

Third Quarter 2021 Financial Results and Highlights

Results driven by significantly higher volumes and prices in Engineered Polymers and Industrial Specialties, partially offset by the negative impact on Performance Materials of depressed automotive production due to the global microchip shortage

FINANCIAL HIGHLIGHTS
(VS PRIOR YEAR QUARTER)

Net sales	**$376.8M**	▲ 13.6%
Adj. EBITDA [1]	**$119.5M**	▼ 6.3%
Adj. EBITDA margin [1]	**31.7%**	▼ 680 bps
Adj. earnings [1]	**$64.4M**	▼ 13.2%
Diluted adj. earnings per share [1]	**$1.62**	▼ 9.5%
Free cash flow [1]	**$74.6M**	▲ 1.5%

BUSINESS SEGMENT PERFORMANCE
(VS PRIOR YEAR QUARTER)

	Performance Chemicals	Performance Materials
Revenue	**$258.7M**	**$118.1M**
Segment EBITDA	**$63.1M**	**$56.4M**
Segment EBITDA margin	**24.4%**	**47.8%**

OPERATIONAL HIGHLIGHTS

Performance Chemicals: Engineered Polymers sales up over 100% versus the prior year quarter due to increased global volume in all applications, particularly automotive and industrial markets; sales in Industrial Specialties applications rose more than 40% due to strengthening adhesives, dispersants, lubricants and oilfield markets; Pavement Technologies sales were slightly ahead

Performance Materials: Global microchip shortage continues to depress automotive production, negatively affecting our activated carbon product sales; Performance Materials sales and adjusted EBITDA down compared to 2020's third quarter when demand and production rebounded sharply from pandemic lows

Operating cash flow of $100 million drove free cash flow of $75 million

Maintained net debt to adjusted EBITDA ratio of 2.1x

REVISED GUIDANCE

Sales	Adjusted EBITDA [1]
$1.320B – $1.360B	**$405M – $420M**

"Our third quarter results were driven by markedly higher Performance Chemicals volumes in Engineered Polymers and Industrial Specialties and were supported by price increases across the segment. The prolonged impact of the global microchip shortage continues to depress automotive production, which negatively impacted our activated carbon product sales. While we expect an ongoing shortage of microchips, continued logistics headwinds and raw materials and energy inflation to be challenges throughout the rest of the year, we believe strongly in our team's proven ability to operate efficiently and effectively."

JOHN FORTSON, PRESIDENT AND CEO

[1] Represents a non-GAAP financial measure, please refer to quarterly earning presentations for Ingevity's use of non-GAAP financial measures, definitions of these financial measures as well as the reconciliation to the nearest GAAP financial measure.