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SECOND QUARTER 2023 EARNINGS PRESENTATION

August 3, 2023

Use of 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. The company does not attempt to provide reconciliations of forward-looking non-GAAP guidance to the comparable GAAP measure because the impact and timing of the factors underlying the guidance assumptions are inherently uncertain and difficult to predict and are unavailable without unreasonable efforts. In addition, Ingevity believes such reconciliations would imply a degree of certainty that could be confusing to investors.

Forward-looking statements: This presentation contains "forward-looking statements" within the meaning of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements generally include the words "will," "plans," "intends," "targets," "expects," "outlook," "believes," "anticipates" or similar expressions. Forward-looking statements may include, without limitation, the potential benefits of any acquisition or investment transaction, expected financial positions, expected financial positions, guidance, results of operations and cash flows; financing plans; business strategies and expectations; operating plans; impact of COVID-19; capital and other expenditures; competitive positions; growth opportunities for existing products; benefits from new technology and cost-reduction initiatives, plans and objectives; litigation related strategies and outcomes; markets for securities and expected future repurchases of shares, including statements about the manner, amount and timing of repurchases. Actual results could differ materially from the views expressed. Factors that could cause actual results to materially differ from those contained in the forward-looking statements, or that could cause other forward-looking statements to prove incorrect, include, without limitation, adverse effects from general global economic, geopolitical and financial conditions beyond our control, including inflation and war in Ukraine; risks related to our international sales and operations; adverse conditions in the automotive market; competition from substitute products, new technologies and new or emerging competitors; worldwide air quality standards; a decrease in government infrastructure spending; adverse conditions in cyclical end markets; the limited supply of or lack of access to sufficient crude tall oil and other raw materials; issues with or integration of future acquisitions and other investments; the provision of services by third parties at several facilities, including the impact of WestRock's shutdown of its North Charleston paper mill; adverse effects from the COVID-19 pandemic; supply chain disruptions; natural disasters and extreme weather events; or other unanticipated problems such as labor difficulties (including work stoppages), equipment failure or unscheduled maintenance and repair; attracting and retaining key personnel; dependence on certain large customers; legal actions associated with our intellectual property rights; protection of our intellectual property and other proprietary information; information technology security breaches and other disruptions; complications with designing or implementing our new enterprise resource planning system; government policies and regulations, including, but not limited to, those affecting the environment, climate change, tax policies, tariffs and the chemicals industry; and losses due to lawsuits arising out of environmental damage or personal injuries associated with chemical or other manufacturing processes, and the other factors detailed from time to time in the reports we file with the SEC, including those described in Part I, Item 1A. Risk Factors in our Annual Report on Form 10-K as well as in our other filings with the SEC. These forward-looking statements speak only to management's beliefs as of the date of this presentation. Ingevity assumes no obligation to provide any revisions to, or update, any projections and forward-looking statements contained in this presentation.

AGENDA

1 Quarter highlights and updates
2 Consolidated financial results
3 Segment performance
4 Guidance
5 Q&A



QUARTER HIGHLIGHTS AND UPDATES

- **Double-digit revenue growth while maintaining mid-20s EBITDA margins**
- **Improved auto production vs. last year positively impacted Performance Materials and Advanced Polymer Technologies**
- **Record sales quarter for Pavement Technologies business line reflects record legacy pavement sales and the addition of Ozark**
- **Crude tall oil (CTO) costs remain elevated, while extended destocking and lower demand in rosin end markets negatively impacted Industrial Specialties**
- **Initiated cost reduction actions with expected annualized savings of ~$35 million; $20 expected to be realized in 2023**



SECOND QUARTER (Q2) CONSOLIDATED FINANCIAL PERFORMANCE

Q2 financials (1)

$ in millions except percentage and EPS	Q2 2023	Q2 2022	vs PY Δ%
Net sales	**$481.8**	**$419.9**	**14.7%**
Adjusted gross profit	$169.5	$166.3	
Adjusted gross margin % net sales	35.2%	39.6%	***(440) bps***
Total SG&A excl. D&A	$45.8	$47.0	
% net sales	*9.5%*	*11.2%*	***170 bps***
Adjusted other (income) expense, net	$3.0	$(1.8)	
% net sales	*0.6%*	*(0.4)%*	***(100) bps***
Adjusted EBITDA	$120.7	$121.1	**(0.3)%**
% margin	***25.1%***	***28.8%***	***(370) bps***
Diluted adjusted EPS	$1.41	$1.73	**(18.5)%**

Performance highlights

Sales up ~15% driven by stronger pricing across all segments and volume increases in Performance Materials (PM) and Performance Chemicals' (PC) Pavement Technologies business line, partially offset by weaker volumes in other parts of the company

- Stronger auto production in North America and China vs last year benefited PM and Advanced Polymer Technologies (APT)
- Increased global sales in PC's pavement and oilfield, and growth in key APT end markets such as bioplastics and automotive

Adjusted gross profit margin negatively impacted by lower volumes and elevated raw material costs, primarily CTO

Adjusted EBITDA margin down due to gross margin pressure

Diluted adjusted EPS impacted by higher interest expense and D&A associated with the Ozark acquisition, and higher effective income tax rate

(1) With the exception of Net sales, numbers on this slide are non-GAAP; please see appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures and reconciliations to the nearest GAAP financial measures.

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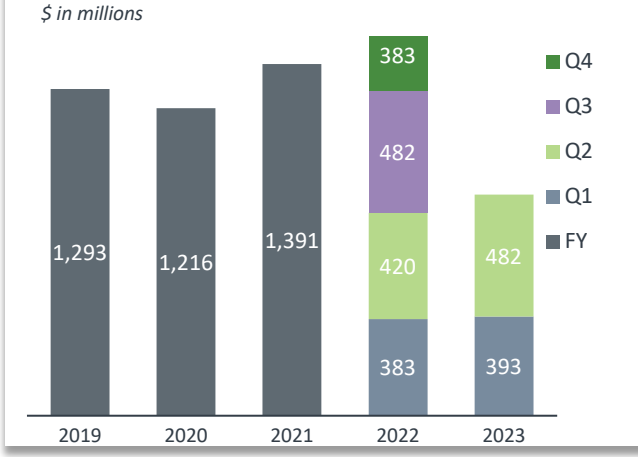
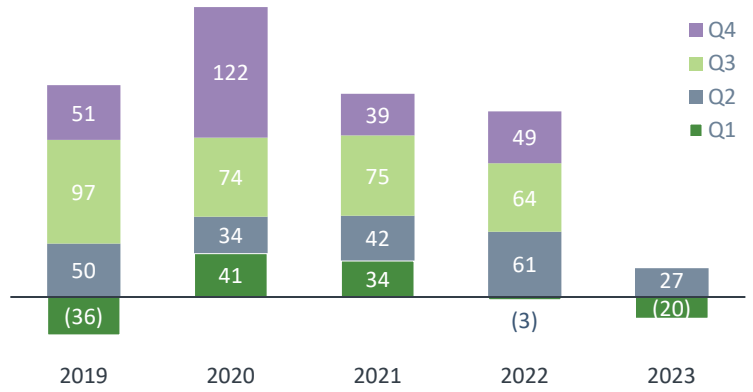
Q2 2023 FINANCIAL METRICS AND HIGHLIGHTS

Net Sales



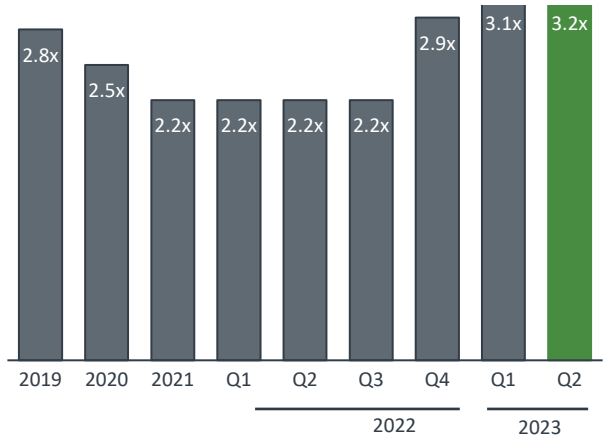
- Sales for Q2 2023 include contribution of Ozark road markings business
- Year-over-year sales are higher excluding Ozark

Free cash flow (1)



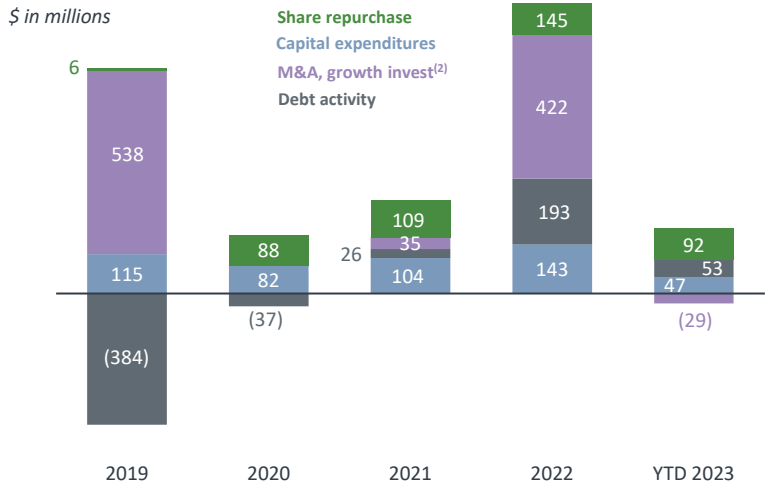
- FCF of $27 million impacted by higher inventory levels, primarily driven by higher CTO prices and lower rosin demand

Net Debt Ratio (1)



- Net debt ratio of 3.2x similar to Q1

Capital allocation



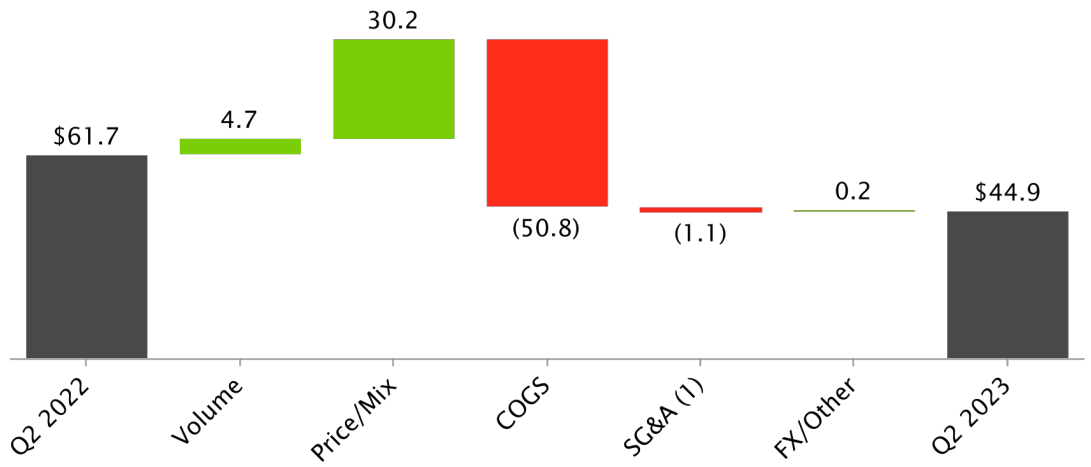
- Q2 share repurchases totaled $59 million, and YTD $92 million

(1) Please see appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures and reconciliations to the nearest GAAP financial measures.
(2) Includes cash received from the sale of our strategic equity method investment during the three months ended, March 31, 2023.

PERFORMANCE CHEMICALS

$ IN MILLIONS	Q2 2023	Q2 2022	▲ $ VS. PRIOR YEAR	▲ % VS. PRIOR YEAR
Net Sales	**284.0**	**243.7**	**40.3**	**16.5%**
Industrial Specialties	143.1	165.9	(22.8)	(13.7)%
Pavement Technologies	140.9	77.8	63.1	81.1%
Segment EBITDA	**44.9**	**61.7**	**(16.8)**	**(27.2)%**
Segment EBITDA Margin	**15.8%**	**25.3%**		**(950) bps**

Q2 Segment EBITDA



Performance highlights

Sales of $284.0 million up 17% due to higher pricing across the segment and the addition of Ozark, partially offset by lower volumes in Industrial Specialties

- **INDUSTRIAL SPECIALTIES*:*** Sales down 14% due to lower volumes primarily as a result of weaker demand in rosin end-markets
- **PAVEMENT TECHNOLOGIES:** Sales up due to the acquisition of Ozark; record legacy pavement performance driven by global technology adoption

Segment EBITDA of $44.9 million down 27%; segment EBITDA margin of 15.8%

- Results reflect higher raw material costs, primarily CTO, and lower capacity utilization

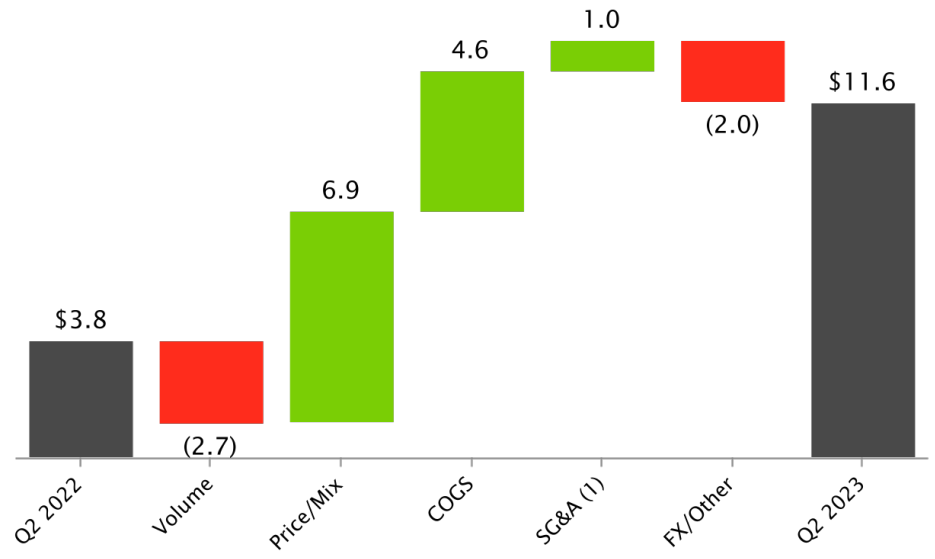


(1) SG&A includes research and technical expenses

ADVANCED POLYMER TECHNOLOGIES

$ IN MILLIONS	Q2 2023	Q2 2022	▲ $ VS. PRIOR YEAR	▲ % VS. PRIOR YEAR
Net Sales	53.2	53.8	(0.6)	(1.1)%
Segment EBITDA	11.6	3.8	7.8	205.3%
Segment EBITDA Margin	21.8%	7.1%		1470 bps

Q2 Segment EBITDA



Performance highlights

Sales of $53.2 million flat due to market weakness in Europe and Asia

- Increased sales volumes in North America driven by strong automotive and bioplastics demand, offset by volume weakness in China and Europe

Segment EBITDA more than tripled to $11.6 million; segment EBITDA margin improved to 21.8% as we benefited from our margin improvement initiatives and lower input costs



(1) SG&A includes research and technical expenses

PERFORMANCE MATERIALS

$ IN MILLIONS	Q2 2023	Q2 2022	▲ $ VS. PRIOR YEAR	▲ % VS. PRIOR YEAR
Net Sales	**144.6**	**122.4**	**22.2**	**18.1%**
Segment EBITDA	**64.2**	**55.6**	**8.6**	**15.5%**
Segment EBITDA Margin	**44.4%**	**45.4%**		**(100) bps**

Q2 Segment EBITDA



Performance highlights

Sales of $144.6 million up 18% as last year's volumes were negatively impacted by Covid-related shutdowns in China

- Volumes up in North America and China, Europe flat

Segment EBITDA of $64.2 million up 16%, segment EBITDA margin of 44.4%

- Margin impacted by higher operating costs including impact of lower plant run rates to manage inventory levels



(1) SG&A includes research and technical expenses

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2023 GUIDANCE AND OUTLOOK

FY Guidance

Financial metric	FY Guidance
Revenue	$1.6 - $1.7 billion
Adj. EBITDA [1]	$390 - $420 million
Capital expenditures	$100 – $120 million
Free cash flow [1]	$100 - $120 million
Net debt ratio [1]	~3.0X

Adjustment to Guidance:

- Cost of CTO stays higher for longer
- Persistent weak demand for rosin-based products constrains TOFA production and sales
- Recovery in China less robust than expected, negatively affecting expected growth in PM and APT
- Muted general industrial growth negatively impacting volumes across all product lines except pavement
- Free cash flow impacted by expected cash spend related to WestRock plant closure and cost reduction actions totaling approximately $30 million

(1) Please see appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures and reconciliations to the nearest GAAP financial measures.

FOR MORE INFORMATION

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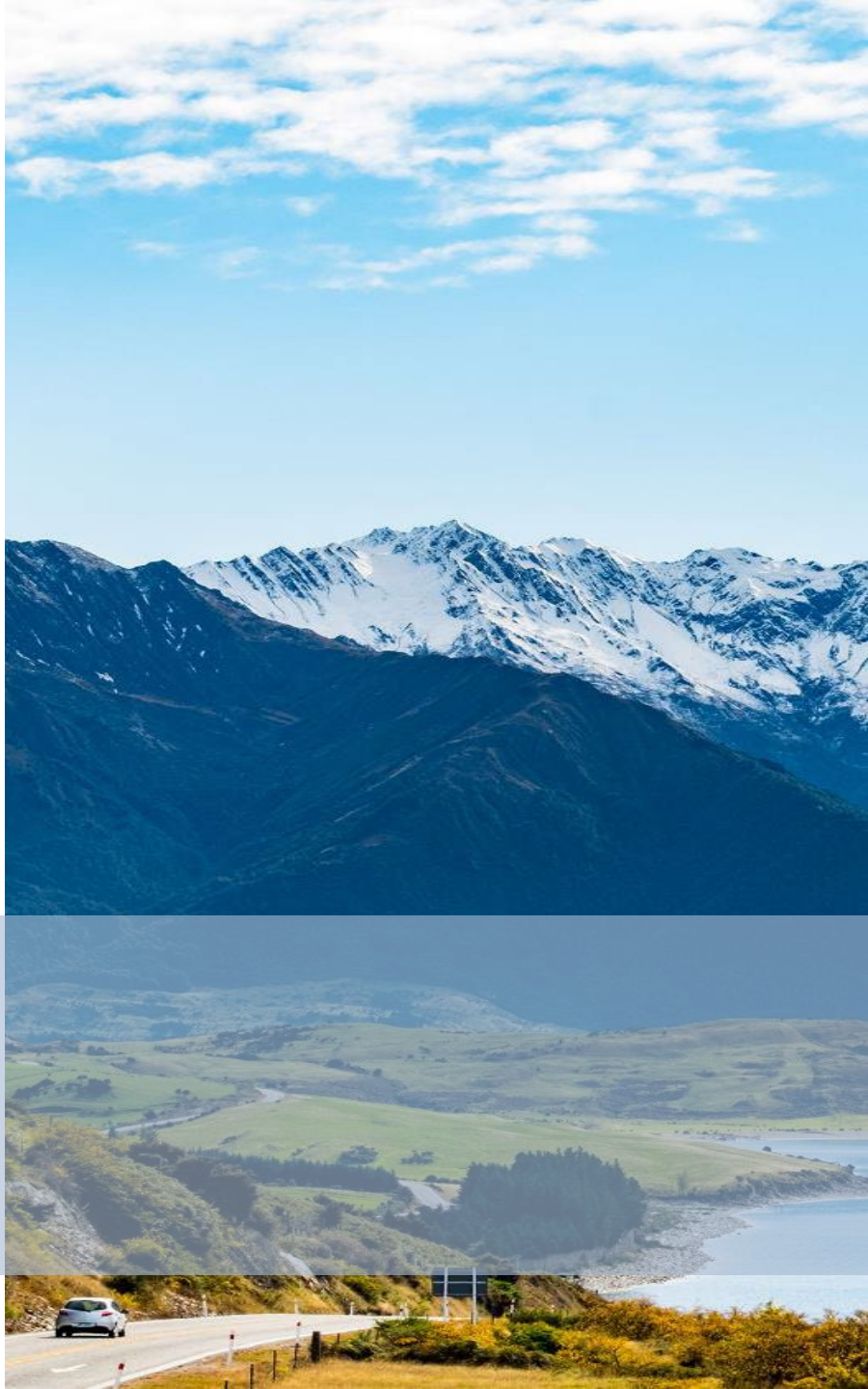
Thank you for your interest in Ingevity.



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, debt refinancing fees, litigation verdict charges, (losses) and gains from the sale of strategic investments, 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 net income (loss) per diluted share plus restructuring and other (income) charges, net, acquisition and other related costs, debt refinancing fees, litigation verdict charges, (losses) and gains from the sale of strategic investments, pension and postretirement settlement and curtailment (income) charges and the income tax expense (benefit) on those items, less the tax provision (benefit) from certain discrete tax items, in each case on a per share basis.

Adjusted Gross Profit is defined as gross profit plus depreciation and amortization, acquisition and other-related costs, pension and postretirement settlement and curtailment (income) charges.

Adjusted Gross Margin is defined as Adjusted Gross Profit divided by Net sales.

Adjusted SG&A is defined as selling, general, and administrative costs plus research and technical expenses less depreciation and amortization.

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

Adjusted Other (income) expense, **net** is defined as Other (income) expense, net plus litigation verdict charges and depreciation and amortization.

Adjusted Other (income) expense, net as a Percent of Sales is defined as Adjusted other (income) expense, net divided by Net sales.

Adjusted EBITDA is defined as net income (loss) plus interest expense, net, provision (benefit) for income taxes, depreciation, amortization, restructuring and other (income) charges, net, acquisition and other-related costs, litigation verdict charges, (losses) and gains from the sale of strategic investments, pension and postretirement settlement and curtailment (income) charges, net.

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

Adjusted earnings (loss) before income taxes is defined as Adjusted EBITDA less depreciation, amortization, interest expense, net, debt refinancing fees, and (losses) and gains from the sale of strategic investments.

Provision (benefit) for Income Taxes on Adjusted earnings (loss) is defined as provision for income taxes plus the tax expense (benefit) on restructuring and other (income) charges, net, acquisition and other-related costs, debt refinancing fees, litigation verdict charges, (losses) and gains from the sale of strategic investments, pension and postretirement settlement and curtailment (income) charges, less the provision (benefit) from certain discrete tax items.

Adjusted Tax Rate is defined as the Provision (benefit) for income taxes on Adjusted earnings (loss) divided by Adjusted earnings (loss) before income taxes.

Free Cash Flow is defined as net cash provided by operating activities less capital expenditures.

Net Debt is defined as the sum of notes payable, short-term debt, current maturities of long-term debt and long-term debt less the sum of cash and cash equivalents, restricted cash associated with our New Market Tax Credit financing arrangement, and restricted investment excluding the allowance for credit losses on held-to-maturity debt securities.

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

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 2023 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; litigation verdict charges; (losses) and gains from the sale of strategic investments; additional pension and postretirement settlement and curtailment (income) charges; and revisions due to legislative tax rate changes. 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 the adjusted tax rate as projected for 2023 is not provided due to the same reasons as listed under the net income to adjusted EBITDA as projected for 2023 detailed above. A reconciliation of our total debt to net income ratio to our net debt ratio as projected for 2023 is not provided as we do not forecast net income as noted above.

Reconciliation of Net Income (Loss) (GAAP) and Diluted Earnings (Loss) Per Share (GAAP) to Adjusted Earnings (Loss) (Non-GAAP) and Diluted Adjusted Earnings (Loss) Per Share (Non-GAAP)

	Three Months Ended June 30,		Six Months Ended June 30,	
In millions, except per data (unaudited)	2023	2022	2023	2022
Net income (loss) (GAAP)	$ 35.5	$ 59.8	$ 86.2	$ 120.6
Restructuring and other (income) charges [1] [6]	19.2	3.7	24.8	7.3
Acquisition and other related costs [2] [7]	1.8	—	4.5	—
Debt refinancing fees [3]	—	5.1	—	5.1
Gain on sale of strategic investment [4]	—	—	(19.2)	—
Tax effect on items above	(4.8)	(2.1)	(2.3)	(2.9)
Certain discrete tax provision (benefit) [5]	(0.1)	0.5	(1.3)	0.4
Adjusted earnings (loss) (Non-GAAP)	$ 51.6	$ 67.0	$ 92.7	$ 130.5
Diluted earnings (loss) per common share (GAAP)	$ 0.97	$ 1.54	$ 2.33	$ 3.09
Restructuring and other (income) charges	0.52	0.10	0.67	0.19
Acquisition and other related costs	0.05	—	0.12	—
Debt refinancing fees	—	0.13	—	0.13
Gain on sale of strategic investment	—	—	(0.52)	—
Tax effect on items above	(0.13)	(0.05)	(0.06)	(0.07)
Certain discrete tax provision (benefit)	—	0.01	(0.04)	0.01
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 1.41	$ 1.73	$ 2.50	$ 3.35
Weighted average common shares outstanding - Diluted	36.6	38.7	37.1	39.0

(1) For the three and six months ended June 30, 2023, charges of $4.5 million and $6.2 relate to the Performance Materials segment, charges of $12.6 million and $15.7 relate to the Performance Chemicals segment, and charges of $1.1 million and $1.9 relate to the Advanced Polymer Technologies segment, respectively. For the three and six months ended June 30, 2022, charges of $1.3 million and $2.6 million relate to the Performance Materials segment, charges of $1.9 million and $3.7 million relate to the Performance Chemicals segment, and charges of $0.5 million and $1.0 million relate to the Advanced Polymer Technologies segment, respectively.

(2) All charges relate to the integration of Ozark Materials into the Performance Chemicals segment.

(3) Represents the acceleration of deferred financing fees, debt extinguishment premium paid and other fees incurred related to our senior note redemption, term loan repayment, revolving credit facility amendment, and termination of certain interest rate swaps during the period ended June 30, 2022. Management believes excluding these items assists investors, potential investors, securities analysts, and others in understanding the continuing operating results thereby providing useful supplemental information about operational performance.

(4) During the first quarter of 2023, we sold a strategic equity method investment for $31.4 million, resulting in a $19.2 million gain, recorded within "Other (income) expense, net" on the condensed consolidated statement of operations.

(5) Represents certain discrete tax items such as excess tax benefits on stock compensation and impacts of legislative tax rate changes. 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.

(6) Excludes $1.0 million of Depreciation and amortization for the three and six months ended June 30, 2023, relating to the alternative feedstock transition within our Performance Chemicals reportable segment.

(7) Includes zero and $0.8 million of Inventory fair value step-up amortization for the three and six months ended June 30, 2023, respectively, relating to the acquisition and integration of Ozark Materials into the Performance Chemicals segment. Included within "Cost of sales" on the consolidated statement of operations.

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

In millions, except percentages (unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Net income (loss) (GAAP)	$ 35.5	$ 59.8	$ 86.2	$ 120.6
Provision (benefit) for income taxes	12.2	16.7	25.6	33.5
Interest expense, net	21.6	15.1	41.2	25.8
Depreciation and amortization	31.4	25.8	62.5	52.9
Restructuring and other (income) charges, net [(1)]	18.2	3.7	23.8	7.3
Acquisition and other related costs	1.8	—	4.5	—
Gain on strategic investment	—	—	(19.2)	—
Adjusted EBITDA (Non-GAAP)	$ 120.7	$ 121.1	$ 224.6	$ 240.1
Net sales	$ 481.8	$ 419.9	$ 874.4	$ 802.7
Net income (loss) margin	7.4 %	14.2 %	9.9 %	15.0 %
Adjusted EBITDA margin	25.1 %	28.8 %	25.7 %	29.9 %

(1) Excludes $1.0 million of Depreciation and amortization for the three and six months ended June 30, 2023, relating to the alternative feedstock transition within our Performance Chemicals reportable segment.

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Reconciliation of Gross Profit (GAAP) to Adjusted Gross Profit (Non-GAAP)

In millions, except percentages (unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	**2022**	**2023**	**2022**
Gross Profit (GAAP)	$ 153.0	$ 150.6	$ 283.4	$ 288.4
Plus:				
Depreciation and amortization	17.5	15.7	34.8	32.3
AFA Transition	(1.0)	—	(1.0)	—
Inventory fair value step-up amortization	—	—	0.8	—
Adjusted gross profit (Non-GAAP)	$ 169.5	$ 166.3	$ 318.0	$ 320.7
Net Sales	$ 481.8	$ 419.9	$ 874.4	$ 802.7
Gross margin	31.8 %	35.9 %	32.4 %	35.9 %
Adjusted Gross margin	35.2 %	39.6 %	36.4 %	40.0 %

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Reconciliations of SG&A (GAAP) to Adjusted SG&A (Non-GAAP)

In millions, except percentages (unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
SG&A (GAAP)	$ 51.7	$ 48.7	$ 100.3	$ 88.7
Research and technical expenses (GAAP)	8.0	8.2	16.8	15.5
Total SG&A (GAAP)	59.7	56.9	117.1	104.2
Less:				
Depreciation and amortization	13.9	9.9	26.6	20.3
Adjusted SG&A (Non-GAAP)	$ 45.8	$ 47.0	$ 90.5	$ 83.9
Net Sales	$ 481.8	$ 419.9	$ 874.4	$ 802.7
SG&A as a percent of Net sales	10.7 %	11.6 %	11.5 %	11.1 %
Adjusted SG&A as a percent of Net sales	9.5 %	11.2 %	10.3 %	10.5 %

Reconciliations of Other (income) expense, net (GAAP) to Adjusted Other (income) expense, net (Non-GAAP)

In millions, except percentages (unaudited)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Other (income) expense, net (GAAP)	$ 3.0	$ (1.6)	$ (15.2)	$ (3.0)
Less:				
Gain on strategic investment	—	—	(19.2)	—
Depreciation and amortization	—	0.2	1.1	0.3
Other (income) expense, net (Non-GAAP)	$ 3.0	$ (1.8)	$ 2.9	$ (3.3)
Net Sales	$ 481.8	$ 419.9	$ 874.4	$ 802.7
OIE as a percent of Net sales	0.6 %	(0.4)%	(1.7)%	(0.4)%
Adjusted OIE as a percent of Net sales	0.6 %	(0.4)%	0.3 %	(0.4)%

Reconciliation of Cash Flow from Operations (GAAP) to Free Cash Flow (Non-GAAP)

In millions (unaudited)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Cash Flow from Operations	$ 48.4	$ 90.5	$ 53.6	$ 114.8
Less: Capital Expenditures	21.7	29.6	47.1	57.2
Free Cash Flow	$ 26.7	$ 60.9	$ 6.5	$ 57.6

	2018				2019			
In millions (unaudited)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash Flow from Operations	$ 9.7	$ 61.4	$ 95.3	$ 85.6	$ (8.0)	$ 79.5	$ 118.7	$ 85.5
Less: Capital Expenditures	13.3	17.1	26.2	37.3	28.1	29.6	22.1	35.0
Free Cash Flow	$ (3.6)	$ 44.3	$ 69.1	$ 48.3	$ (36.1)	$ 49.9	$ 96.6	$ 50.5

	2020				2021			
In millions (unaudited)	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash Flow from Operations	$ 60.2	$ 48.9	$ 90.0	$ 153.3	$ 51.1	$ 65.8	$ 100.1	$ 76.0
Less: Capital Expenditures	19.5	15.0	16.5	31.1	17.0	23.9	25.5	37.4
Free Cash Flow	$ 40.7	$ 33.9	$ 73.5	$ 122.2	$ 34.1	$ 41.9	$ 74.6	$ 38.6

	2022				2023
In millions (unaudited)	Q1	Q2	Q3	Q4	Q1
Cash Flow from Operations	$ 24.3	$ 90.5	$ 100.1	$ 98.2	$ 5.2
Less: Capital Expenditures	27.6	29.6	36.1	49.2	25.4
Free Cash Flow	$ (3.3)	$ 60.9	$ 64.0	$ 49.0	$ (20.2)

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

In millions, except ratios (unaudited)	June 30, 2023
Notes payable and current maturities of long-term debt	$ 0.9
Long-term debt including finance lease obligations	1,525.5
Debt issuance costs	6.0
Total Debt	$ 1,532.4
Less:	
Cash and cash equivalents [1]	68.2
Restricted investment [2]	79.8
Net Debt	$ 1,384.4

Net Debt Ratio (Non GAAP)	
Adjusted EBITDA [3]	
Twelve months ended December 31, 2022	452.6
Six months ended June 30, 2022	(240.1)
Six months ended June 30, 2023	224.6
Adjusted EBITDA - last twelve months (LTM) as of June 30, 2023	$ 437.1
Net debt ratio (Non GAAP)	3.2x

(1) Includes $0.2 million of Restricted Cash related to the New Market Tax Credit arrangement for the three months ended June 30, 2023.

(2) Excludes $0.3 million allowance for credit losses on held-to-maturity debt securities.

(3) Refer to the Reconciliation of Net Income (GAAP) to Adjusted EBITDA (Non-GAAP) schedule for the reconciliation to the most comparable GAAP financial measure.

Calculation of Historical Net Debt Ratio (Non-GAAP)

	December 31,			2022				2023
In millions, except ratios (unaudited)	2019	2020	2021	Q1	Q2	Q3	Q4	Q1
Net Debt [1]	$ 1,121.0	$ 982.7	$ 928.7	$ 976.7	$ 975.9	$ 1,011.3	$ 1,324.3	$ 1,352.3
Adjusted EBITDA[2]	396.9	397.9	422.2	435.8	439.2	457.9	452.6	437.5
Caprolactone Pro Forma [3]	5.5	—	—	—	—	—	—	—
LTM Pro Forma Adjusted EBITDA	$ 402.4	$ 397.9	$ 422.2	$ 435.8	$ 439.2	$ 457.9	$ 452.6	$ 437.5
Net Debt Ratio	2.8x	2.5x	2.2x	2.2x	2.2x	2.2x	2.9x	3.1x

(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-K and 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, litigation verdict accrual and pension and postretirement settlement and curtailment (income) charges for each period included above. See the Company's Form 10-K and 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-K for each respective period.