—
Repurchases of common stock, net	—	—	—	(224)	—	—	—	—	—
Share-based compensation, net of issuance	—	—	3	24	—	—	—	4	—
Other comprehensive income	—	—	—	—	149	—	—	—	—
Balance as of December 31, 2025	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 1,155</u>	<u>\$ (1,555)</u>	<u>\$ (937)</u>	<u>\$ 5,610</u>	<u>\$ 21</u>	<u>\$ 64</u>	<u>\$ 7</u>

See the Notes to the Consolidated Financial Statements.

Ingredion Incorporated
Consolidated Statements of Cash Flows
(dollars in millions)

	Year Ended December 31,		
	2025	2024	2023
Cash from operating activities			
Net income	\$ 736	\$ 654	\$ 651
Non-cash charges to net income:			
Depreciation and amortization	222	214	219
Mechanical stores expense	67	62	62
Net (gain) on sale of business	—	(90)	—
Deferred income taxes	6	(15)	(6)
Impairment charges	10	109	10
Other non-cash charges	43	32	59
Changes in working capital:			
Accounts receivable and prepaid expenses	(51)	148	77
Inventories	3	228	69
Accounts payable and accrued liabilities	(27)	20	(79)
Margin accounts	2	21	10
Other	(67)	53	(15)
Cash provided by operating activities	944	1,436	1,057
Cash from investing activities			
Capital expenditures and mechanical stores purchases, net	(433)	(295)	(314)
Proceeds from sale of business	12	255	—
Purchases of equity securities, net	(20)	(4)	(9)
Other	(3)	(3)	(6)
Cash used for investing activities	(444)	(47)	(329)
Cash from financing activities			
Proceeds from borrowings	405	773	720
Payments on debt	(449)	(791)	(949)
Commercial paper repayments, net	—	(327)	(63)
Repurchases of common stock, net	(224)	(216)	(101)
Common stock activity for share-based compensation, net	(12)	46	20
Purchases of non-controlling interests	—	(40)	(2)
Dividends paid, including to non-controlling interests	(211)	(210)	(194)
Cash used for financing activities	(491)	(765)	(569)
Effects of foreign exchange rate changes on cash and cash equivalents	24	(28)	6
Increase in cash and cash equivalents	33	596	165
Cash and cash equivalents, beginning of period	997	401	236
Cash and cash equivalents, end of period	\$ 1,030	\$ 997	\$ 401

See the Notes to the Consolidated Financial Statements.

Ingredion Incorporated
Notes to Consolidated Financial Statements
(dollars in millions, except per share data, unless otherwise noted)

1. Description of the Business and Summary of Significant Accounting Policies

Unless the context otherwise requires, all references herein to the “Company,” “Ingredion,” “we,” “us,” and “our” mean Ingredion Incorporated and its consolidated subsidiaries.

Description of the business: We primarily manufacture and sell sweeteners, starches, nutrition ingredients and biomaterial solutions derived from wet milling and processing corn and other starch-based materials to a wide range of industries, both domestically and internationally.

Basis of presentation: The Consolidated Financial Statements consist of the accounts of Ingredion, including all subsidiaries. Intercompany accounts and transactions are eliminated in consolidation.

Use of estimates: The preparation of the accompanying Consolidated Financial Statements in conformity with U.S. Generally Accepted Accounting Principles (“GAAP”) requires management to make estimates and assumptions about future events. These estimates and the underlying assumptions affect the amounts of assets and liabilities reported, disclosures about contingent assets and liabilities, and reported amounts of revenues and expenses. Such estimates and assumptions impact the value of purchase consideration, accounts receivable, inventories, certain investments, goodwill, intangible assets and other long-lived assets, legal contingencies, income taxes, and pension and other postretirement benefits, among others. These estimates and assumptions are based on our best estimates and judgment. We evaluate our estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which we believe to be reasonable under the circumstances. We will adjust such estimates and assumptions when facts and circumstances dictate. Corn price volatility, adverse changes in the global economic environment, foreign currency depreciation versus the U.S. dollar, and access to credit markets increase the uncertainty inherent in such estimates and assumptions. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in these estimates will be reflected in the financial statements in future periods.

Foreign currency translation: Assets and liabilities of foreign subsidiaries, other than those whose functional currency is the U.S. dollar, are translated at current exchange rates with the related translation adjustments reported in equity as a component of Accumulated other comprehensive loss (“AOCL”), and income statement accounts are translated at the average exchange rate during the period. The U.S. dollar is the functional currency for our subsidiaries in Mexico and Argentina, and we translate their monetary assets and liabilities at current exchange rates with the related adjustment included in financing costs in our Consolidated Statements of Income. Non-monetary assets and liabilities are translated at historical exchange rates with the related translation adjustments included in AOCL in our Consolidated Balance Sheets.

Revenue recognition: Ingredion recognizes revenue under the core principle to depict our transfer of products and solutions to customers in amounts that reflect the consideration we expect to receive. To achieve that core principle, we apply the following five-step approach: (1) identify the contract with a customer; (2) identify the performance obligations in the contract; (3) determine the transaction price; (4) allocate the transaction price to the performance obligations in the contract; and (5) recognize revenue when a performance obligation is satisfied.

We identify customer purchase orders, which in some cases are governed by a master sales agreement, as the contracts with our customers. For each contract, we consider the transfer of products, each of which is distinct, to be the identified performance obligation. The pricing model can be fixed or variable within the contract. The variable pricing model is based on historical commodity pricing and is determinable before we complete the performance obligation. To determine the transaction price for the contract performance obligations, we also evaluate whether the price could be adjusted, and we may reduce the transaction price for certain sales adjustments such as volume incentive discounts and other discount arrangements. We estimate transaction price adjustments using the expected value method based on our analysis of historical volume incentives or discounts over a period considered adequate to account for current pricing and business trends. Historically, actual volume incentives and discounts relative to those estimated and included when determining the transaction price have not materially differed. We accrue volume incentives and discounts in Accrued liabilities and liabilities held for sale in the Consolidated Balance Sheets when we satisfy the performance obligation. We consider the product price as specified in the contract, net of any discounts, as the standalone selling price as it is an observable input that represents the price if we sold the product to a similar customer in similar circumstances. We do not recognize any significant financing components since payment is due shortly after we satisfy our performance obligation.

Ingredion Incorporated
Notes to Consolidated Financial Statements
(dollars in millions, except per share data, unless otherwise noted)

We recognize revenue when we satisfy our performance obligation and control is transferred to the customer, which occurs at a point in time, either upon delivery to an agreed upon location or to the customer. Further, in determining whether control has transferred, we consider if there is a present right to payment and legal title, along with risks and rewards of ownership having transferred to the customer.

Shipping and handling activities related to contracts with customers represent fulfillment costs and are recorded in Cost of sales in the Consolidated Statements of Income. Taxes assessed by governmental authorities and collected from customers are accounted for on a net basis and excluded from net sales. We expense costs to obtain a contract when we incur the costs since most contracts are one year or less. These costs primarily include our internal sales force compensation. Under the terms of these programs, the compensation is generally earned, and the costs are recognized when we recognize the revenue.

From time to time, we may enter into long-term contracts with our customers. Historically, such contracts do not result in significant contract assets or liabilities. Any such arrangements are accounted for in Accounts receivable, net or Accrued liabilities and liabilities held for sale in the Consolidated Balance Sheets.

Cash and cash equivalents: Cash equivalents consist of all instruments purchased with an original maturity of three months or less and that have virtually no risk of loss in value.

Accounts receivable: Accounts receivable consists of trade and other receivables carried at approximate fair value, net of an allowance for credit losses. The allowance for credit losses is determined using our best estimate of expected credit losses based on historical loss experience and current forecasts of future economic conditions, and we adjust this estimate over the life of the receivable as needed.

Inventories: Inventories are stated at the lower of cost or net realizable value. Costs are predominantly determined using the weighted average method.

Long-term investments: We hold marketable securities and equity investments, which we include in Other non-current assets in the Consolidated Balance Sheets. Marketable securities are carried at fair value and we record changes in fair value to Other operating income, net in the Consolidated Statements of Income if we maintain the securities for processing transactions that directly support operating activities; otherwise, we record changes in fair value to Other non-operating expense in the Consolidated Statements of Income.

Equity investments in companies for which we do not have the ability to exercise significant influence are accounted for at fair value, with changes in fair value recorded in Other non-operating expense in the Consolidated Statements of Income. Equity securities without readily determinable fair values are carried at cost, less impairments, if any, and adjusted for observable price changes for the identical or a similar investment of the same issuer. We perform a qualitative impairment assessment to determine if such investments are impaired, which considers all available information, including declines in the financial performance of the issuing entity, the issuing entity's operating environment and general market conditions. Impairments of equity securities without readily determinable fair value are recorded in Other non-operating expense in the Consolidated Statements of Income.

Equity investments in companies for which we have the ability to exercise significant influence, but not control, are accounted for using the equity method of accounting. Upon formation, each equity investee must apply a new basis of accounting by initially measuring its assets and liabilities at fair value (with exceptions to fair value measurement that are consistent with the business combinations guidance). Our share of the earnings or losses reported by equity method investees is recognized in Other operating income, net in the Consolidated Statements of Income, and we generally recognize our share of income or expense one month in arrears due to the timing of when results are available. Each reporting period, we evaluate declines in the fair value of equity method investments below carrying value to determine if any are other-than-temporary and if so, we write down the investment to its estimated fair value. Impairments are recognized in Restructuring/impairment charges in the Consolidated Statements of Income.

Leases: We determine if an arrangement contains a lease, as well as its classification as an operating lease or finance lease, at the inception of the agreement. Lease assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. Lease assets and liabilities are recognized at the lease commencement date based on the present value of future lease payments over the lease term. As

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Notes to Consolidated Financial Statements
(dollars in millions, except per share data, unless otherwise noted)

most of our leases do not provide an implicit rate, we use an incremental borrowing rate based on the information available at the commencement date to determine the present value of lease payments. The lease asset value includes in our calculation any prepaid lease payments made and any lease incentives received from the arrangement as a reduction of the asset. Certain leases have options to terminate or extend the life of the lease, which we include in the lease asset and lease liability calculation when we have sole discretion to exercise the option, and it is reasonably certain we will. We do not separate lease and non-lease components for our leases when it is impracticable to separate them, such as leases with variable payment arrangements. We have certain leases that have variable payments based solely on output or usage of the leased asset, which we do not record in our Consolidated Balance Sheets, but expense as incurred. Lease expense is recognized on a straight-line basis over the lease term. Leases with an initial term of twelve months or less are not recorded on the Consolidated Balance Sheets.

Property, plant and equipment, net and definite-lived intangible assets: Property, plant and equipment (“PP&E”) is stated at cost less accumulated depreciation and definite-lived intangible assets are stated at cost less accumulated amortization. For PP&E, depreciation is generally computed on the straight-line basis over the estimated useful lives of depreciable assets, which range from 25 to 50 years for buildings and from two to 25 years for machinery and equipment. Costs for mechanical stores represent costs for spare parts used in the production process that are capitalized in PP&E as part of machinery and equipment until they are utilized in the manufacturing process and expensed as a period cost. Where permitted by law, accelerated depreciation methods are used for tax purposes. For definite-lived intangible assets, we recognize the cost of these amortizable assets in operations over their estimated useful life, which range from two to 30 years. We review the recoverability of the net book value of PP&E and definite-lived intangible assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset group may not be recoverable. If this review indicates that the carrying values of the asset group will not be recovered, we reduce the carrying values to fair value and recognize an impairment charge. The impairment analysis for long-lived assets occurs before the goodwill impairment assessment described below.

Assets and liabilities held for sale: We classify long-lived assets or disposal groups as held for sale in the period when all of the following conditions have been met:

- we have approved and committed to a plan to sell the assets or disposal group,
- the asset or disposal group is available for immediate sale in its present condition,
- an active program to locate a buyer and other actions required to complete the sale have been initiated,
- the sale of the asset or disposal group is probable and expected to be completed within one year,
- the asset or disposal group is being actively marketed for sale at a price that is reasonable in relation to its current fair value, and
- it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

When all the held for sale criteria are met, we initially measure a long-lived asset or disposal group that is classified as held for sale at the lower of its carrying value or the fair value less any costs to sell, recognize any resulting losses, and cease depreciation and amortization of the long-lived asset or assets within a disposal group. Until the date of sale or until the asset or disposal group are no longer classified as held for sale, we assess fair value less any costs to sell and recognize any resulting losses at each reporting period. Gains are not recognized until the date of the sale.

Indefinite-lived intangible assets and goodwill: We have certain indefinite-lived intangible assets in the form of trade names, trademarks, and goodwill. Our methodology for allocating the purchase price of acquisitions to trade names and trademarks is based on established valuation techniques that reflect the consideration of a number of factors, including valuations performed by third-party appraisers when appropriate. Goodwill represents the excess of the cost of an acquired entity over the fair value assigned to identifiable assets acquired and liabilities assumed. We assess indefinite-lived intangible assets and goodwill for impairment annually (or other circumstances requiring assessment), which we perform as of July 1 of each year.

In testing indefinite-lived intangible assets for impairment, we first assess qualitative factors to determine whether it is more-likely-than-not that the fair value of an indefinite-lived intangible asset is greater than its carrying amount. If not, then we determine the fair value of the indefinite-lived intangible assets by performing a quantitative impairment analysis that considers various factors, including net sales derived from these intangibles and certain market and industry conditions.

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(dollars in millions, except per share data, unless otherwise noted)

In testing goodwill for impairment, we first assess qualitative factors to determine whether it is more-likely-than-not that the fair value of a reporting unit is greater than its carrying amount. If not, then an impairment exists for the difference between the fair value and carrying value of the reporting unit. This difference is not to exceed the goodwill recorded at the reporting unit.

Hedging instruments: We use derivative financial instruments consisting primarily of commodity futures, swaps and option contracts, forward currency contracts and options, interest rate swaps, and Treasury lock agreements (“T-Locks”).

When we enter a derivative contract, we designate the derivative as a hedge of variable cash flows to be paid related to certain forecasted transactions (“a cash flow hedge”), as a hedge of the fair value of certain fixed (“firm”) commitments (“a fair value hedge”), or as a non-designated hedging instrument. This process includes linking all derivatives that are designated as cash flow or fair value hedges to specific assets and liabilities on the Consolidated Balance Sheets, or to specific firm commitments or forecasted transactions. For all hedging relationships, we document the hedging relationships and our risk-management objective and strategy for undertaking the hedge transactions, the hedging instrument, the hedged item, the nature of the risk being hedged, how we will assess the hedging instrument’s effectiveness in offsetting the hedged risk, and a description of the method to measure ineffectiveness. We also formally assess, both at the hedge’s inception and on an ongoing basis, whether the derivative that is used in a hedging transaction is highly effective in offsetting changes in cash flows or fair values of hedged items.

For hedging instruments designated as cash flow hedges, unrealized gains and losses associated with marking cash flow hedging contracts to market (fair value) are recorded as a component of other comprehensive loss (“OCL”) and included in the equity section of the Consolidated Balance Sheets as part of AOCL. These amounts, as well as their related tax effects, are subsequently reclassified into earnings in the same line item affected by the hedged transaction and in the same period or periods during which the hedged transaction affects earnings, or in the period a hedge is determined to be ineffective. Gains and losses from cash flow hedging instruments reclassified from AOCL to earnings are reported as Cash provided by operating activities on the Consolidated Statements of Cash Flows.

For hedging instruments designated as fair value hedges, unrealized gains and losses associated with marking fair value hedging contracts to market (fair value) are recorded in earnings each period. Unrealized gains and losses on hedged items in designated and highly effective fair value hedges are also recorded in earnings each period.

For hedging instruments not designated as hedging instruments for accounting purposes, all realized and unrealized gains and losses from these instruments are recognized in earnings during each accounting period.

We assess the effectiveness of hedging contracts based on changes in the contract’s fair value. The changes in the market value of our hedging contracts have historically been, and are expected to be, highly effective at offsetting changes in the price of hedged items. We discontinue hedge accounting prospectively when it is unlikely or not probable that a forecasted transaction will occur or when we determine that the designation of the derivative as a hedging instrument is no longer appropriate, since the derivative is no longer effective in offsetting changes in the cash flows or fair value of the originally intended hedged transaction. When we discontinue hedge accounting, we continue to carry the derivative on the Consolidated Balance Sheets at its fair value and freeze the deferred gains or losses into AOCL. Changes in the fair value of the derivative are recognized in earnings in the same line item as the original hedged transaction instead of AOCL. Any accumulated gains and losses that were included in AOCL in the period we determined the hedge to be ineffective are also released to earnings.

Pension and other postretirement benefits: All U.S. pension and postretirement benefit plans and most non-U.S. pension and postretirement benefit plans value the vested benefit obligation based on the actuarial present value of the vested benefits to which employees are currently entitled based on their expected date of separation or retirement. We determine our assumption for the discount rate used to measure year-end pension and postretirement obligations based on high-quality fixed-income investments that match the duration of the expected benefit payments, which has been benchmarked using a long-term, high-quality AA corporate bond index. We use a full yield curve approach in the estimation of the service and interest cost components of benefit cost by applying the specific spot rates along the yield curve used in the determination of the benefit obligation to the relevant projected cash flows.

For defined benefit plans, the service cost component of net periodic benefit cost is presented within either Cost of sales or Operating expenses on the Consolidated Statements of Income. The interest cost, expected return on plan assets,

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amortization of actuarial loss, amortization of prior service credit and settlement loss components of net periodic benefit cost are presented as Other non-operating expense on the Consolidated Statements of Income.

Actuarial gains and losses in excess of 10 percent of the greater of the projected benefit obligation or the market-related value of plan assets are classified in AOCL, along with the related tax impact, and recognized as a component of net periodic benefit cost over the average remaining service period of a plan's active employees for active defined benefit pension plans and over the average remaining life of a plan's active employees for frozen defined benefit pension plans.

Share-based compensation: We have a stock incentive plan that provides for share-based employee compensation, including the granting of stock options, shares of restricted stock, restricted stock units and performance shares to certain key employees. Compensation expense is generally recognized in the Consolidated Statements of Income on a straight-line basis for all awards over the requisite service period. We estimate a forfeiture rate at the time of certain grants, and we update the estimate throughout the vesting of certain awards within the amount of compensation costs recognized in each period.

Earnings per common share: Basic earnings per common share ("EPS") is computed by dividing Net income attributable to Ingredion by the weighted average number of shares outstanding. Diluted EPS is calculated using the treasury stock method, computed by dividing Net income attributable to Ingredion by the weighted average number of shares outstanding, including the dilutive effect of outstanding stock options and other instruments associated with long-term incentive compensation plans.

Risks and uncertainties: We operate domestically and internationally, and our business and assets in each country are subject to varying degrees of risk and uncertainty. We insure our business and assets in each country against insurable risks in a manner that we deem appropriate. Because of our geographic dispersion, we believe that a loss from a non-insured event in any one country is not likely to have a material adverse effect on our operations as a whole. Additionally, we believe there is no significant concentration of risk with any single customer or supplier whose failure or non-performance would materially affect our results. We do not consider the potential for insurance recoveries if we record accruals for estimated probable costs from events or circumstances that may be insured.

Adoption of New Accounting Standards

On January 1, 2025, we adopted Accounting Standard Update ("ASU") No. 2023-05, *Business Combinations—Joint Venture Formations (Subtopic 805-60)*, on a prospective basis. Under this standard, a joint venture must apply a new basis of accounting upon formation by initially measuring its assets and liabilities at fair value (with exceptions to fair value measurement that are consistent with the business combinations guidance). We applied the new standard to the Agrana joint venture, described in Note 3. The effect of adoption of the new standard was not material to our Consolidated Financial Statements.

On January 1, 2025, we adopted ASU No. 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, on a prospective basis. Under this standard, specific categories in the rate reconciliation are disclosed and additional information for reconciling items that meet a quantitative threshold are provided. Additionally, information pertaining to taxes paid (net of refunds received) is disaggregated by federal, state, and foreign taxes with further disaggregation for specific jurisdictions to the extent the related amounts exceed a quantitative threshold. We disclosed required disaggregated amounts and provided the required information, as reflected in Note 9.

We early adopted ASU No. 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40)*, on a prospective basis after the ASU was issued in September 2025. Under this standard, we capitalize costs for internal-use software based on criteria for projects that focuses on the probability of completion, based on management funding approval, and intended use. The effect of adoption of the new standard was not material to our Consolidated Financial Statements.

Recent Accounting Pronouncements Not Yet Adopted

In November 2024, the Financial Accounting Standards Board ("FASB") issued ASU No. 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosure (Subtopic 220-40)*. The amendments in this update enhance disclosures about a public business entity's expenses and provide more detailed information about the

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types of expenses included in certain notes in the Consolidated Financial Statements. This ASU is effective for annual periods beginning after December 15, 2026, with early adoption permitted. We are currently assessing the impact of this ASU on our Consolidated Financial Statements.

In November 2025, the FASB issued ASU No. 2025-09, *Derivatives and Hedging (Topic 815): Hedge Accounting Improvements*. The new standard aligns hedge accounting with the economics of an entity's risk management activities and amends the existing requirement that hedges of groups of individual forecasted transactions that use a single derivative as the hedging instrument must share the same risk exposure to be accounted as a cash flow hedge. Instead, hedges of groups of individual forecasted transactions that use a single derivative as the hedging instrument need only share similar risk exposure to be accounted as a cash flow hedge, with the quantitative threshold consistent with the high effective threshold used in the assessment of cash flow hedges. The ASU also clarifies risk assessment approaches for risk exposures in a group of forecasted transactions. We are currently assessing the impact of this ASU on our Consolidated Financial Statements.

2. Divestitures and Acquisitions

Pakistan Divestiture

On September 25, 2025, we entered into a definitive agreement to sell a 51 percent ownership interest in Rafhan Maize Products Co. Ltd. (the "Pakistan business") to Nishat Group, a diversified group of companies headquartered in Lahore, Pakistan. On December 29, 2025, we amended the agreement to grant Nishat Group an option to purchase additional shares for commensurate consideration per share. We currently own 71 percent of the Pakistan business, whose financial results are consolidated and reported as part of All Other. On January 21, 2026, the World Bank's International Finance Corporation approved financing to the Nishat Group for the proposed transaction, which remains subject to the satisfaction of specified closing conditions and receipt of regulatory approvals from the Competition Commission of Pakistan. In addition, the transaction is subject to the Nishat Group's successful completion of a tender offer for shares of the Pakistan business on the Pakistani Stock Exchange and to action by the State Bank of Pakistan allowing us to receive our share of the sale proceeds in U.S. dollars. Based on the conditions required for the transaction to close, we have determined that the Pakistan business does not qualify for held for sale classification as of December 31, 2025.

South Korea Divestiture

On November 10, 2023, we entered into a definitive agreement for the sale of our South Korea business to an affiliate of the Sajo Group, a leading food company headquartered in Seoul, South Korea, for 384 billion South Korean won, or approximately \$294 million. Upon completion of the sale on February 1, 2024, we received 330 billion South Korean won, or \$247 million, net of certain transaction costs, and an incremental \$8 million working capital true-up in the third quarter of 2024. As a result, we recognized net pre-tax gains of \$90 million in Net (gain) on sale of business in the Consolidated Statements of Income in 2024. The South Korea business generated operating income of \$2 million in 2024 and \$30 million in 2023.

As additional consideration for the sale, we received 18 billion South Korean won, or \$12 million, in February 2025, and 18 billion South Korean won, or approximately \$12 million, in February 2026. We expect to receive the final consideration payment of 18 billion South Korean won, or approximately \$12 million, in February 2027. As of December 31, 2025, these were recorded in Accounts receivable, net and Other non-current assets on our Consolidated Balance Sheets.

PureCircle Acquisition

We purchased from minority shareholders in PureCircle Limited ("PureCircle") an insignificant number of shares in 2025 and \$40 million in 2024, which increased our ownership percentage to 98 percent as of December 31, 2025 and December 31, 2024, from 88 percent as of December 31, 2023. In December 2025, we issued notice to the remaining minority shareholders of our intent to exercise our option to buy the remaining shares for approximately \$7 million, which we recorded as Redeemable non-controlling interests in our Consolidated Balance Sheets as of December 31, 2025. We expect to complete these purchases in the first quarter of 2026.

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3. Investments

Investments as of December 31, 2025 and 2024 were as follows:

	As of December 31,	
	2025	2024
Equity method investments	\$ 117	\$ 95
Equity investments	27	31
Marketable securities	6	5
Total investments	<u>\$ 150</u>	<u>\$ 131</u>

In June 2025, we entered into a joint venture agreement with Agrana Sträke GmbH (“Agrana joint venture”), which provided us with a 49 percent equity interest in the joint venture for the development of starch production in Romania. In exchange for our stake in the Agrana joint venture, we paid \$18 million of cash, net of post-closing adjustments. Our investment in the Agrana joint venture is classified as an equity method investment, and we recognize our share of net income one month in arrears in the Texture & Healthful Solutions segment.

Our equity method investments also include our 49 percent joint venture equity ownership in Ingrear Holding S.A. (“Argentina joint venture”), and we recognize our share of net income in the Argentina joint venture one month in arrears in the F&I–LATAM segment. In 2024, we received antitrust clearance to finalize the Argentina joint venture investment, subject to fulfillment of certain conditions to promote arms-length competition in the Argentina corn wet milling market, which must be completed through September 2029.

During 2024 and 2023, we recorded an other-than temporary impairment charge of \$18 million and \$10 million on our equity method investment with Amyris Inc. (the “Amyris joint venture”), which was recorded in the Restructuring/impairment charges on our Consolidated Statements of Income.

During 2025, we entered into new equity investments for \$8 million of cash consideration. We also sold an equity investment at cost for \$6 million and recorded \$7 million of impairment charges on our equity investments.

4. Intangible Assets

Goodwill

The carrying value of goodwill by reportable segment and All Other as of December 31, 2025 is presented below. There were no accumulated impairment charges by reportable segment and All Other.

	T&HS	F&I–LATAM	F&I–U.S./Canada	All Other	Total
Balance as of December 31, 2024	\$ 382	\$ 142	\$ 295	\$ 87	\$ 906
Currency translation adjustment	12	2	1	1	16
Balance as of December 31, 2025	<u>\$ 394</u>	<u>\$ 144</u>	<u>\$ 296</u>	<u>\$ 88</u>	<u>\$ 922</u>

We concluded that as of our July 1, 2025 impairment assessment, there were no impairments to goodwill.

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Other Intangible Assets

A summary of other intangible assets was as follows:

December 31, 2025	Gross	Accumulated Amortization	Net
Trademarks/trade names (indefinite-lived)	\$ 143	\$ —	\$ 143
Patents	34	(16)	18
Customer relationships	366	(212)	154
Technology	118	(105)	13
Other	40	(21)	19
Total other intangible assets	<u>\$ 701</u>	<u>\$ (354)</u>	<u>\$ 347</u>

December 31, 2024	Gross	Accumulated Amortization	Net
Trademarks/trade names (indefinite-lived)	\$ 143	\$ —	\$ 143
Patents	31	(12)	19
Customer relationships	356	(188)	168
Technology	111	(104)	7
Other	41	(20)	21
Total other intangible assets	<u>\$ 682</u>	<u>\$ (324)</u>	<u>\$ 358</u>

Amortization expense related to our other intangible assets was \$27 million in 2025, and \$26 million in both 2024 and 2023. We concluded that as of our July 1, 2025 impairment assessment, there were no impairments to our indefinite-lived other intangible assets.

Estimated future amortization expense related to intangible assets is as follows:

2026	\$ 27
2027	27
2028	27
2029	27
2030	26

5. Derivative Instruments and Hedging Activities

We are exposed to market risk stemming from changes in commodity prices (primarily corn and natural gas), foreign currency exchange rates and interest rates. In the normal course of business, we actively manage our exposure to these market risks by entering various hedging transactions authorized under established policies that place controls on these activities. These transactions utilize exchange-traded derivatives or over-the-counter derivatives with investment grade counterparties. We use derivative financial instruments that consist of commodity-related futures, options and swap contracts, foreign currency-related forward contracts, interest rate swaps and treasury locks (“T-Locks”).

Commodity price hedging: Our principal use of derivative financial instruments is to manage commodity price risk relating to anticipated purchases of corn and natural gas that we intend to use in the manufacturing process, generally over the next twelve to twenty-four months. We maintain a commodity-price risk management strategy that uses derivative instruments to minimize significant, unanticipated earnings fluctuations caused by commodity-price volatility. To manage price risk related to corn purchases primarily in North American countries in each of our F&I and T&HS segments, we use corn futures and option contracts that trade on regulated commodity exchanges to lock in corn costs associated with fixed-priced customer sales contracts. We use soybean oil and soybean meal futures contracts in North American countries in each of our F&I and T&HS segments that trade on regulated commodity exchanges to hedge sales of our co-

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products. We also use over-the-counter natural gas swaps, primarily in North American countries in each of our F&I and T&HS segments, to hedge a portion of our natural gas usage. These derivative financial instruments limit the impact that volatility resulting from fluctuations in market prices will have on corn and natural gas purchases, as well as co-product sales. Our natural gas, soybean meal and the majority of our corn and soybean oil derivatives have been designated as cash flow hedging instruments. A portion of our corn and soybean oil derivatives are not designated as hedging instruments for accounting purposes.

We had outstanding futures and option contracts that hedged the forecasted purchase of approximately 84 million and 105 million bushels of corn as of December 31, 2025 and 2024. We also had outstanding swap contracts that hedged the forecasted purchase of approximately 26 million and 24 million mmbtus of natural gas as of December 31, 2025 and 2024.

Foreign currency hedging: Due to our global operations, including operations in many emerging markets, we are exposed to fluctuations in foreign currency exchange rates. As a result, we have exposure to translational foreign-exchange risk when the results of our foreign net assets and operations are translated to U.S. dollars and to transactional foreign-exchange risk when transactions not denominated in the functional currency are revalued. Our foreign-exchange risk management strategy uses derivative financial instruments such as foreign currency forward contracts, swaps and options to manage our transactional foreign-exchange risk. We enter into foreign currency derivative instruments that are designated as cash flow hedging instruments as well as instruments not designated as hedging instruments for accounting purposes in order to mitigate transactional foreign-exchange risk.

We hedge certain assets using foreign currency derivatives not designated as hedging instruments, which had a notional value of \$395 million and \$408 million as of December 31, 2025 and 2024. We also hedge certain liabilities using foreign currency derivatives not designated as hedging instruments, which had a notional value of \$192 million and \$113 million as of December 31, 2025 and 2024.

We hedge certain assets using foreign currency cash flow hedging instruments, which had a notional value of \$425 million and \$447 million as of December 31, 2025 and 2024. We also hedge certain liabilities using foreign currency cash flow hedging instruments, which had a notional value of \$358 million and \$448 million as of December 31, 2025 and 2024.

Interest rate hedging: We assess our exposure to variability in interest rates by identifying and monitoring changes in interest rates that may adversely impact future cash flows and the fair value of existing debt instruments and by evaluating hedging opportunities. Our risk management strategy is to monitor interest rate risk attributable to our outstanding and forecasted debt obligations as well as our offsetting hedge positions. Derivative financial instruments that we have used to manage our interest rate risk consist of interest rate swaps and T-Locks.

We periodically enter into T-Locks to hedge our exposure to interest rate changes. We have settled T-Locks associated with the issuance of our senior notes due in 2030 and 2050. The realized loss upon settlement of these T-Locks was recorded in AOCL and is amortized into earnings over the term of the senior notes. We did not have open T-Locks as of December 31, 2025 and 2024.

The derivative instruments designated as cash flow hedges included in AOCL as of December 31, 2025 and 2024 were as follows:

	(Losses) Gains included in AOCL as of December 31,	
	2025	2024
Commodity contracts, net of income tax effect of \$3 and \$—	\$ (7)	\$ (1)
Foreign currency contracts, net of income tax effect of \$3 and \$4	3	7
Interest rate contracts, net of income tax effect of \$1	(1)	(2)
Total	\$ (5)	\$ 4

As of December 31, 2025, AOCL included \$4 million of net losses (net of income taxes of \$1 million) on commodities-related derivative instruments, T-Locks and foreign currency hedges designated as cash flow hedges that are expected to be reclassified into earnings during the next twelve months.

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The fair value and balance sheet location of our derivative instruments, presented gross in the Consolidated Balance Sheets, were as follows:

Fair Value of Hedging Instruments as of December 31, 2025						
Balance Sheet Location	Designated Hedging Instruments			Non-Designated Hedging Instruments		
	Commodity Contracts	Foreign Currency Contracts	Total	Commodity Contracts	Foreign Currency Contracts	Total
Accounts receivable, net	\$ 4	\$ 13	\$ 17	\$ 1	\$ 5	\$ 6
Other non-current assets	—	—	—	—	1	1
Assets	4	13	17	1	6	7
Accounts payable	13	11	24	1	3	4
Other non-current liabilities	—	—	—	—	—	—
Liabilities	13	11	24	1	3	4
Net Assets/(Liabilities)	\$ (9)	\$ 2	\$ (7)	\$ —	\$ 3	\$ 3

Fair Value of Hedging Instruments as of December 31, 2024						
Balance Sheet Location	Designated Hedging Instruments			Non-Designated Hedging Instruments		
	Commodity Contracts	Foreign Currency Contracts	Total	Commodity Contracts	Foreign Currency Contracts	Total
Accounts receivable, net	\$ 18	\$ 15	\$ 33	\$ 1	\$ 11	\$ 12
Other non-current assets	1	4	5	—	2	2
Assets	19	19	38	1	13	14
Accounts payable	8	8	16	1	2	3
Other non-current liabilities	—	2	2	—	—	—
Liabilities	8	10	18	1	2	3
Net Assets/(Liabilities)	\$ 11	\$ 9	\$ 20	\$ —	\$ 11	\$ 11

Additional information relating to our derivative instruments were as follows:

Derivatives in Cash Flow Hedging Relationships	(Losses) Gains Recognized in OCL on Derivatives			Income Statement Location	(Losses) Gains Reclassified from AOCL into Income		
	2025	2024	2023		2025	2024	2023
Commodity contracts	\$ (26)	\$ (62)	\$ (161)	Cost of sales	\$ (17)	\$ (124)	\$ (87)
Foreign currency contracts	17	14	10	Net sales/Cost of sales	22	4	10
Interest rate contracts	—	—	—	Financing costs	(1)	—	(1)
Total	\$ (9)	\$ (48)	\$ (151)		\$ 4	\$ (120)	\$ (78)

6. Fair Value Measurements

We measure certain assets and liabilities at fair value, which is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the “exit price”) in an orderly transaction between market participants at the measurement date. In determining fair value, we use various valuation approaches. The hierarchy of those valuation approaches is in three levels based on the reliability of inputs. Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Below is a summary of the hierarchy levels:

- Level 1 inputs consist of quoted prices (unadjusted) in active markets for identical assets or liabilities.

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- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly for substantially the full term of the financial instrument. Level 2 inputs are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability or can be derived principally from or corroborated by observable market data.
- Level 3 inputs are unobservable inputs for the asset or liability. Unobservable inputs are used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date.

Assets and liabilities measured at fair value on a recurring basis are presented below:

	As of December 31, 2025				As of December 31, 2024			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Marketable securities	\$ 6	\$ —	\$ —	\$ 6	\$ 5	\$ —	\$ —	\$ 5
Derivative assets	22	2	—	24	48	4	—	52
Derivative liabilities	18	10	—	28	17	4	—	21
Long-term debt	—	1,649	—	1,649	—	1,633	—	1,633

The carrying values of cash equivalents, short-term investments, accounts receivable, accounts payable and short-term borrowings approximate fair values. Commodity futures, options and swap contracts are recognized at fair value. Foreign currency forward contracts, swaps and options are also recognized at fair value. The fair value of our Long-term debt is estimated based on quotations of major securities dealers who are market makers in the securities. See Note 10 for information on the fair value of pension plan assets.

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7. Financing Arrangements

We had total debt outstanding of \$1.8 billion at both December 31, 2025 and 2024. As of December 31, 2025 and 2024, our other short-term and other long-term borrowings consisted primarily of amounts outstanding under various term loans or unsecured local country operating lines of credit.

On August 27, 2025, we entered into a new revolving credit agreement to replace the previous revolving credit agreement, which was terminated as of the same date. The new revolving credit facility agreement provides for a five-year unsecured revolving credit facility in an aggregate principal amount of \$1.0 billion outstanding at any time. The facility will mature on August 27, 2030. Loans under the revolving credit facility accrue interest at a per annum rate equal, at our option, to either a term rate based upon the secured overnight financing rate (“SOFR”) plus an applicable margin, or a base rate (generally determined according to the highest of the prime rate, the federal funds rate plus 0.50%, or the one-month term SOFR rate plus 1.00%) plus an applicable margin. No borrowings were outstanding under the facility as of December 31, 2025.

We maintain a commercial paper program under which we may issue senior unsecured notes of short maturities up to a maximum aggregate principal amount of \$1.0 billion outstanding at any time. The notes may be sold from time to time on customary terms in the U.S. commercial paper market. We use the note proceeds for general corporate purposes. During 2025, there was no commercial paper activity and no outstanding balance. During 2024, the average amount of commercial paper outstanding was \$31 million with an average interest rate of 5.51 percent and a weighted average maturity of 8 days. As of December 31, 2024, we had no commercial paper outstanding. The amount of commercial paper outstanding under this program in 2026 is expected to fluctuate. The commercial paper program is backed by up to \$1.0 billion of borrowing availability under the revolving credit facility.

Presented below are our debt carrying amounts, net of related discounts, premiums and debt issuance costs and fair values as of December 31, 2025 and 2024:

	2025		2024	
	Carrying Value	Fair Value	Carrying Value	Fair Value
2.900% senior notes due June 1, 2030	\$ 597	\$ 567	\$ 597	\$ 540
3.200% senior notes due October 1, 2026 (i)	499	497	499	486
3.900% senior notes due June 1, 2050	392	304	391	292
6.625% senior notes due April 15, 2037	253	280	253	268
Revolving credit agreement	—	—	—	—
Other long-term borrowings	1	1	47	47
Total long-term debt	1,742	1,649	1,787	1,633
Commercial paper	—	—	—	—
Other short-term borrowings	48	48	44	44
Total short-term borrowings	48	48	44	44
Total debt	\$ 1,790	\$ 1,697	\$ 1,831	\$ 1,677

(i) The senior note due October 1, 2026 is classified as a long-term note as we have the intent and ability to refinance on a long-term basis.

We guarantee certain obligations of our consolidated subsidiaries, which aggregated to \$39 million and \$35 million at December 31, 2025 and 2024.

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8. Leases

The components of lease expense for 2025, 2024 and 2023 were as follows:

	2025	2024	2023
Operating lease expense	\$ 71	\$ 67	\$ 63
Variable operating lease expense	19	17	26
Short term lease expense	4	4	3
Total lease expense	<u>\$ 94</u>	<u>\$ 88</u>	<u>\$ 92</u>

We have operating leases for certain rail cars, office spaces, warehouses and machinery and equipment. We currently have no finance leases. The following is a reconciliation of future undiscounted cash flows to the operating lease liabilities and the related operating lease assets as presented within Other non-current liabilities and Other non-current assets, on our Consolidated Balance Sheets as of December 31, 2025:

2026	\$ 68
2027	50
2028	29
2029	19
2030	8
Thereafter	20
Total future lease payments	<u>194</u>
Less: imputed interest	<u>13</u>
Present value of future lease payments	181
Less: current lease liabilities	63
Non-current operating lease liabilities	<u>\$ 118</u>
Operating lease assets	<u>\$ 177</u>

Supplemental cash flow information arising from lease transactions is as follows:

	Year Ended December 31,	
	2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	\$ 72	\$ 68
Right-of-use assets obtained in exchange for lease liabilities:		
Operating leases	\$ 40	\$ 55
	Year Ended December 31,	
	2025	2024
Lease term and discount rate		
Weighted average remaining lease term	4.4 years	4.8 years
Weighted average discount rate	4.8 %	4.6 %

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9. Income Taxes

The components of income before income taxes and the provision for income taxes for 2025, 2024 and 2023 are presented below:

	2025	2024	2023
Income before income taxes:			
U.S.	\$ 338	\$ 396	\$ 244
Foreign	636	535	595
Total income before income taxes	974	931	839
Provision for income taxes:			
Current tax expense:			
U.S. federal	34	31	6
State and local	6	6	5
Foreign	192	255	183
Total current tax expense	232	292	194
Deferred tax expense (benefit):			
U.S. federal	7	11	—
State and local	3	2	1
Foreign	(4)	(28)	(7)
Total deferred tax expense (benefit)	6	(15)	(6)
Total provision for income taxes	<u>\$ 238</u>	<u>\$ 277</u>	<u>\$ 188</u>

Cash paid for income taxes, net of refunds, consisted of the following:

	2025
U.S. federal	\$ 47
State and local	7
Foreign:	
Mexico	142
Germany	58
Canada	53
Colombia	25
All other foreign	57
Total income taxes paid, net of refunds	<u>\$ 389</u>

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Deferred income taxes are provided for the tax effects of temporary differences between the financial reporting basis and tax basis of assets and liabilities. Significant temporary differences as of December 31, 2025 and 2024 are summarized as follows:

	2025	2024
Deferred tax assets attributable to:		
Employee benefit accruals	\$ 33	\$ 31
Pensions and postretirement plans	14	9
Lease liabilities	48	51
Allowance for credit losses	3	3
Inventory reserve	15	16
Net operating loss carryforwards	47	51
Tax credit carryforwards	9	7
Derivative contracts	1	—
Uniform capitalization	11	8
Equity method investments	2	9
Other	54	46
Total deferred tax assets	237	231
Valuation allowances	(52)	(60)
Net deferred tax assets	<u>\$ 185</u>	<u>\$ 171</u>
Deferred tax liabilities attributable to:		
Property, plant and equipment	173	161
Identified intangibles	20	25
Right-of-use lease assets	45	48
Foreign withholding and state taxes on unremitted earnings	10	1
Goodwill	45	38
Derivative contracts	—	3
Total deferred tax liabilities	293	276
Net deferred tax liabilities	<u>\$ 108</u>	<u>\$ 105</u>

Of the \$47 million of tax-effected net operating loss carryforwards as of December 31, 2025, \$31 million are for foreign loss carryforwards, \$14 million for state loss carryforwards, and \$2 million for U.S. federal loss carryforwards. Of the \$31 million of foreign loss carryforwards, \$25 million are related to Canada, \$3 million to Argentina, and \$1 million to the United Kingdom, with carryforward periods of 20 years, 10 years, and indefinite. U.S. federal and state loss carryforwards have various expiration periods beginning in 2026.

A valuation allowance is established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. Prior to establishing a valuation allowance, we consider historical taxable income, scheduled reversal of deferred tax liabilities, tax planning strategies, tax carryovers and projected future taxable income. As of December 31, 2025, we maintained valuation allowances of \$52 million, consisting of \$16 million primarily related to foreign loss carryforwards, \$12 million for state loss carryforwards, and \$2 million for U.S. federal loss carryforwards. Additionally, we have \$7 million for state credits, \$6 million for capital loss carryforwards, \$5 million primarily related to equity method investments, and \$4 million for certain foreign tax credits and net deferred tax assets, all of which we have determined will more likely than not expire prior to realization.

Net operating loss carryforwards disclosed in the financial statements differ from the as-filed tax returns due to an unrecognized tax benefit. Foreign net operating loss carryforwards and valuation allowances would increase \$10 million absent the unrecognized tax benefit.

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The following table reconciles the U.S. federal statutory income tax rate to the Company's effective tax rate for 2025.

	2025	
	Amount	Percent
Federal statutory tax rate	\$ 204	21.0 %
U.S. tax effects:		
State and local income taxes, net of federal benefit <i>(i)</i>	7	0.7
Effect of cross-border tax laws:		
Foreign-derived intangible income	(17)	(1.7)
Other	2	0.2
Tax credits:		
Foreign tax credit	(26)	(2.7)
Other	(3)	(0.3)
Nontaxable or nondeductible items	6	0.6
Other	9	0.9
Foreign tax effects:		
Mexico:		
Statutory tax rate difference	25	2.6
Other	9	0.9
Foreign currency foreign exchange	(14)	(1.5)
Germany:		
Provincial tax	13	1.3
Other	(4)	(0.4)
Colombia	11	1.1
Other foreign jurisdictions	19	2.0
Changes in unrecognized tax benefits	(3)	(0.3)
Effective income tax rate	\$ 238	24.4 %

(i) Illinois and New York make up the majority (greater than 50 percent) of state and local income taxes, net of federal benefit.

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As previously disclosed for the years ended December 31, 2024 and 2023, prior to our adoption of ASU 2023-09, the effective income tax rate differed from the statutory federal income tax rate as follows:

	2024	2023
Provision for tax at U.S. statutory rate	21.0 %	21.0 %
Tax rate difference on foreign income	5.4	6.1
Foreign currency foreign exchange	1.9	(1.8)
Inflation adjustments	(0.4)	(0.5)
Tax benefit of intercompany financing	(0.3)	(0.4)
U.S. international tax implications	1.4	1.0
Favorable judgment on the treatment of credits and interest on indirect taxes	—	(0.2)
Sale of our South Korea business	(1.6)	—
Unfavorable judgment and related reserve on transfer pricing matters	1.6	—
Valuation allowance on investments	1.2	—
Foreign-derived intangible income (“FDII”)	(1.6)	(1.5)
Brazil exclusion of certain tax incentives	(0.3)	(1.2)
Other items, net	1.5	(0.1)
Provision at effective tax rate	29.8 %	22.4 %

During the year ended December 31, 2025, we announced our intention to divest the Pakistan business as described in Note 2. As a result of this decision, management concluded that we no longer have the intent or ability to indefinitely reinvest the historical earnings of this foreign subsidiary and therefore reversed our indefinite reinvestment assertion related to this entity.

As of December 31, 2025, we recorded a \$10 million deferred tax liability resulting primarily from a change in our permanent reinvestment assertion regarding our foreign subsidiary in Pakistan. We continue to assert indefinite reinvestment for the accumulated earnings of our other foreign subsidiaries, for which no material foreign taxes, U.S. federal or state taxes, or foreign currency gains or losses have been provided. It is not practicable to estimate the additional income taxes, including applicable foreign withholding taxes, that would be payable if such earnings were repatriated.

A reconciliation of the beginning and ending amounts of unrecognized tax benefits, excluding interest and penalties, for 2025 and 2024 were as follows:

	2025	2024
Balance at January 1	\$ 40	\$ 31
Additions for tax positions related to prior years	2	7
Reductions for tax positions related to prior years	—	(1)
Additions based on tax positions related to the current year	2	3
Settlements with taxing authorities	(3)	—
Reductions related to a lapse in the statute of limitations	(2)	—
Balance at December 31	\$ 39	\$ 40

Of the \$39 million of unrecognized tax benefits as of December 31, 2025, \$29 million represents the amount that, if recognized, could affect the effective tax rate in future periods. The remaining \$10 million represents net operating loss carryforwards that would have otherwise had a valuation allowance.

We account for interest and penalties related to income tax matters within the provision for income taxes. We have accrued \$7 million of interest expense and penalties related to unrecognized tax benefits as of December 31, 2025.

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We are subject to U.S. federal income tax as well as income tax in multiple states and non-U.S. jurisdictions. The U.S. federal tax returns are subject to audit for the years 2022 through 2025. In general, our foreign subsidiaries remain subject to audit for years 2014 and later.

It is reasonably possible that the total amount of unrecognized tax benefits including interest and penalties will increase or decrease within twelve months of December 31, 2025, as a result of the expiration of a statute of limitations period and potential settlement.

10. Pension and Other Postretirement Benefits

We sponsor noncontributory defined benefit pension plans (qualified and non-qualified) covering a portion of our employees in the U.S. and Canada and certain employees in other foreign countries. Plans for most salaried employees provide pay-related benefits based on years of service. Plans for hourly employees generally provide benefits based on flat dollar amounts and years of service. Our general funding policy is to make contributions to the plans that comply with minimum funding requirements and are within the limits of deductibility under current tax regulations. Certain foreign countries allow income tax deductions without regard to contribution levels and our policy in those countries is to make contributions required by the terms of the applicable plan.

Included in our pension obligation are nonqualified supplemental retirement plans for certain key employees. Benefits provided under these plans are unfunded and we make direct payments to plan participants. We also provide healthcare and/or life insurance benefits for retired employees in the U.S., Canada and Brazil. Healthcare benefits for retirees outside the U.S., Canada and Brazil are generally covered through local government plans.

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Pension Plans

Pension Obligation and Funded Status: The changes in pension benefit obligations and plan assets during 2025 and 2024, as well as the funded status and the amounts recognized in our Consolidated Balance Sheets related to our pension plans at December 31, 2025 and 2024, were as follows:

	U.S. Plans		Non-U.S. Plans	
	2025	2024	2025	2024
Benefit obligation				
At January 1	\$ 288	\$ 305	\$ 170	\$ 200
Divestiture (i)	—	—	—	(14)
Service cost	3	3	3	3
Interest cost	15	14	9	9
Benefits paid	(21)	(20)	(11)	(11)
Actuarial loss (gain)	4	(14)	—	—
Curtailment/settlement/amendments, net	—	—	(3)	(1)
Currency translation adjustment	—	—	11	(16)
Benefit obligation at December 31	<u>\$ 289</u>	<u>\$ 288</u>	<u>\$ 179</u>	<u>\$ 170</u>
Fair value of plan assets				
At January 1	\$ 315	\$ 325	\$ 174	\$ 200
Divestiture (i)	—	—	—	(16)
Actual return on plan assets	23	10	5	14
Employer contributions	1	—	4	4
Benefits paid	(21)	(20)	(11)	(11)
Plan settlements	—	—	(4)	(2)
Currency translation adjustment	—	—	9	(15)
Fair value of plan assets at December 31	<u>\$ 318</u>	<u>\$ 315</u>	<u>\$ 177</u>	<u>\$ 174</u>
Funded status	\$ 29	\$ 27	\$ (2)	\$ 4

(i) We completed the sale of our South Korea business on February 1, 2024.

As of December 31, 2025, the actuarial loss for the U.S plans was primarily driven by a decrease in the discount rate compared to the prior year. As of December 31, 2024, the actuarial gain for the U.S. plan was primarily driven by an increase in the discount rate compared to the prior year.

Amounts recorded in the Consolidated Balance Sheets as of December 31, 2025 and 2024 were as follows:

	U.S. Plans		Non-U.S. Plans	
	2025	2024	2025	2024
Non-current assets	\$ 39	\$ 35	\$ 48	\$ 46
Current liabilities	(1)	(1)	(1)	(1)
Non-current liabilities	(9)	(7)	(49)	(41)
Net assets (liabilities) recognized	<u>\$ 29</u>	<u>\$ 27</u>	<u>\$ (2)</u>	<u>\$ 4</u>

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Amounts recorded in AOCL, excluding tax effects that have not yet been recognized as components of net periodic benefit cost at December 31, 2025 and 2024, were as follows:

	U.S. Plans		Non-U.S. Plans	
	2025	2024	2025	2024
Net actuarial loss	\$ 22	\$ 25	\$ 22	\$ 16
Prior service (credit) cost	(1)	(2)	1	1
Net amount recognized	<u>\$ 21</u>	<u>\$ 23</u>	<u>\$ 23</u>	<u>\$ 17</u>

The net amount recognized in AOCL at December 31, 2025 decreased compared to the prior year for the U.S. pension plans mainly due to actual return on plan assets being higher than expected, partially offset by the decrease in discount rates used to measure our obligations under U.S. plans. The net amount recognized in AOCL at December 31, 2025 for the non-U.S. pension plans increased as compared to December 31, 2024 was primarily driven by the actual return on assets being lower than expected as well as by unfavorable foreign currency translation.

The accumulated benefit obligation for all defined benefit pension plans was \$449 million and \$442 million at December 31, 2025 and 2024. Information for pension plans with a projected benefit obligation in excess of plan assets and an accumulated benefit obligation in excess of plan assets is as follows:

	U.S. Plans		Non-U.S. Plans	
	2025	2024	2025	2024
Projected benefit obligation	\$ (9)	\$ (8)	\$ (54)	\$ (46)
Accumulated benefit obligation	(9)	(8)	(42)	(36)
Fair value of plan assets	—	—	5	4

Components of net periodic benefit cost consist of the following for 2025, 2024 and 2023:

	U.S. Plans			Non-U.S. Plans		
	2025	2024	2023	2025	2024	2023
Service cost	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 4
Interest cost	15	14	15	9	9	10
Expected return on plan assets	(17)	(17)	(17)	(9)	(9)	(9)
Amortization of actuarial loss	—	—	1	—	1	1
Amortization of prior service credit	(1)	—	(1)	—	—	—
Net periodic benefit cost	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ 3</u>	<u>\$ 4</u>	<u>\$ 6</u>

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Total pre-tax amounts recorded in other comprehensive income and net periodic benefit cost for 2025, 2024 and 2023 were as follows:

	U.S. Plans			Non-U.S. Plans		
	2025	2024	2023	2025	2024	2023
Net actuarial (gain) loss	\$ (3)	\$ (7)	\$ (3)	\$ 4	\$ (5)	\$ —
Prior service cost	1	—	—	—	1	—
Amortization of actuarial loss	—	—	(1)	1	(1)	(1)
Amortization of prior service credit	—	—	1	—	—	—
Currency translation adjustment	—	—	—	1	(2)	1
Total recorded in other comprehensive (income) loss	(2)	(7)	(3)	6	(7)	—
Net periodic benefit cost	—	—	1	3	4	6
Total recorded in other comprehensive (income) loss and net periodic benefit cost	\$ (2)	\$ (7)	\$ (2)	\$ 9	\$ (3)	\$ 6

The weighted average assumptions used to determine our obligations for the pension plans for 2025 and 2024 were as follows:

	U.S. Plans		Non-U.S. Plans	
	2025	2024	2025	2024
Discount rate	5.41 %	5.64 %	5.52 %	5.42 %
Rate of compensation increase	3.70	3.75	4.24	4.16
Cash balance interest credit rate	4.51	4.63	—	—

The weighted average assumptions used to determine our net periodic benefit cost for the pension plans were as follows:

	U.S. Plans			Non-U.S. Plans		
	2025	2024	2023	2025	2024	2023
Discount rate	5.64 %	5.00 %	5.19 %	5.42 %	5.32 %	5.67 %
Expected long-term return on plan assets	5.50	5.50	5.50	5.05	4.97	5.05
Rate of compensation increase	3.75	3.83	3.92	4.16	3.73	3.83
Cash balance interest crediting rate	4.63	4.53	4.21	—	—	—

For 2025, we assumed an expected long-term rate of return on assets of 5.50 percent for U.S. plans and 4.58 percent for Canadian plans. In developing the expected long-term rate of return assumption on plan assets, which consist mainly of U.S. and Canadian debt and equity securities, we evaluated historical rates of return achieved on plan assets and the asset allocation of the plans, input from our independent actuaries and investment consultants, and historical trends in long-term inflation rates. Projected return estimates are based upon broad equity and bond indices.

The discount rate reflects a rate of return on high-quality fixed-income investments that match the duration of the expected benefit payments. We typically use returns on long-term, high-quality corporate AA bonds as a benchmark in establishing this assumption, and we elect to use a full yield curve approach to estimate these components of benefit cost by applying the specific spot rates along the yield curve used to determine the benefit obligation to the relevant projected cash flows.

Plan Assets: Our investment policy for our pension plans is to balance risk and return through diversified portfolios of fixed income securities, equity instruments and short-term investments. Maturities for fixed income securities are managed such that sufficient liquidity exists to meet near-term benefit payment obligations. For U.S. pension plans, the weighted average target range allocation of assets was 7 to 14 percent in equity instruments and 86 to 93 percent in fixed

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income securities, inclusive of other short-term investments. The asset allocation is reviewed regularly, and portfolio investments are rebalanced to the targeted allocation when considered appropriate.

Our weighted average asset allocations as of December 31, 2025 and 2024 for U.S. and non-U.S. pension plan assets were as follows:

	U.S. Plans		Non-U.S. Plans	
	2025	2024	2025	2024
Equity securities	7 %	7 %	9 %	9 %
Debt securities	91	91	86	84
Cash and other	2	2	5	7
Total	100 %	100 %	100 %	100 %

With the exception of cash, which is considered Level 1 in the fair value hierarchy, all significant pension plan assets are held in collective trusts by our U.S. and non-U.S. plans. The fair values of shares of collective trusts are based upon the net asset value (“NAV”) of the fund reported by the fund managers based on quoted market prices of the underlying securities as of the balance sheet date and are considered to be Level 2 fair value measurements. Investments measured at NAV as a practical expedient for fair value are excluded from the fair value hierarchy. This may produce a fair value measurement that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while we believe our valuation methods are appropriate and consistent with those of other market participants, different methods could result in different fair value measurements at the reporting date.

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The fair values of our plan assets by asset category were as follows:

	Fair Value Measurements as of December 31, 2025							
	NAV		Level 1		Level 2		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
U.S. Plans:								
Equity index:								
U.S. (i)	\$ —	\$ —	\$ —	\$ —	\$ 14	\$ 14	\$ 14	\$ 14
International (ii)	—	—	—	—	7	7	7	7
Fixed income index:								
Intermediate bond (iv)	—	—	—	—	12	—	12	—
Long bond (iii)	—	—	—	—	121	125	121	125
Government bond (iv)	—	—	—	—	91	100	91	100
Other fixed income (v)	67	63	—	—	—	—	67	63
Cash & Short-term Investments (vi)	—	—	—	—	6	6	6	6
Total U.S. Plans	<u>\$ 67</u>	<u>\$ 63</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 251</u>	<u>\$ 252</u>	<u>\$ 318</u>	<u>\$ 315</u>
Non-U.S. Plans:								
Equity index:								
U.S. (i)	\$ —	\$ —	\$ —	\$ —	\$ 10	\$ 10	\$ 10	\$ 10
International (ii)	—	—	—	—	5	5	5	5
Fixed income index:								
Government bond (vii)	—	—	—	—	77	73	77	73
Corporate bond (viii)	—	—	—	—	76	74	76	74
Other (ix)	—	—	—	—	7	10	7	10
Cash & Short-term Investments (vi)	—	—	2	2	—	—	2	2
Total Non-U.S. Plans	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ 175</u>	<u>\$ 172</u>	<u>\$ 177</u>	<u>\$ 174</u>

(i) This category consists of both passively and actively managed equity index funds that track the return of large capitalization U.S. equities.

(ii) This category consists of both passively and actively managed equity index funds that track an index of returns on international developed and emerging market equities.

(iii) This category consists of an actively managed fixed income index fund that invests in a diversified portfolio of fixed-income securities with maturities generally exceeding 10 years.

(iv) This category consists of both passively and actively managed fixed income index funds that invest in a diversified portfolio of fixed income government and corporate debt securities with varying maturities.

(v) This category consists of an actively managed common collective fund that invests in government bonds, collateralized mortgage obligations, investment grade private credit and real estate debt. This fund is priced monthly at the aggregated market value of the underlying investments and may be fully redeemed with 95 days notice.

(vi) This category represents cash, cash equivalents or highly liquid short-term investments.

(vii) This category consists of both passively and actively managed fixed income index funds that track the return of government bonds with varying maturities.

(viii) This category consists of actively managed fixed income index funds that track the return of investment grade corporate bonds with varying maturities.

(ix) This category mainly consists of investment products provided by insurance companies that offer returns that are subject to a minimum guarantee and mutual funds.

During 2025, we made a cash contribution of \$1 million to our U.S. pension plans and \$4 million to our non-U.S. pension plans. We anticipate that in 2026 we will make cash contributions of \$1 million to our U.S. pension plans and \$4 million to our non-U.S. pension plans. Cash contributions in subsequent years will depend on a number of factors, including the performance of plan assets.

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We expect to pay the following benefit payments to beneficiaries, which reflect anticipated future service, as appropriate:

	U.S. Plans	Non-U.S. Plans
2026	\$ 28	\$ 12
2027	27	12
2028	26	12
2029	25	13
2030	24	13
Thereafter	111	75

We also maintain defined contribution plans. We make matching contributions to these plans that are subject to certain vesting requirements and are based on a percentage of employee contributions. The expense for defined contribution plans was \$34 million for 2025, \$30 million for 2024, and \$28 million for 2023.

Postretirement Benefit Plans

Our postretirement benefit plans currently are not funded. The information presented below includes plans in the U.S., Brazil and Canada. The changes in the benefit obligations of the plans during 2025 and 2024, as well as the amounts recognized in our Consolidated Balance Sheets as of December 31, 2025 and 2024, were as follows:

	2025	2024
Accumulated postretirement benefit obligation		
At January 1	\$ 52	\$ 64
Interest cost	4	4
Actuarial loss (gain)	3	(7)
Benefits paid	(3)	(3)
Currency translation adjustment	3	(6)
At December 31	59	52
Fair value of plan assets	—	—
Funded status	\$ (59)	\$ (52)

As of December 31, 2025, the increase in the postretirement benefit obligation was mainly driven by actuarial losses and unfavorable foreign currency translation.

Amounts recorded in the Consolidated Balance Sheets as of December 31, 2025 and 2024 were as follows:

	2025	2024
Current liabilities	\$ (4)	\$ (4)
Non-current liabilities	(55)	(48)
Total liabilities recognized	\$ (59)	\$ (52)

Amounts recorded in AOCL, excluding tax effects that have not yet been recognized as components of net periodic benefit cost at December 31, 2025 and 2024 were as follows:

	2025	2024
Net actuarial (gain)	\$ (1)	\$ (5)
Prior service cost	3	5
Net amount recognized	\$ 2	\$ —

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Components of net periodic benefit cost for 2025, 2024 and 2023 were as follows:

	2025	2024	2023
Service cost	\$ —	\$ —	\$ 1
Interest cost	4	4	4
Amortization of actuarial (gain) loss	—	—	(1)
Amortization of prior service cost	1	1	1
Net periodic benefit cost	<u>\$ 5</u>	<u>\$ 5</u>	<u>\$ 5</u>

Total pre-tax amounts recorded in other comprehensive income and net periodic benefit cost for 2025, 2024 and 2023 were as follows:

	2025	2024	2023
Net actuarial loss (gain)	\$ 3	\$ (7)	\$ 1
Prior service cost	—	—	2
Amortization of prior service (cost)	(1)	(1)	(1)
Amortization of actuarial gain	—	—	1
Currency translation adjustment	1	(2)	1
Total recorded in other comprehensive loss (income)	<u>3</u>	<u>(10)</u>	<u>4</u>
Net periodic benefit cost	5	5	5
Total recorded in other comprehensive (income) loss and net periodic benefit cost	<u>\$ 8</u>	<u>\$ (5)</u>	<u>\$ 9</u>

We used the following weighted average assumptions to determine our postretirement benefit obligations for 2025 and 2024:

	2025	2024
Discount rate	8.16 %	7.75 %

The following weighted average assumptions were used to determine our net postretirement benefit cost:

	2025	2024	2023
Discount rate	7.75 %	7.37 %	7.30 %

The discount rate reflects a rate of return on high-quality fixed-income investments that match the duration of expected benefit payments. We typically use returns on long-term, high-quality corporate AA bonds as a benchmark in establishing this assumption.

The healthcare cost trend rates used in valuing our postretirement benefit obligations are established based upon actual healthcare trends and consultation with actuaries and benefit providers. We used the following assumptions as of December 31, 2025:

	U.S.	Canada	Brazil
2025 increase in per capita cost	8.50 %	5.30 %	8.42 %
Ultimate trend	4.50 %	4.05 %	8.42 %
Year ultimate trend reached	2034	2040	2025

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We expect to make the following benefit payments to beneficiaries under our postretirement benefit plans, which reflect anticipated future service, as appropriate:

2026	\$	4
2027		4
2028		4
2029		4
2030		4
Thereafter		24

Multi-employer Plan

We participate in and contribute to one multi-employer benefit plan under the terms of collective bargaining agreements that cover certain union-represented employees and retirees in the U.S. The plan covers medical and dental benefits for active hourly employees and retirees represented by the United Steelworkers Union for certain U.S. locations. The risks of participating in this multi-employer plan are different from the risks of participating in single-employer plans. This plan receives contributions from two or more unrelated employers pursuant to one or more collective bargaining agreements, and the assets contributed by one employer may be used to fund the benefits of all employees covered within the plan.

We are required to make contributions to this multi-employer plan as determined by the terms and conditions of the collective bargaining agreements and plan terms, but we do not provide more than five percent of the total contributions to the plan. We made regular contributions to the plan of \$10 million in 2025, \$10 million in 2024, and \$11 million in 2023. We cannot currently estimate the amount of multi-employer plan contributions that will be required in 2026 and future years, but these contributions could increase due to healthcare cost trends. The remaining collective bargaining agreements associated with the multi-employer plan expire during 2027 and 2028.

11. Equity

Preferred stock: We have authorized 25 million shares of \$0.01 par value preferred stock, none of which were issued or outstanding at December 31, 2025 and 2024.

Treasury stock: On November 3, 2025, the Board of Directors approved a new stock repurchase program authorizing us to purchase up to 8.0 million shares of our outstanding common stock until December 31, 2028. We may repurchase shares from time to time in the open market, in privately negotiated transactions, or otherwise, at prices we deem appropriate. We are not obligated to repurchase any shares under the authorization, and the repurchase program may be suspended, discontinued or modified at any time, for any reason and without notice. The parameters of our stock repurchase program are not established solely with reference to the dilutive impact of shares issued under our stock incentive plan. However, we expect that, over time, share repurchases will offset the dilutive impact of shares issued under the stock incentive plan.

During 2025, we repurchased 1.8 million outstanding shares of common stock in open market transactions at a net cost of \$224 million. During 2024, we repurchased 1.7 million shares of common stock in open market transactions at a net cost of \$216 million. During 2023, we repurchased 1.0 million outstanding shares of common stock in open market transactions at a net costs of \$101 million.

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Common stock share activity for 2025, 2024 and 2023 was as follows:

(Shares of common stock, in thousands)	Issued	Held in Treasury	Outstanding
Balance as of December 31, 2022	77,811	12,117	65,694
Issuance of restricted stock units as compensation	—	(108)	108
Performance shares and other share-based awards	—	(51)	51
Stock options exercised	—	(386)	386
Purchase/acquisition of treasury stock	—	1,000	(1,000)
Balance as of December 31, 2023	77,811	12,572	65,239
Issuance of restricted stock units as compensation	—	(127)	127
Performance shares and other share-based awards	—	(145)	145
Stock options exercised	—	(635)	635
Purchase/acquisition of treasury stock	—	1,652	(1,652)
Balance as of December 31, 2024	77,811	13,317	64,494
Issuance of restricted stock units as compensation	—	(120)	120
Performance shares and other share-based awards	—	(99)	99
Stock options exercised	—	(92)	92
Purchase/acquisition of treasury stock	—	1,832	(1,832)
Balance as of December 31, 2025	77,811	14,838	62,973

Share-based payments: Share-based compensation expense for 2025, 2024 and 2023 was as follows:

	2025	2024	2023
Stock options:			
Pre-tax compensation expense	\$ 5	\$ 5	\$ 4
Income tax benefit	—	—	—
Stock option expense, net of income taxes	5	5	4
Restricted stock units (“RSUs”):			
Pre-tax compensation expense	20	18	15
Income tax benefit	(3)	(2)	(2)
RSUs, net of income taxes	17	16	13
Performance shares and other share-based awards:			
Pre-tax compensation expense	15	14	14
Income tax benefit	(1)	(1)	(1)
Performance shares and other share-based compensation expense, net of income taxes	14	13	13
Total share-based compensation:			
Pre-tax compensation expense	40	37	33
Income tax benefit	(4)	(3)	(3)
Total share-based compensation expense, net of income taxes	\$ 36	\$ 34	\$ 30

The People, Culture and Compensation Committee (“Compensation Committee”) of our Board of Directors administers a stock incentive plan (“SIP”) under which it grants stock options, restricted stock, restricted stock units and other share-based awards to certain key employees. The Committee originally authorized 5.4 million shares for awards when it approved the SIP on May 19, 2023. As of December 31, 2025, 4.6 million shares were available for future grants. Shares covered by awards under the SIP and a prior stock incentive plan that expire, terminate or lapse will again be available for the grant of awards under the SIP.

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Stock Options: Under the SIP, stock options are granted at exercise prices that equal the market value of the underlying common stock on the date of grant. The options have a 10-year term and are exercisable upon vesting, which occurs over a three-year period at the anniversary dates of the date of grant.

We granted non-qualified options to purchase 158 thousand, 178 thousand and 197 thousand shares for 2025, 2024 and 2023. The fair value of each option grant was estimated using the Black-Scholes option-pricing model with the following assumptions:

	For the Year Ended December 31,		
	2025	2024	2023
Expected life (in years)	5.5	5.5	5.5
Risk-free interest rate	4.1 %	4.2 %	4.0 %
Expected volatility	28.2 %	28.1 %	28.3 %
Expected dividend yield	2.5 %	2.9 %	2.9 %

The expected life of options represents the weighted average period for which we expect options granted to be outstanding giving consideration to vesting schedules and our historical exercise patterns. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the grant date for the period corresponding to the expected life of the options. Expected volatility is based on historical volatilities of our common stock, and dividend yields are based on our dividend yield at the date of issuance.

Stock option activity in 2025 was as follows:

	Number of Options (in thousands)	Weighted Average Exercise Price per Share	Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in millions)
Outstanding as of December 31, 2024	1,453	\$ 100.04	5.6	\$ 55
Granted	158	130.57		
Exercised	(317)	91.17		
Cancelled	(25)	115.24		
Outstanding as of December 31, 2025	1,269	\$ 105.75	5.3	\$ 13
Exercisable as of December 31, 2025	969	\$ 102.02	4.3	\$ 13

For 2025, 2024 and 2023, cash received from the exercise of stock options was \$5 million, \$58 million and \$28 million. As of December 31, 2025, the unrecognized compensation cost related to non-vested stock options totaled \$2 million, which is expected to be amortized over the weighted-average period of approximately 1.8 years.

Additional information pertaining to stock option activity was as follows:

	Year Ended December 31,		
	2025	2024	2023
Weighted average grant date fair value of stock options granted (per share)	\$ 33.53	\$ 26.33	\$ 23.80
Total intrinsic value of stock options exercised	11	24	13

Restricted Stock Units: We have granted restricted stock units (“RSUs”) to certain key employees. The RSUs are primarily subject to cliff vesting, generally after three years, provided the employee remains in our service. The fair value of the RSUs is determined based upon the number of shares granted and the quoted market price of our common stock at the grant date.

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RSU activity in 2025 was as follows:

	Number of Restricted Shares (in thousands)	Weighted Average Fair Value per Share
Non-vested as of December 31, 2024	538	\$ 99.58
Granted	181	130.34
Vested	(171)	89.74
Cancelled	(38)	110.82
Non-vested as of December 31, 2025	510	\$ 112.44

The total fair value of RSUs that vested was \$15 million in 2025, \$16 million in 2024, and \$12 million in 2023.

At December 31, 2025, the total remaining unrecognized compensation cost related to RSUs was \$17 million, which will be amortized on a weighted-average basis over approximately 1.7 years. Recognized compensation cost related to unvested RSUs is included in Share-based payments subject to redemption in the Consolidated Balance Sheets and totaled \$32 million for December 31, 2025 and 2024.

Performance Shares: We have a long-term incentive plan for senior management in the form of performance shares. For the 2025 performance shares, 50 percent of the performance shares awarded vest based on our total shareholder return as compared to the total shareholder return of our performance peer group and the remaining 50 percent vest based on the calculation of our three-year average Adjusted Return on Invested Capital (“Adjusted ROIC”) against an established ROIC target.

For the 2025 performance shares awarded based on our total shareholder return, the number of shares that ultimately vest can range from zero to 200 percent of the grant depending on our total shareholder return as compared to the total shareholder return of our peer group. The share award vesting will be calculated at the end of the three-year period and is subject to approval by management and the Compensation Committee. Compensation expense is based on the fair value of the performance shares at the grant date, established using a Monte Carlo simulation model. The total compensation expense for these awards is amortized over a three-year graded vesting schedule.

For the 2025 performance shares awarded based on Adjusted ROIC, the number of shares that ultimately vest can range from zero to 200 percent of the grant depending on our Adjusted ROIC performance against the target. The share award vesting will be calculated at the end of the three-year period and is subject to approval by management and the Compensation Committee. Compensation expense is based on the market price of our common stock on the grant date and the final number of shares that ultimately vest. We estimate the potential share vesting at least annually to adjust the compensation expense for these awards over the vesting period to reflect our estimated Adjusted ROIC performance against the target. The total compensation expense for these awards is amortized over a three-year graded vesting schedule.

We awarded 82 thousand, 86 thousand and 93 thousand performance shares in 2025, 2024 and 2023. The weighted average per share fair value of the shares granted in 2025, 2024 and 2023 was \$145.73, \$127.97 and \$114.26.

The 2022 performance share awards that vested in February 2025 achieved a 200 percent payout of the granted performance shares. As of December 31, 2025, the 2023 performance share awards are estimated to pay out at 183 percent. Additionally, there were 17 thousand performance shares cancelled during 2025.

As of December 31, 2025, the unrecognized compensation cost relating to these plans was \$9 million, which will be amortized over the remaining requisite service periods of 1.78 years. Recognized compensation cost related to these unvested awards is included in Share-based payments subject to redemption in the Consolidated Balance Sheets and totaled \$32 million and \$28 million as of December 31, 2025 and 2024.

Other Share-based Awards Under the SIP: Under the director compensation plan, \$170 thousand of a non-employee director’s annual retainer is paid in Ingredion common stock. A director may elect to defer all or a portion of the director’s

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common stock or cash compensation in shares of restricted stock units. These restricted units may not be transferred until a date not less than six months and no more than ten years and six months after the director's termination of service from the Board of Directors, at which time the restricted units will be settled by delivering shares of common stock. The compensation expense relating to this plan included in the Consolidated Statements of Income was \$2 million in each of 2025, 2024 and 2023. At December 31, 2025, there were approximately 213 thousand restricted stock units outstanding under this plan at a carrying value of approximately \$12 million.

Accumulated Other Comprehensive Loss: A summary of Accumulated other comprehensive loss ("AOCL") for 2025, 2024 and 2023 is presented below:

	Cumulative Translation Adjustment	Hedging Activities	Pension and Postretirement Adjustment	AOCL
Balance as of December 31, 2022	\$ (1,008)	\$ 6	\$ (46)	\$ (1,048)
Other comprehensive income (loss) before reclassification adjustments	47	(151)	(2)	(106)
Loss reclassified from AOCL	—	78	1	79
Tax effect	—	19	—	19
Net other comprehensive income (loss)	47	(54)	(1)	(8)
Balance as of December 31, 2023	(961)	(48)	(47)	(1,056)
Other comprehensive (loss) income before reclassification adjustments	(100)	(48)	23	(125)
Loss reclassified from AOCL	—	120	1	121
Tax effect	—	(20)	(6)	(26)
Net other comprehensive (loss) income	(100)	52	18	(30)
Balance as of December 31, 2024	(1,061)	4	(29)	\$ (1,086)
Other comprehensive income (loss) before reclassification adjustments	162	(9)	(6)	147
(Income) reclassified from AOCL	—	(4)	—	(4)
Tax effect	—	4	2	6
Net other comprehensive income (loss)	162	(9)	(4)	149
Balance as of December 31, 2025	\$ (899)	\$ (5)	\$ (33)	\$ (937)

Supplemental Information: The following table provides the computation of basic and diluted earnings per common share ("EPS").

	2025			2024			2023		
	Net Income Attributable to Ingredion	Weighted Average Shares	Per Share Amount	Net Income Attributable to Ingredion	Weighted Average Shares	Per Share Amount	Net Income Attributable to Ingredion	Weighted Average Shares	Per Share Amount
Basic EPS	\$ 729	64.2	\$ 11.36	\$ 647	65.5	\$ 9.88	\$ 643	66.0	\$ 9.74
Effect of Dilutive Securities (i)		1.0			1.1			1.0	
Diluted EPS	\$ 729	65.2	\$ 11.18	\$ 647	66.6	\$ 9.71	\$ 643	67.0	\$ 9.60

(i) Incremental shares from assumed exercise of dilutive stock options, vesting of dilutive stock options, vesting of dilutive RSUs and other awards.

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Approximately 0.3 million, 0.2 million and 0.5 million share-based awards of common stock were excluded from the calculation of the weighted average number of shares outstanding for diluted EPS in 2025, 2024 and 2023 because their effects were anti-dilutive.

12. Segment and Geographical Information

Effective January 1, 2024, we changed our reportable segments to align them with changes in how our Chief Operating Decision Maker (“CODM”), James P. Zallie, our chairman, president, and chief executive officer, evaluates performance, makes strategic decisions, and allocates resources.

We are principally engaged in the production and sale of starches and sweeteners for a wide range of industries, and our reportable segments are T&HS, F&II–LATAM and F&II–U.S./Canada. Businesses of multiple operating segments that are not individually or collectively classified as reportable segments are included in All Other. The T&HS segment has a global focus and primarily manufactures texturizing food ingredients. The F&II–LATAM segment has a local focus and primarily manufactures food, ingredient, and industrial products, which we process from raw materials that we primarily source within South America and Mexico. The F&II–U.S./Canada segment has a local focus and primarily manufactures food, ingredient, and industrial products, which we process from raw materials sourced within the U.S. and Canada. Revenues from All Other are generated primarily by sweetener and starch sales from our Pakistan business, sales of stevia and other sweeteners from our PureCircle and Sugar Reduction businesses, and pea protein ingredients from our Protein Fortification business. All Other also included the sale of our South Korea business, which we divested on February 1, 2024, as more fully described in Note 2.

Net sales by product are not presented because such presentation is not practicable. No customer or group of related customers accounted for 10 percent or more of our net sales in 2025, 2024 or 2023.

Adjusted operating income presented by segment includes an arms-length profit margin for sales of manufactured products sold to other segments. We exclude certain corporate items, including unallocated costs and certain centralized costs, from our reportable segments and All Other because the CODM evaluates each segment’s performance exclusive of these items.

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The following tables present information about our net sales, significant segment costs and adjusted operating income by reportable segment and All Other were as follows:

Twelve Months Ended December 31, 2025						
	T&HS	F&II–LATAM	F&II–U.S./Canada	All Other	Corporate	Total
Segment net sales	\$ 2,429	\$ 2,392	\$ 2,121	\$ 483	\$ —	
Inter-segment net sales	(32)	(51)	(108)	(15)	—	
Net sales to unaffiliated customers	\$ 2,397	\$ 2,341	\$ 2,013	\$ 468	\$ —	\$ 7,219
Segment cost of sales	\$ 1,666	\$ 1,716	\$ 1,609	\$ 400	\$ —	
Other operating expenses	326	132	89	70	183	
Adjusted operating income (loss)	\$ 405	\$ 493	\$ 315	\$ (2)	\$ (183)	\$ 1,028
Unallocated (costs) (i)						(12)
Operating income						\$ 1,016
Twelve Months Ended December 31, 2024						
	T&HS	F&II–LATAM	F&II–U.S./Canada	All Other	Corporate	Total
Segment net sales	\$ 2,417	\$ 2,497	\$ 2,244	\$ 475	\$ —	
Inter-segment net sales	(51)	(47)	(89)	(16)	—	
Net sales to unaffiliated customers	\$ 2,366	\$ 2,450	\$ 2,155	\$ 459	\$ —	\$ 7,430
Segment cost of sales	\$ 1,715	\$ 1,820	\$ 1,691	\$ 407	\$ —	
Other operating expenses	301	147	91	74	168	
Adjusted operating income (loss)	\$ 350	\$ 483	\$ 373	\$ (22)	\$ (168)	\$ 1,016
Unallocated (costs) (i)						(133)
Operating income						\$ 883
Twelve Months Ended December 31, 2023						
	T&HS	F&II–LATAM	F&II–U.S./Canada	All Other	Corporate	Total
Segment net sales	\$ 2,566	\$ 2,668	\$ 2,429	\$ 743	\$ —	
Inter-segment net sales	(106)	(35)	(94)	(11)	—	
Net sales to unaffiliated customers	\$ 2,460	\$ 2,633	\$ 2,335	\$ 732	\$ —	\$ 8,160
Segment cost of sales	\$ 1,759	\$ 2,054	\$ 1,951	\$ 647	\$ —	
Other operating expenses	307	127	86	87	173	
Adjusted operating income (loss)	\$ 394	\$ 452	\$ 298	\$ (2)	\$ (173)	\$ 969
Unallocated (costs) (i)						(12)
Operating income						\$ 957
(i) Unallocated (costs):						
	2025	2024	2023			
Restructuring and resegmentation costs	\$ (13)	\$ (18)	\$ (1)			
Impairment charges	(8)	(109)	(10)			
Other matters	9	(6)	(1)			
Total unallocated (costs)	\$ (12)	\$ (133)	\$ (12)			

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Property, plant and equipment, net, by reportable segment and All Other as of December 31, 2025 and 2024 were as follows:

	As of December 31,	
	2025	2024
Texture & Healthful Solutions	\$ 979	\$ 884
Food & Industrial Ingredients–LATAM	592	508
Food & Industrial Ingredients–U.S./Canada	612	556
All Other (i)	343	316
Total property, plant and equipment, net	\$ 2,526	\$ 2,264

(i) For purposes of presentation, All Other includes Corporate assets.

Property, plant and equipment, net by country as of December 31, 2025 and 2024 were as follows:

	As of December 31,	
	2025	2024
U.S.	\$ 1,190	\$ 1,076
Mexico	258	258
Brazil	229	164
Thailand	166	152
China	156	153
Germany	146	121
Canada	140	128
Others	241	212
Total	\$ 2,526	\$ 2,264

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Depreciation and amortization, mechanical stores expense, capital expenditures and mechanical stores purchases by reportable segment and All Other were as follows:

	2025	2024	2023
Depreciation and amortization:			
Texture & Healthful Solutions	\$ 85	\$ 82	\$ 80
Food & Industrial Ingredients–LATAM	54	48	47
Food & Industrial Ingredients–U.S./Canada	44	40	41
All Other (i)	39	44	51
Total	<u>\$ 222</u>	<u>\$ 214</u>	<u>\$ 219</u>
Mechanical stores expense (ii):			
Texture & Healthful Solutions	\$ 19	\$ 14	\$ 16
Food & Industrial Ingredients–LATAM	10	13	14
Food & Industrial Ingredients–U.S./Canada	33	31	28
All Other (i)	5	4	4
Total	<u>\$ 67</u>	<u>\$ 62</u>	<u>\$ 62</u>
Capital expenditures and mechanical stores purchases (iii):			
Texture & Healthful Solutions	\$ 132	\$ 101	\$ 113
Food & Industrial Ingredients–LATAM	106	80	70
Food & Industrial Ingredients–U.S./Canada	107	84	75
All Other (i)	88	36	58
Total	<u>\$ 433</u>	<u>\$ 301</u>	<u>\$ 316</u>

(i) All Other includes Corporate activities.

(ii) Represents costs for spare parts used in the production process that are recorded in PP&E as part of machinery and equipment until they are utilized in the manufacturing process and expensed as a period cost.

(iii) Capital expenditures and mechanical stores purchases are presented net of cash proceeds from disposals of PP&E on the Statement of Cash Flows. Proceeds from disposals of PP&E were \$0 million, \$6 million and \$2 million in 2025, 2024 and 2023.

Net sales to third-party customers by country of origin were as follows:

	2025	2024	2023
U.S.	\$ 2,815	\$ 2,870	\$ 3,069
Mexico	1,392	1,503	1,571
Brazil	572	584	669
Canada	495	527	548
Germany	384	385	413
Colombia	324	310	332
Thailand	255	265	259
Others	982	986	1,299
Total	<u>\$ 7,219</u>	<u>\$ 7,430</u>	<u>\$ 8,160</u>

13. Commitments and Contingencies

On November 17, 2025, we entered into a lease for a new Global Innovation headquarters facility that will be built in Bridgewater, New Jersey, where we currently lease another facility for research and operations. When the Global Innovation headquarters construction is substantially complete and ready for our use, which we estimate will be in the first half of 2028, subject to environmental conditions, structural dependencies and regulatory approvals, we will begin lease

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payments for a term of 25 years. Lease payments will be primarily based on the cost to construct the facility, which we estimate will be approximately \$145 million.

We file to recover previously taxable local government tax incentives in Brazil when we believe that the recovery w be probable. As of December 31, 2025 and 2024, we had \$21 million and \$39 million of remaining tax incentives, which have decreased due to use of the tax credits. We expect to use a portion of these credits within one year. As of December 31, 2025, \$15 million was recorded in Accounts receivable, net and \$6 million in Other non-current assets on the Consolidated Balance Sheets.

We are currently subject to claims and suits arising in the ordinary course of business, including workplace and labor matters, asbestos related claims, environmental proceedings and other commercial claims. We also routinely receive inquiries from regulators and other government authorities relating to various aspects of our business, including with respect to compliance with laws and regulations relating to the environment, and at any given time we have matters at various stages of resolution with the applicable governmental authorities. The outcomes of these matters are not within our complete control and may not be known for prolonged periods. We do not believe that the results of currently known legal proceedings and inquires will be material to us. There can be no assurance, however, that such proceedings, matters, claims, suits or investigations or those arising in the future, whether taken individually or in the aggregate, will not have a material adverse effect on our financial condition or results of operations.

14. Supplementary Information

Accounts Receivable, Net

Accounts receivable, net as of December 31, 2025 and 2024 were as follows:

	As of December 31,	
	2025	2024
Accounts receivable – trade	\$ 1,031	\$ 939
Accounts receivable – other	164	167
Allowance for credit losses	(10)	(13)
Total accounts receivable, net	\$ 1,185	\$ 1,093

Write-offs of accounts receivable were insignificant in 2025 and 2024. There were no significant contract assets associated with customers as of December 31, 2025 and 2024.

Inventories

Inventories as of December 31, 2025 and 2024 were as follows:

	As of December 31,	
	2025	2024
Finished and in process	\$ 753	\$ 762
Raw materials	389	346
Manufacturing supplies	85	79
Total inventories	\$ 1,227	\$ 1,187

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PP&E, Net

PP&E, net as of December 31, 2025 and 2024 was as follows:

	As of December 31,	
	2025	2024
Land	\$ 180	\$ 173
Buildings	877	824
Machinery and equipment	5,196	4,743
Property, plant and equipment, at cost	6,253	5,740
Accumulated depreciation	(3,727)	(3,476)
Total property, plant and equipment, net	\$ 2,526	\$ 2,264

We recorded capitalized interest to PP&E of \$6 million in 2025, \$4 million in 2024, and \$3 million in 2023. We recognized depreciation expense of \$195 million in 2025, \$188 million in 2024, and \$193 million in 2023.

During 2024, we announced our intent to discontinue manufacturing operations at our Goole facility in the United Kingdom, Vanscoy facility in Canada, and Alcantara facility in Brazil. As a result, we recognized impairment charges of \$91 million in the Consolidated Statements of Income primarily related to property, plant and equipment. We reclassified the assets and liabilities of the Vanscoy disposal group to held for sale, which are included in Prepaid expenses and assets held for sale and Accrued liabilities and liabilities held for sale, respectively, on the Consolidated Balance Sheets as of December 31, 2025 and 2024.

During 2025, we recorded \$3 million of incremental fixed asset impairment charges related to the foregoing closures.

Supply Chain Finance Programs

Under supply chain finance programs administered by third-party banks, our suppliers have the opportunity to sell receivables due from us to participating financing institutions and receive earlier payment at a discount. Our responsibility is limited to making payment on the terms originally negotiated with our supplier, regardless of whether such supplier sells its receivable to a financial institution. The payment terms we negotiate with a supplier are independent of whether such supplier participates in a supply chain finance program, and participation in any such program by a supplier has no effect on our income or cash flows.

As of December 31, 2025 and 2024, participating financial institutions held \$148 million and \$135 million of our liabilities recorded in Accounts payable and Accrued liabilities and liabilities held for sale on our Consolidated Balance Sheets. As of December 31, 2025, supply chain finance programs existed for operations in Brazil, certain PureCircle entities, Mexico, Thailand, China, Colombia, and Peru.

The rollforward of our outstanding obligations confirmed as valid under our supply chain finance programs as of December 31, 2025 and 2024 were follows:

	2025	2024
Outstanding as of January 1	\$ 135	\$ 153
Invoices added during the year	559	480
Invoices paid during the year	(561)	(473)
Currency translation adjustment	15	(25)
Outstanding as of December 31	\$ 148	\$ 135

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Accrued Liabilities and Liabilities Held for Sale

Accrued liabilities and liabilities held for sale as of December 31, 2025 and 2024 were as follows:

	As of December 31,	
	2025	2024
Compensation-related costs	\$ 123	\$ 121
Taxes payable and income taxes payable	67	156
Current lease liabilities	63	59
Dividends payable	52	52
Other	270	245
Total accrued liabilities and liabilities held for sale	<u>\$ 575</u>	<u>\$ 633</u>

There were no significant contract liabilities associated with our customers as of December 31, 2025 and 2024. Liabilities for volume discounts and incentives were also not significant as of December 31, 2025 and 2024.

Other Non-Current Liabilities

Other non-current liabilities as of December 31, 2025 and 2024 were as follows:

	As of December 31,	
	2025	2024
Non-current operating lease liabilities	\$ 118	\$ 145
Deferred tax liabilities	128	136
Pension and postretirement liabilities	113	96
Other	114	109
Total other non-current liabilities	<u>\$ 473</u>	<u>\$ 486</u>

Supplemental Statements of Income Information

Research and development (“R&D”) expense was \$71 million in 2025, \$67 million in 2024, and \$63 million in 2023. Our R&D expense, which we record in Operating expenses in the Consolidated Statements of Income, represents investments in new product development and innovation.

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Supplemental Cash Flow Information

Interest paid was \$37 million, \$48 million and \$96 million for 2025, 2024 and 2023. Income taxes paid, prior to the adoption of ASU 2023-09, was \$169 million and \$157 million in 2024 and 2023.

Quarterly Financial Data (Unaudited)

Earnings per share for each quarter and the year are calculated individually and may not sum to the total for the respective year. Summarized quarterly financial data was as follows:

	1 st QTR	2 nd QTR	3 rd QTR	4 th QTR
2025				
Net sales	\$ 1,813	\$ 1,833	\$ 1,816	\$ 1,757
Gross profit	466	477	455	430
Net income attributable to Ingredion	197	196	171	165
Basic earnings per common share of Ingredion	3.05	3.04	2.66	2.59
Diluted earnings per common share of Ingredion	3.00	2.99	2.61	2.56
Per share dividends declared	0.80	0.80	0.82	0.82
	1 st QTR	2 nd QTR	3 rd QTR	4 th QTR
2024				
Net sales	\$ 1,882	\$ 1,878	\$ 1,870	\$ 1,800
Gross profit	417	446	479	449
Net income attributable to Ingredion	216	148	188	95
Basic earnings per common share of Ingredion	3.29	2.25	2.88	1.46
Diluted earnings per common share of Ingredion	3.23	2.22	2.83	1.43
Per share dividends declared	0.78	0.78	0.80	0.80