



Second Quarter 2020 Earnings Presentation

July 30, 2020

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Non-GAAP Financial Measures: This presentation includes certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided within the Appendix to this presentation. Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided.

Today's Agenda

- 1 Second Quarter Highlights
- 2 Segment Performance
- 3 Financial Review
- 4 Guidance
- 5 Q&A



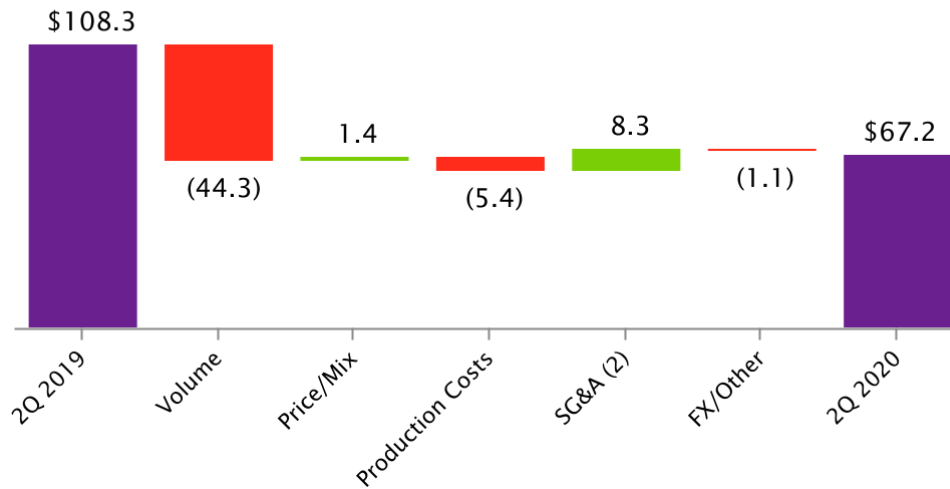
Second Quarter 2020 Results

\$ in millions	2Q 2020	2Q 2019	vs Prior Year	
			▲	▲ %
Net Sales	270.6	352.8	(82.2)	(23.3%)
Adjusted EBITDA ⁽¹⁾	67.2	108.3	(41.1)	(38.0%)
Adjusted EBITDA ⁽¹⁾ Margin	24.8%	30.7%	-590 bps	

Performance Highlights

- Results in line with second quarter guidance
- Reaffirmed fiscal year 2020 guidance
- Implemented cost reduction initiatives to bolster profitability
- Sales down 23%; slightly better than guidance
- Sharp decline in volumes attributable to coronavirus (COVID-19)
 - Downturn auto sales and production in North America and Europe
 - Partially offset by upturn in China
 - Reduced demand in Industrial Specialties, especially for printing inks
 - Reduced oilfield drilling and production
- Adjusted EBITDA down 38%; within range of guidance
 - Fixed cost absorption impacted by reduced plant throughput
 - Benefit of implemented SG&A cost reduction initiatives
- Strong free cash flow¹ of \$34 million enabled us to contain leverage to less than 3x net debt ratio¹

2Q Adjusted EBITDA⁽¹⁾



(1) Please see appendices included at the end of this presentation for Ingevity's use of non-GAAP financial measures, definitions of those financial measures as well as the reconciliation to the nearest GAAP financial measure.
 (2) SG&A includes research & technical expense.

Cost-Reduction Initiatives

- Early retirement program
(39 positions)
- Headcount reduction
(26 positions)
- Suspended retirement 401(k)
match
- Reduced variable
compensation accrual
- Reduced travel expenses
- Additional reduced plant
spending
(plant furloughs, maintenance costs,
energy savings)

	2020 Cost Reductions (\$M)	Estimated Annual Savings (\$M)
Personnel reductions	2	7
Compensation & benefits	8	TBD
Other SG&A	6	2
Subtotal	16	9
Additional benefits from lower plant spending	19	3
TOTAL	35	12



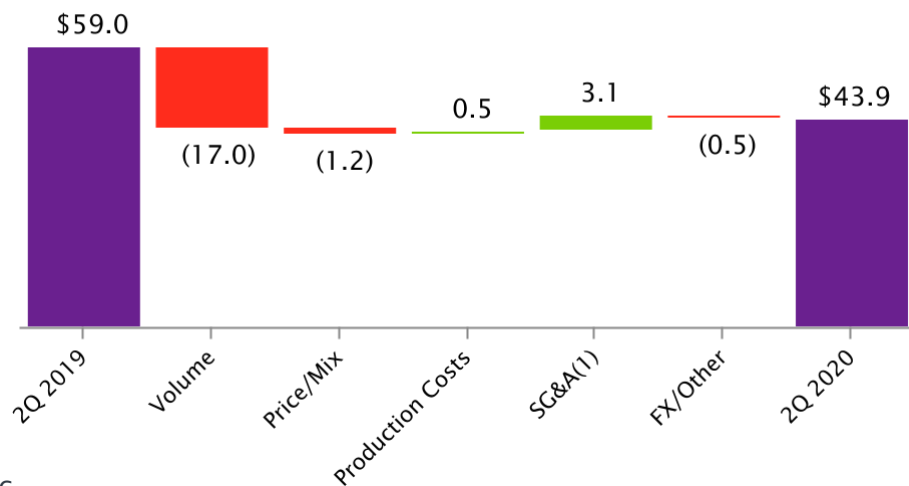
Performance Chemicals

\$ in millions	2Q	2Q	vs Prior Year	
	2020	2019	▲	▲%
Net Sales	186.2	229.7	(43.5)	(18.9%)
Pavement Technologies	63.9	64.6	(0.7)	(1.1%)
Engineered Polymers	31.6	34.3	(2.7)	(7.9%)
Industrial Specialties	76.5	101.1	(24.6)	(24.3%)
Oilfield Technologies	14.2	29.7	(15.5)	(52.2%)
Segment EBITDA	43.9	59.0	(15.1)	(25.6%)
Segment EBITDA Margin	23.6%	25.7%	-210 bps	

Performance Highlights

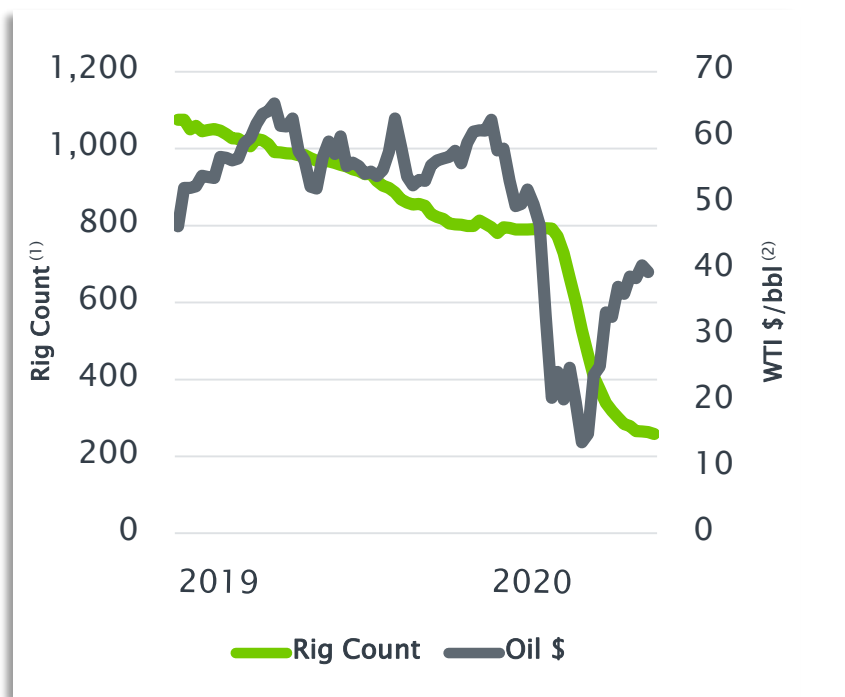
- Revenue decreased 19%
 - Pavement Technologies*: North American paving season continues largely unaffected; increases in EMEA region
 - Engineered Polymers*: Sales down somewhat due to reduced industrial demand, specifically caprolactone monomer
 - Industrial Specialties*: Sales decrease due to weak demand; reduced sales in printing inks; reduced TOFA sales due to exited European distributor agreement; pressure on TOR
 - Oilfield Technologies*: Oil prices stabilized; reduced North American drilling and production; continued success with Middle East and China
- Segment EBITDA of \$44 million, down 26%
 - Reduced volumes
 - Flat price/mix, production costs and FX
 - Slight benefit from SG&A cost reduction
- Six-week shutdown at Crossett, Ark., completed at end of July

2Q Segment EBITDA

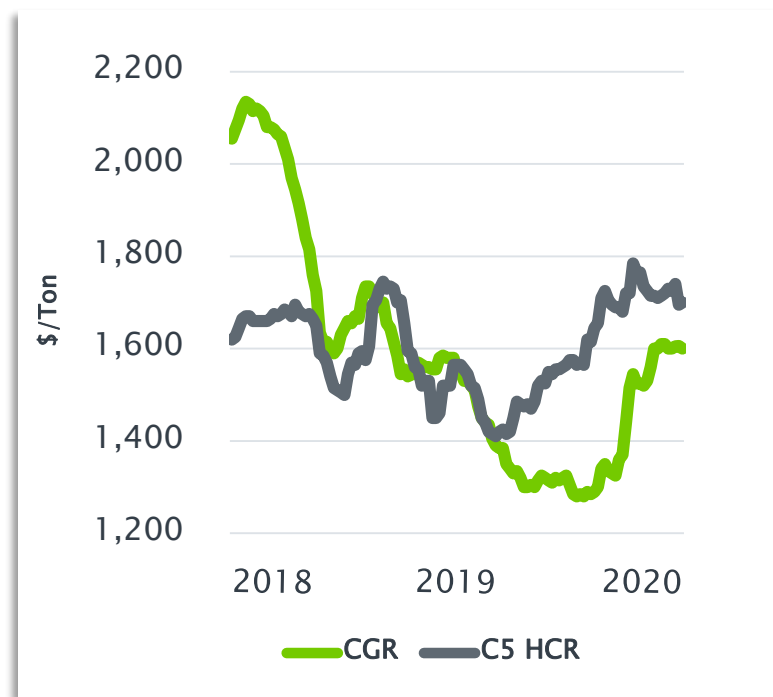


Rig Count and Oil Prices / TOR Substitutes

Rig Count and Oil Prices



TOR Substitutes



- Rig count in North America is down 67% YTD
- Oil prices have stabilized around \$40

- Chinese gum rosin⁽³⁾ (CGR) up 19% YTD
- C5 hydrocarbon resins⁽³⁾ (HCR) flat YTD



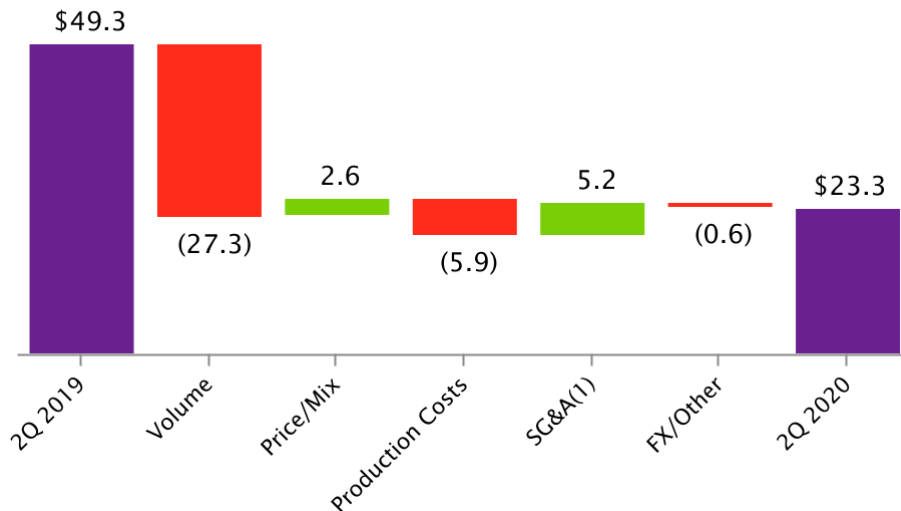
Performance Materials

\$ in millions	2Q	2Q	vs Prior Year	
	2020	2019	▲	▲%
Net Sales	84.4	123.1	(38.7)	(31.4%)
Automotive Technologies	74.7	113.9	(39.2)	(34.4%)
Process Purification	9.7	9.2	0.5	5.4%
Segment EBITDA	23.3	49.3	(26.0)	(52.7%)
Segment EBITDA Margin	27.6%	40.0%	-1,240 bps	

Performance Highlights

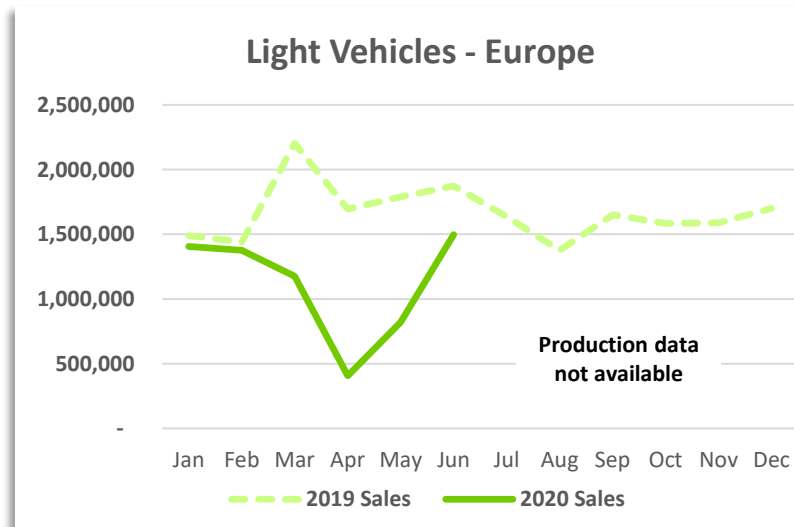
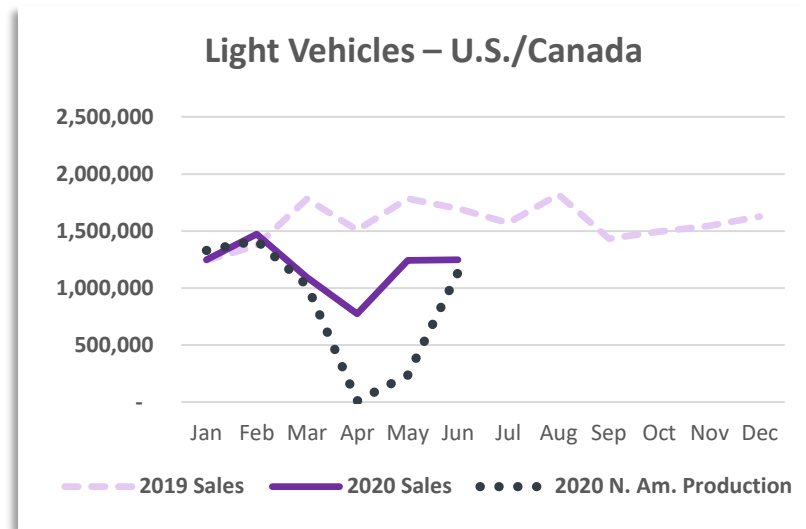
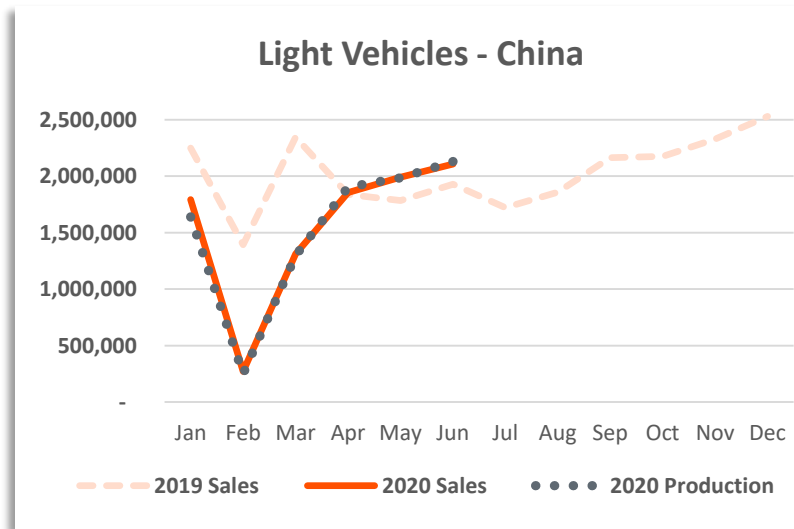
- Revenue decrease of 31%
 - Significantly lower volumes resulting from North America and Europe automotive shutdowns
 - Partially offset by China’s sequential rebound and improvement over prior year; pellet sales in China second highest on record; automakers complete China 6 implementation
 - Strong demand late in the quarter bodes well for the rest of the year
- Segment EBITDA of \$23 million, down 53% versus prior year’s quarter
 - Fixed cost absorption impacted by sharply reduced plant throughput
 - Partially offset by reduced plant spending and decreased SG&A
- U.S. carbon plants and “honeycomb” scrubber plant running normally; China plants on reduced shifts
- Maintenance outages in Wickliffe, Ky., and Zhuhai, China (3Q); kiln replacement in Covington, Va. (4Q)

2Q Segment EBITDA



Regional Auto Demand/Production (2020 vs. 2019)

Light Vehicle Sales & Production: China, U.S./Canada, and Europe



June 2020 Sales % of Prior Year

China	109%
U.S./Canada	74%
Europe	80%



Second Quarter 2020 Financial Results

\$ in millions except EPS	Q2 2020	Q2 2019	vs PY Δ%	1H 2020	1H 2019	vs PY Δ%
Consolidated Income Statement:						
Net sales	\$270.6	\$352.8	(23.3)%	\$558.8	\$629.6	(11.2)%
Gross Profit	\$83.9	\$134.4	(37.6)%	\$198.5	\$231.5	(14.3)%
<i>% Margin</i>	31.0%	38.1%	-710 bps	35.5%	36.8%	-130 bps
Core SG&A ⁽¹⁾	\$26.6	\$35.4	(24.9)%	\$57.1	\$69.5	(17.8)%
Acquisition Amortization	7.9	7.1	11.3%	15.9	12.1	31.4%
Total Selling, General & Admin Expense	\$34.5	\$42.5	(18.8)%	\$73.0	\$81.6	(10.5)%
<i>% of Net Sales - Total SG&A</i>	12.7%	12.0%	+70 bps	13.1%	13.0%	+10 bps
<i>% of Net Sales - Core SG&A⁽¹⁾</i>	9.8%	10.0%	-20 bps	10.2%	11.0%	-80 bps
Adjusted EBITDA ⁽¹⁾	\$67.2	\$108.3	(38.0)%	\$159.4	\$191.8	(16.9)%
<i>% Margin⁽¹⁾</i>	24.8%	30.7%	-590 bps	28.5%	30.5%	-200 bps
Interest expense, net	\$10.0	\$13.1	(23.7)%	\$20.9	\$24.2	(13.6)%
Provision for Income taxes on Adjusted Earnings ⁽¹⁾	\$7.0	\$16.3	(57.1)%	\$16.8	\$28.3	(40.6)%
Adjusted earnings (loss) ⁽¹⁾	\$26.1	\$57.5	(54.6)%	\$73.3	\$99.4	(26.3)%
Diluted Adjusted EPS ⁽¹⁾	\$0.63	\$1.36	(53.7)%	\$1.76	\$2.36	(25.4)%
Consolidated Cash Flow Items:						
Cash Flow from Operations	\$48.9	\$79.5		\$109.1	\$71.5	
Less: Capital Expenditures	15.0	29.6		34.5	57.7	
Free Cash Flow⁽¹⁾	\$33.9	\$49.9	(32.1)%	\$74.6	\$13.8	440.6%

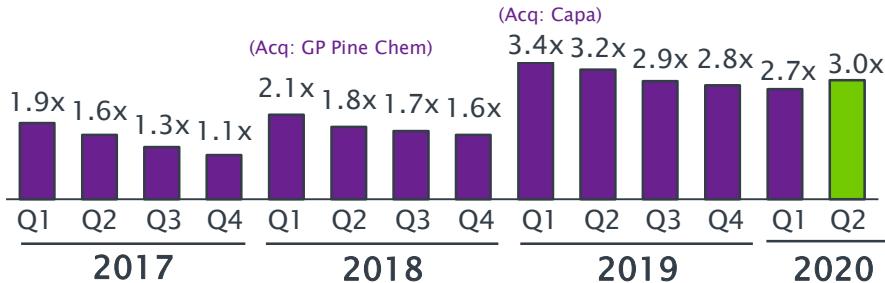
Second Quarter 2020 Financial Summary

Capital Structure

<i>\$ in millions</i>	Current Pricing	Amount
\$750m Revolver	L+150	\$220.0
Term Loans	L+100-150	731.2
<i>\$166m Interest Rate Swap ⁽¹⁾</i>	<i>1.35%</i>	
Senior Notes	4.5%	300.0
Finance Lease & Other ⁽²⁾	~8%	85.1
Total Debt		\$1,336.3
Less: Cash Balance ⁽³⁾		(185.3)
Less: Restricted Investment		(72.5)
Total Net Debt ⁽⁴⁾		\$1,078.5
Net Debt Ratio ⁽⁴⁾		2.96x

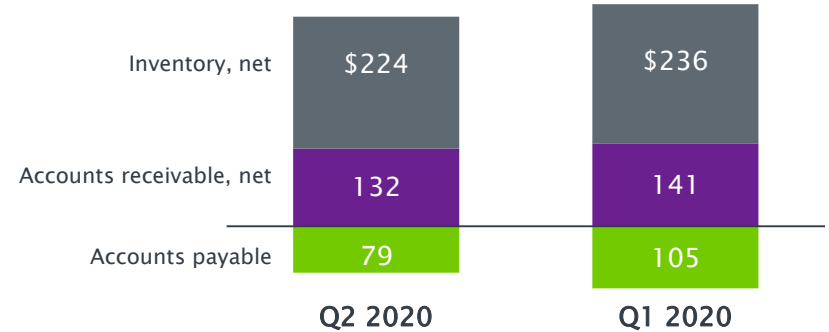
Historical Net Debt Ratio ⁽⁴⁾

Targeted Net Debt ratio = 2.0 - 2.5x



Working Capital Management

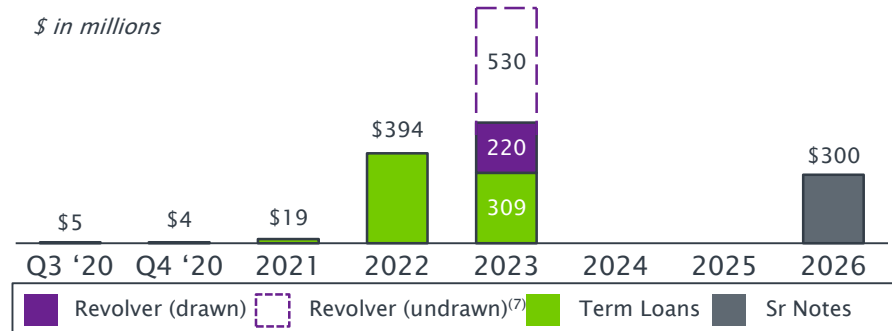
\$ in millions



Trade Working Capital ⁽⁵⁾	\$277	\$272
<i>% of LTM Net Sales</i>	<i>23%</i>	<i>20%</i>

Debt Maturity Schedule ⁽⁶⁾

\$ in millions



- (1) \$166m interest rate swap through 2023
- (2) Finance lease related to the Industrial Development Bond that is part of the financing for our Wickliffe, Kentucky facility; other relates to other short term borrowings less deferred financing fees
- (3) Includes \$7.7 million of Restricted Cash related to our New Market Tax Credit arrangement.
- (4) See appendix for Non GAAP reconciliation.
- (5) Trade Working Capital is defined as Inventory + Accounts Receivable - Accounts Payable
- (6) Excludes ~\$5m of other debt and \$80m Finance Lease (due 2027) for simplicity
- (7) As of June 30, 2020, \$527.8 million was undrawn, reflecting \$2.2 million of outstanding letters of credit.



2020 Reaffirmed Guidance

(\$M)

Item	FY19 Actual	Reaffirmed FY20 Guidance
Revenue	\$1,292.9	\$1,100 to \$1,200
Adjusted EBITDA ⁽¹⁾	\$396.9	\$310 to \$350
Adjusted tax rate ⁽¹⁾	21.5%	22–24%
Capital expenditures	\$115	~\$85
Free Cash Flow ⁽¹⁾	\$161	\$130–170
Net Debt Ratio ⁽¹⁾	2.79x	~2.75 – 3.25x

2Q 2020 Performance vs. Guidance

	Guidance	2Q
Revenue	-25% to -30%	-23%
Adj. EBITDA	-35% to -40%	-38%

FY Guidance Three Scenarios

Auto Demand (75% to 85%)

1. 4Q
2. **Mid 3Q**
3. Early 3Q

(1) Please see appendices included at the end of this presentation for Ingevity's use of non-GAAP financial measures, definitions of those financial measures as well as the reconciliation to the nearest GAAP financial measure.

Well Positioned for Value Creation



**Market-leading
global specialty
chemical company**



**Developing and
delivering high-
performance
solutions**



**Deep and
longstanding
customer
relationships**



**Strong balance
sheet and cash flow
generation**



**Experienced
and proven
management team**

- Well-positioned to capitalize on:
 - Increasingly rigorous regulatory landscape
 - Emissions standards
 - Technology adoption
 - Infrastructure spending
- Brings extensive technical and market expertise
- Diversified product portfolio including significant intellectual property and patents
- Relentless focus on developing, manufacturing, and bringing to market products and processes that help solve complex problems
- Support balanced capital deployment between investments in organic growth and opportunistic acquisitions, supported by prudent shareholder returns to drive sustained value
- Deep talent bench with the right skills to continue to execute strategic plan



For More Information

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Thank you for your interest in Ingevity!

Appendix

Non-GAAP Financial Measures

Ingevity has presented certain financial measures, defined below, which have not been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and has provided a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP. These financial measures are not meant to be considered in isolation or as a substitute for the most directly comparable financial measure calculated in accordance with GAAP. The company believes these non-GAAP measures provide investors, potential investors, securities analysts and others with useful information to evaluate the performance of the business, because such measures, when viewed together with our financial results computed in accordance with GAAP, provide a more complete understanding of the factors and trends affecting our historical financial performance and projected future results.

Ingevity uses the following non-GAAP measures:

Adjusted earnings (loss) is defined as net income (loss) plus restructuring and other (income) charges, net, acquisition and other-related costs, pension and postretirement settlement and curtailment (income) charges and the income tax expense (benefit) on those items, less the provision (benefit) from certain discrete tax items.

Diluted adjusted earnings (loss) per share is defined as diluted earnings (loss) per common share plus restructuring and other (income) charges, net per share, acquisition and other-related costs per share, pension and postretirement settlement and curtailment (income) charges per share and the income tax expense (benefit) per share on those items, less the per share tax provision (benefit) from certain discrete tax items per share.

Adjusted EBITDA is defined as net income (loss) plus provision (benefit) for income taxes, interest expense, depreciation and amortization, restructuring and other (income) charges, net, acquisition and other-related costs, and pension and postretirement settlement and curtailment (income) charges.

Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Net sales.

Provision for Income Taxes on Adjusted Earnings is defined as provision for income taxes plus the tax expense (benefit) on restructuring and other (income) charges, net, acquisition and other-related costs, pension and postretirement settlement and curtailment (income) charges, less the provision (benefit) from certain discrete tax items.

Adjusted Tax Rate is defined as Provision for Income Taxes on Adjusted Earnings divided by Adjusted Earnings (loss).

Core SG&A is defined as selling, general, and administrative costs less intangible amortization expense related to acquisitions.

Core SG&A as a Percent of Sales is defined as Core SG&A divided by Net sales.

Net Debt is defined as the sum of short-term debt, current maturities of long-term debt and long-term debt less the sum of cash and cash equivalents and restricted investment.

Net Debt Ratio is defined as Net Debt divided by last twelve months Adjusted EBITDA, inclusive of acquisition-related pro forma adjustments.

Free Cash Flow is defined as the sum of cash provided by (used in) the following items: operating activities less capital expenditures.

Ingevity also uses the above financial measures as the primary measures of profitability used by managers of the business. In addition, Ingevity believes Adjusted EBITDA and Adjusted EBITDA Margin are useful measures because they exclude the effects of financing and investment activities as well as non-operating activities. None of the above non-GAAP financial measures are intended to replace the presentation of financial results in accordance with GAAP and investors should consider the limitations associated with these non-GAAP measures, including the potential lack of comparability of these measures from one company to another. Reconciliations of these non-GAAP financial measures are set forth within the following pages.

A reconciliation of net income to adjusted EBITDA as projected for 2020 is not provided. Ingevity does not forecast net income as it cannot, without unreasonable effort, estimate or predict with certainty various components of net income. These components, net of tax, include further restructuring and other income (charges), net; additional acquisition and other related costs in connection with the acquisition of Perstorp Holding AB’s Capa caprolactone business; additional pension and postretirement settlement and curtailment (income) charges; and revisions due to future guidance and assessment of U.S. tax reform. Additionally, discrete tax items could drive variability in our projected effective tax rate. All of these components could significantly impact such financial measures. Further, in the future, other items with similar characteristics to those currently included in adjusted EBITDA, that have a similar impact on comparability of periods, and which are not known at this time, may exist and impact adjusted EBITDA. A reconciliation of our GAAP effective tax rate to adjusted tax rate as projected for 2020 is not provided due to the same reasons as listed under the net income to adjusted EBITDA as projected for 2020 detailed above. A reconciliation of our total debt to net income ratio to our net debt ratio as project for 2020 is not provided as we do not forecast net income as noted above.

Reconciliation of Net Income (Loss) (GAAP) to Adjusted Earnings (Loss) (Non-GAAP)

<i>In millions, except per data (unaudited)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income (loss) (GAAP)	\$ 20.2	\$ 56.8	\$ 65.5	\$ 79.5
Restructuring and other (income) charges ⁽¹⁾	7.3	0.3	7.8	0.3
Acquisition and other related costs ⁽²⁾	0.4	0.8	1.7	32.0
Tax effect on items above	(1.8)	(0.3)	(2.2)	(5.6)
Certain discrete tax provision (benefit) ⁽³⁾	—	(0.1)	0.5	(6.8)
Adjusted earnings (loss) (Non-GAAP)	\$ 26.1	\$ 57.5	\$ 73.3	\$ 99.4
Diluted earnings (loss) per common share (GAAP)	\$ 0.49	\$ 1.34	\$ 1.57	\$ 1.88
Restructuring and other (income) charges	0.17	0.01	0.19	0.01
Acquisition and other related costs	0.01	0.02	0.04	0.76
Tax effect on items above	(0.04)	(0.01)	(0.05)	(0.13)
Certain discrete tax provision (benefit)	—	—	0.01	(0.16)
Diluted adjusted earnings (loss) per share (Non-GAAP)	\$ 0.63	\$ 1.36	\$ 1.76	\$ 2.36
Weighted average common shares outstanding - Diluted	41.4	42.2	41.7	42.2

(1) Income (charges) for all periods presented relate to restructuring activity and costs associated with the business transformation initiative. For the three and six months ended June 30, 2020, charges of \$2.7 million and \$2.9 million relate to the Performance Material segment, respectively, and charges of \$4.6 million and \$4.9 million related the Performance Chemicals segment. For the three and six months ended June 30, 2019, all charges relate to the Performance Chemicals segment.

(2) Charges primarily relate to legal and professional fees, inventory step-up amortization, and a purchase price hedge incurred, associated with acquisitions in the Performance Chemicals segment.

<i>In millions</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Legal and professional service fees	\$ 0.4	\$ 0.8	\$ 1.7	\$ 10.9
Caprolactone Acquisition purchase price hedge adjustment	—	—	—	12.7
Acquisition-related costs	0.4	0.8	1.7	23.6
Inventory fair value step-up amortization ⁽ⁱ⁾	—	—	—	8.4
Acquisition and other related costs	\$ 0.4	\$ 0.8	\$ 1.7	\$ 32.0

(i) Included within "Cost of sales" on the condensed consolidated statement of operations.

(3) Represents certain discrete tax items such as excess tax benefits on stock compensation and impacts of changes associated with U.S. Tax Reform. Management believes excluding these discrete tax items assists investors, potential investors, securities analysts, and others in understanding the tax provision and the effective tax rate related to continuing operating results thereby providing useful supplemental information about operational performance.

Reconciliation of Net Income (GAAP) to Adjusted EBITDA (Non-GAAP)

<i>In millions (unaudited)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Net income (loss) (GAAP)	\$ 20.2	\$ 56.8	\$ 65.5	\$ 79.5
Provision (benefit) for income taxes	5.2	15.9	15.1	15.9
Interest expense, net	10.0	13.1	20.9	24.2
Depreciation and amortization	24.1	21.4	48.4	39.9
Restructuring and other (income) charges, net	7.3	0.3	7.8	0.3
Acquisition and other related costs	0.4	0.8	1.7	32.0
Adjusted EBITDA (Non-GAAP)	\$ 67.2	\$ 108.3	\$ 159.4	\$ 191.8
Net sales	\$ 270.6	\$ 352.8	\$ 558.8	\$ 629.6
Net income (loss) margin	7.5 %	16.1 %	11.7 %	12.6 %
Adjusted EBITDA margin	24.8 %	30.7 %	28.5 %	30.5 %

Reconciliation of Provision for Income Taxes (GAAP) to Provision for Income Taxes on Adjusted Earnings (Non-GAAP)

<i>In millions (unaudited)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Adjusted EBITDA (Non-GAAP)	\$ 67.2	\$ 108.3	\$ 159.4	\$ 191.8
Depreciation and amortization	24.1	21.4	48.4	39.9
Interest expense, net	10.0	13.1	20.9	24.2
Adjusted income before taxes (Non-GAAP)	\$ 33.1	\$ 73.8	\$ 90.1	\$ 127.7
Provision (benefit) for income taxes (GAAP)	\$ 5.2	\$ 15.9	\$ 15.1	\$ 15.9
Tax effect on certain items	(1.8)	(0.3)	(2.2)	(5.6)
Discrete tax provision (benefit)	—	(0.1)	0.5	(6.8)
Provision for Income Taxes on Adjusted Earnings (Non-GAAP)	\$ 7.0	\$ 16.3	\$ 16.8	\$ 28.3
Tax Rate (GAAP)	20.5 %	21.9 %	18.7 %	16.7 %
Adjusted Tax Rate (Non-GAAP)	21.1 %	22.1 %	18.6 %	22.2 %

Reconciliation of Selling, General and Admin (SG&A) (GAAP) to Core SG&A (Non-GAAP)

<i>In millions (unaudited)</i>	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
SG&A (GAAP)	\$ 34.5	\$ 42.5	\$ 73.0	\$ 81.6
Intangible amortization related to acquisitions	7.9	7.1	15.9	12.1
Core SG&A (Non-GAAP)	\$ 26.6	\$ 35.4	\$ 57.1	\$ 69.5
Net sales	\$ 270.6	\$ 352.8	\$ 558.8	\$ 629.6
SG&A as a percent of Net sales	12.7 %	12.0 %	13.1 %	13.0 %
Core SG&A as a percent of sales	9.8 %	10.0 %	10.2 %	11.0 %

Calculation of Historical Net Debt Ratio (Non-GAAP)

<i>In millions, except ratios (unaudited)</i>	2017				2018				2019				2020
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Net Debt ⁽¹⁾	\$ 405.1	\$ 370.2	\$ 314.0	\$ 295.8	\$ 628.7	\$ 600.2	\$ 627.5	\$ 610.2	\$ 1,319.2	\$ 1,267.7	\$ 1,175.9	\$ 1,121.0	\$ 1,113.3
Adjusted EBITDA ⁽²⁾	50.2	67.2	72.7	52.6	67.1	89.4	90.7	73.3	83.5	108.3	114.0	91.1	92.2
Pine Chemical Pro Forma ⁽³⁾	6.0	5.6	7.5	7.8	4.8	—	—	—	—	—	—	—	—
Caprolactone Pro Forma ⁽³⁾	—	—	—	—	15.1	14.5	16.7	14.8	5.5	—	—	—	—
Pro Forma Adjusted EBITDA	56.2	72.8	80.2	60.4	87.0	103.9	107.4	88.1	89.0	108.3	114.0	91.1	92.2
LTM Pro Forma Adjusted EBITDA	210.2	224.6	245.2	269.6	300.4	331.5	358.7	386.4	388.4	392.8	399.4	402.4	405.6
Net Debt Ratio	1.9x	1.6x	1.3x	1.1x	2.1x	1.8x	1.7x	1.6x	3.4x	3.2x	2.9x	2.8x	2.7x

(1) Represents total debt including capital lease obligation, excluding deferred financing fees, less cash and cash equivalents less restricted investment for each period included above. See the Company's Form 10-Q for each period for more information. This does not include any pro forma adjustment for acquisition related debt.

(2) Represents net income (loss) plus provision for income taxes, interest expense, depreciation and amortization, restructuring and other (income) charges, acquisition and other related costs, and pension and postretirement settlement and curtailment (income) charges for each period included above. See the Company's Form 10-Q for each period for more information.

(3) Pro forma amounts include historical results of the Pine Chemical Business and Caprolactone Business, prior to the acquisition dates of March 8, 2018 and February 13, 2019, respectively. These amounts also include adjustments as if the acquisitions had occurred on January 1st of the year preceding the acquisition date. The pro forma amounts do not include adjustments for expenses related to integration activities, cost savings, or synergies that have been or may have been realized had we acquired the businesses on January 1st of the year preceding the acquisition date. Details associated with the pro forma results for both acquisitions are included within the Management Discussion and Analysis section of the Company's Form 10-Q for each respective period.

Calculation of Total Debt to Net Income (Loss) Ratio (GAAP) to Net Debt to Adjusted EBITDA Ratio (Non-GAAP)

<i>In millions, except ratios (unaudited)</i>	June 30, 2020
Notes payable and current maturities of long-term debt	\$ 21.7
Long-term debt including finance lease obligations	1,308.5
Debt issuance costs	6.1
Total Debt	1,336.3
Less:	
Cash and cash equivalents ⁽¹⁾	185.3
Restricted investment	72.5
Net Debt	\$ 1,078.5
Total Debt to Net income (loss) Ratio (GAAP)	
Twelve months ended December 31, 2019	\$ 183.7
Six months ended June 30, 2019	(79.5)
Six months ended June 30, 2020	65.5
Net income (loss) - last twelve months (LTM) as of June 30, 2020	\$ 169.7
Total debt to Net income (loss) ratio (GAAP)	7.87x
Net Debt Ratio (Non GAAP)	
Twelve months ended December 31, 2019	\$ 396.9
Six months ended June 30, 2019	(191.8)
Six months ended June 30, 2020	159.4
Adjusted EBITDA - LTM as of June 30, 2020	\$ 364.5
Net debt ratio (Non GAAP)	2.96x

(1) Includes \$7.7 million of Restricted Cash related to our New Market Tax Credit arrangement.

Reconciliation of Net Income (GAAP) to Adjusted EBITDA (Non-GAAP)

<i>In millions (unaudited)</i>	Twelve Months Ended December 31,	
	2019	2018
Net income (loss) (GAAP)	\$ 183.7	\$ 181.8
Provision (benefit) for income taxes	44.2	40.0
Interest expense, net	46.9	29.8
Depreciation and amortization	85.0	57.0
Restructuring and other (income) charges, net	1.8	(0.5)
Acquisition and other related costs	35.3	12.2
Pension and postretirement settlement and curtailment charges (income)	—	0.2
Adjusted EBITDA (Non-GAAP)	\$ 396.9	\$ 320.5
Net sales	\$ 1,292.9	\$ 1,133.6
Net income (loss) margin	14.2%	16.0%
Adjusted EBITDA margin	30.7%	28.3%

Reconciliation of Provision for Income Taxes (GAAP) to Provision for Income Taxes on Adjusted Earnings (Non-GAAP)

<i>In millions (unaudited)</i>	Twelve Months Ended December 31,	
	2019	2018
Adjusted EBITDA (Non-GAAP)	\$ 396.9	\$ 320.5
Depreciation and amortization	85.0	57.0
Interest expense, net	46.9	29.8
Adjusted income before taxes (Non-GAAP)	\$ 265.0	\$ 233.7
Provision (benefit) for income taxes (GAAP)	\$ 44.2	\$ 40.0
Tax effect on certain items	(6.8)	(3.0)
Discrete tax provision (benefit)	(5.9)	(2.8)
Provision for Income Taxes on Adjusted Earnings (Non-GAAP)	\$ 56.9	\$ 45.8
Tax Rate (GAAP)	20.2%	18.0%
Adjusted Tax Rate (Non-GAAP)	21.5%	19.6%

Calculation of Total Debt to Net Income (Loss) Ratio (GAAP) to Net Debt to Adjusted EBITDA Ratio (Non-GAAP)

<i>In millions, except ratios (unaudited)</i>	December 31, 2019
Notes payable and current maturities of long-term debt	\$ 22.5
Long-term debt including finance lease obligations	1,228.4
Debt issuance costs	6.9
Total Debt	1,257.8
Less:	
Cash and cash equivalents ⁽¹⁾	64.2
Restricted investment	72.6
Net Debt	\$ 1,121.0
Total Debt to Net income (loss) Ratio (GAAP)	
Net income (loss) - last twelve months (LTM) as of December 31, 2019	\$ 183.7
Total debt to Net income (loss) ratio (GAAP)	6.85x
Net Debt Ratio (Non GAAP)	
Adjusted EBITDA - LTM as of December 31, 2019	396.9
Caprolactone Business Pro Forma Adjusted EBITDA LTM as of December 31, 2019 ⁽²⁾	5.5
Adjusted EBITDA LTM inclusive of pro forma as of December 31, 2019	\$ 402.4
Net debt ratio (Non GAAP)	2.79x

 (1) Includes \$7.7 million of Restricted Cash related to the New Market Tax Credit financing transaction which was entered into in November 2019.

(2) Pro forma amount includes historical results of the Caprolactone Business, prior to the acquisition date of February 13, 2019. This amount also includes adjustments as if the acquisition had occurred on January 1, 2018, including the effects of purchase accounting. The pro forma amounts do not include adjustments for expenses related to integration activities, cost savings, or synergies that have been or may have been realized had we acquired the businesses on January 1, 2018.

Calculation of Free Cash Flow (Non-GAAP)

In millions (unaudited)

	Twelve Months Ended December 31,	
	2019	2018
Cash Flow from Operations	\$ 275.7	\$ 252.0
Less: Capital Expenditures	114.8	93.9
Free Cash Flow (Non-GAAP)	\$ 160.9	\$ 158.1