

First Quarter 2021 Financial Results and Highlights

Ingevity delivers strong first quarter results based on demand improvement across its businesses, driven predominantly by increased volume and supported by price increases in certain key businesses.

FINANCIAL HIGHLIGHTS (VS PRIOR YEAR QUARTER)

Net sales	$320.3M	▲ 11.1%
Net income	$48.7M	▲ 7.5%
Adjusted EBITDA	$105.4M	▲ 14.3%
Adjusted EBITDA margin	32.9%	▲ 90 bps
Free cash flow	$34.1M	▼ 16.2%

BUSINESS SEGMENT PERFORMANCE

	Performance Materials	Performance Chemicals
Revenue	$140.7M	$179.6M
Segment EBITDA	$73.7M	$31.7M
Segment EBITDA margin	52.4%	17.7%

OPERATIONAL HIGHLIGHTS

- Adjusted EBITDA was up 14.3% on revenues that were up 11.1%; Adjusted EBITDA margin increased 90 basis points
- First quarter free cash flow of $34 million
- Strong automotive production and sales in China supported by increased demand in S. Korea and Europe drove growth for our activated carbon products for gasoline vapor emission control systems; Ingevity's first quarter sales in China nearly doubled given Q1 2020 COVID-19 shutdowns; strong vehicle sales growth in the U.S. and Canada outpacing production and U.S./Canada vehicle sales mix shift to light trucks and SUVs continues at record high levels of almost 80%
- Sharp increases in Engineered Polymers sales across many end-use applications due to improved demand for polyurethanes; Industrial Specialties – which now includes oilfield applications – was up slightly; paving season is off to a good start
- Net debt to adjusted EBITDA ratio of 2.39x

REVISED GUIDANCE

$1.275B – $1.325B	$410M – $430M	≥ $200M
Sales	Adjusted EBITDA	Free cash flow

"We grew revenues across the board in all of our businesses in the first quarter," said John Fortson, president and CEO. "This was driven predominantly by increased volume and supported by price increases in certain key businesses. Automotive-based activated carbon sales were up sharply given last year's first quarter automotive shutdowns in China. We experienced significant growth in Engineered Polymers across many end-use applications. The Industrial Specialties business – which now includes oilfield applications – was up slightly, and we are off to a good start to the paving season. While our performance continues to improve, we are carefully watching issues related to transportation and logistics, raw material inflation, and automotive material disruptions that could become stronger headwinds throughout the rest of the year. Based on our strong first quarter and continued optimism, we feel confident raising our guidance."

JOHN FORTSON, PRESIDENT AND CEO