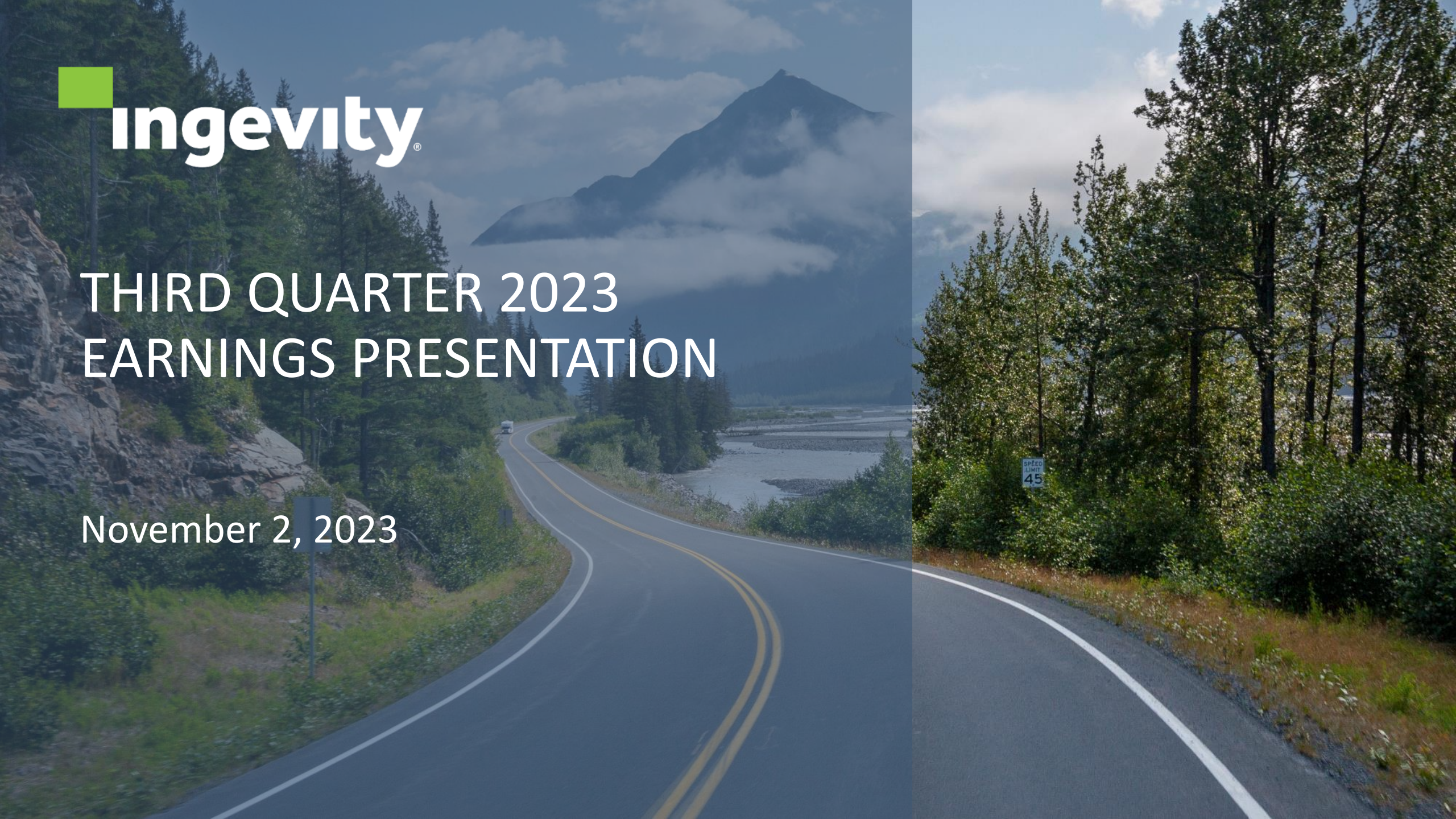


THIRD QUARTER 2023 EARNINGS PRESENTATION

November 2, 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," "guidance," "believes," "anticipates" or similar expressions. Forward-looking statements may include, without limitation, anticipated timing, charges and costs of the closure of our DeRidder, Louisiana plant; the potential benefits of any acquisition or investment transaction, 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; and markets for securities. 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, charges, costs or actions, including adverse legal or regulatory actions resulting from, or in connection with, the closure of our DeRidder, Louisiana plant; losses due to resale of CTO at less than we paid for it; adverse effects from general global economic, geopolitical and financial conditions beyond our control, including inflation and the Russia-Ukraine war and Israel-Gaza war; 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 raw materials, or any material increase in the cost to acquire such 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 Securities and Exchange Commission (the "SEC"), including those described in Part I, Item 1A. Risk Factors in our most recent 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 | Performance Chemicals repositioning
6 | Q&A



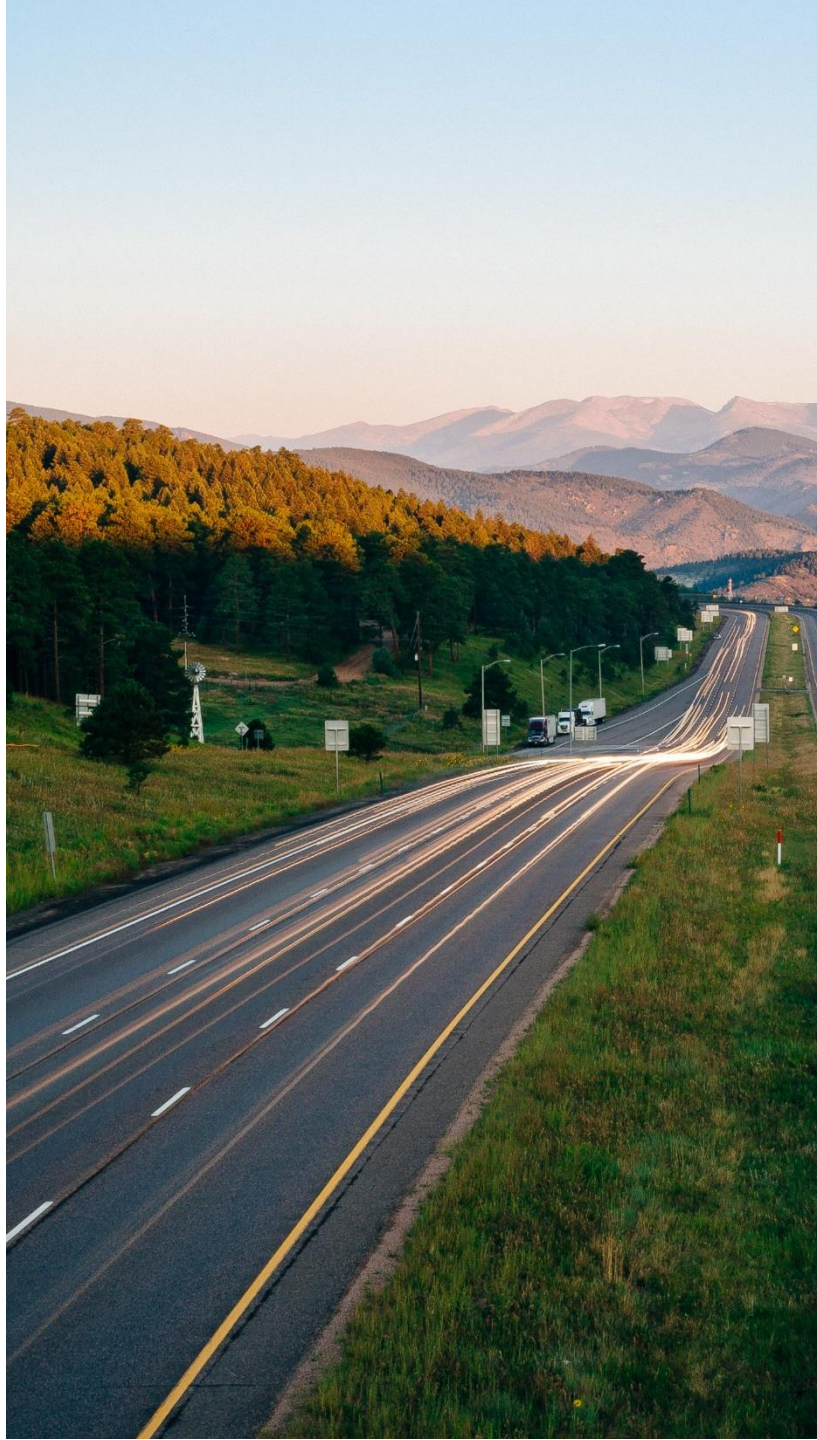
QUARTER HIGHLIGHTS AND UPDATES

Performance Chemicals segment EBITDA lower by 62% due to higher Crude Tall Oil (CTO) costs and weak demand, primarily in rosin-based end markets and oilfield

Performance Materials grew segment EBITDA by over 20% with EBITDA margins of 50.6% on increased automotive sales in North America and Asia; limited impact of auto industry strike in Q3

Advanced Polymer Technologies saw lower volume particularly in more commoditized markets, but improved margins on pricing actions, lower energy and raw material costs and disciplined cost management, delivering 26.2% segment EBITDA margins

Announced acceleration of Performance Chemicals segment repositioning to enhance profitability and earnings stability of the company as we execute our corporate strategy to focus on higher margin and higher growth specialty products, diversify feedstocks and optimize our manufacturing network



THIRD QUARTER (Q3) CONSOLIDATED FINANCIAL PERFORMANCE

Q3 financials (1)

$ in millions except percentage and EPS	Q3 2023	Q3 2022	vs PY Δ%
Net sales	**$446.0**	**$482.0**	**(7.5%)**
Adjusted gross profit	$145.5	$192.1	
Adjusted gross margin % net sales	32.6%	39.9%	***(730) Bps***
Total SG&A excl. D&A	$33.7	$52.1	
% net sales	*7.6%*	*10.8%*	***320 Bps***
Adjusted other (income) expense, net	$1.4	$1.8	
% net sales	*0.3%*	*0.4%*	***10 Bps***
Adjusted EBITDA	$110.4	$138.2	**(20.1)%**
% margin	***24.8%***	***28.7%***	***(390) Bps***
Diluted adjusted EPS	$1.21	$2.09	**(42.1)%**

Performance highlights

Q3 sales reflect weaker volumes across all segments compared to a record prior year, partially offset by growth in Performance Materials (PM) and Performance Chemicals' (PC) Pavement Technologies business line

- Strong performance, despite auto industry strike actions, in Performance Materials and increased pricing in Pavement Technologies drove year over year revenue growth
- Performance Chemicals and Advanced Polymer Technologies (APT) were negatively impacted by continuing industrial demand weakness

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

Total SG&A excl. D&A lower by 35% primarily reflecting cost savings measures and lower incentive compensation

Adjusted EBITDA margin down due to significantly elevated CTO costs and lower volumes, partially offset by improved pricing, cost reduction actions and favorable product mix

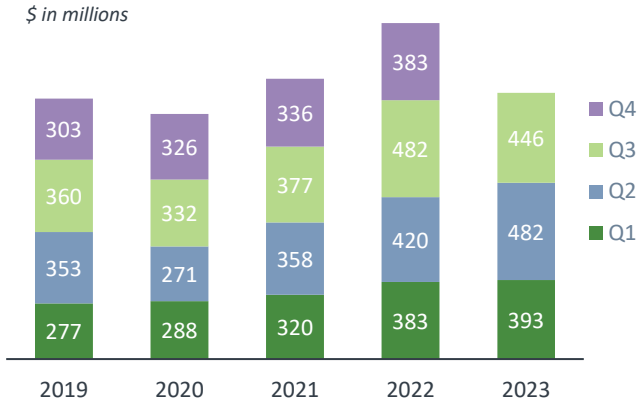
Diluted adjusted EPS decrease to $1.21 reflects lower operating earnings and increased interest expense related primarily to Ozark acquisition

(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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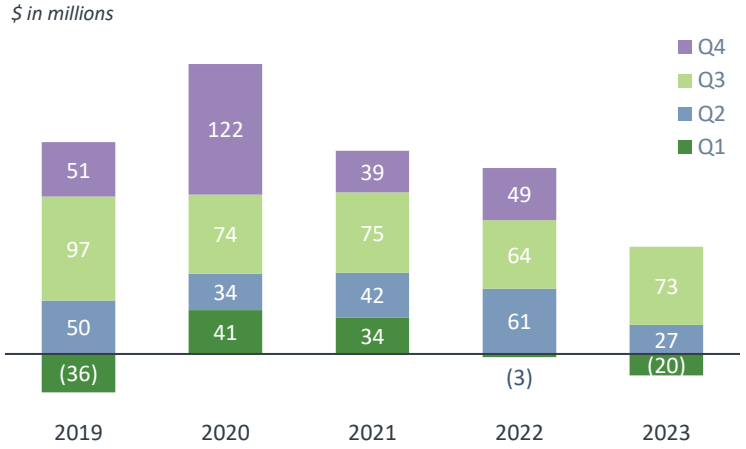
Q3 2023 FINANCIAL METRICS AND HIGHLIGHTS

Net Sales



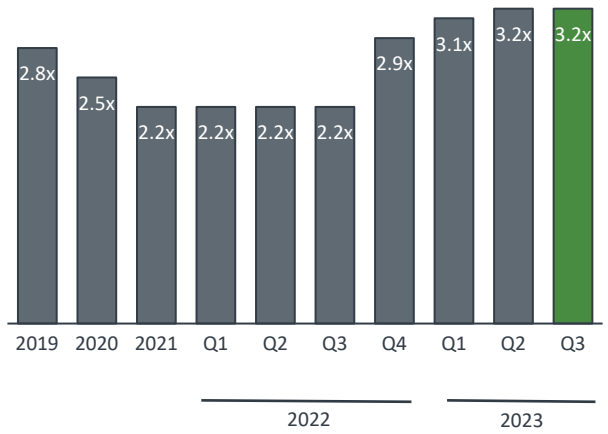
- Q3 sales lower versus record prior year primarily due to reduced demand in Industrial Specialties and APT

Free cash flow (FCF)



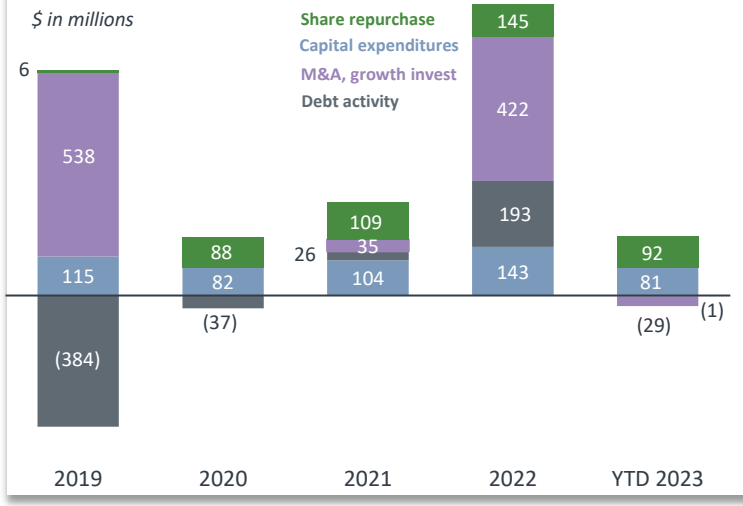
- FCF of $73 million driven by a reduction in AR which offset higher inventory

Net Debt Ratio



- Q3 leverage flat at 3.2x as debt repayments offset lower EBITDA

Capital allocation



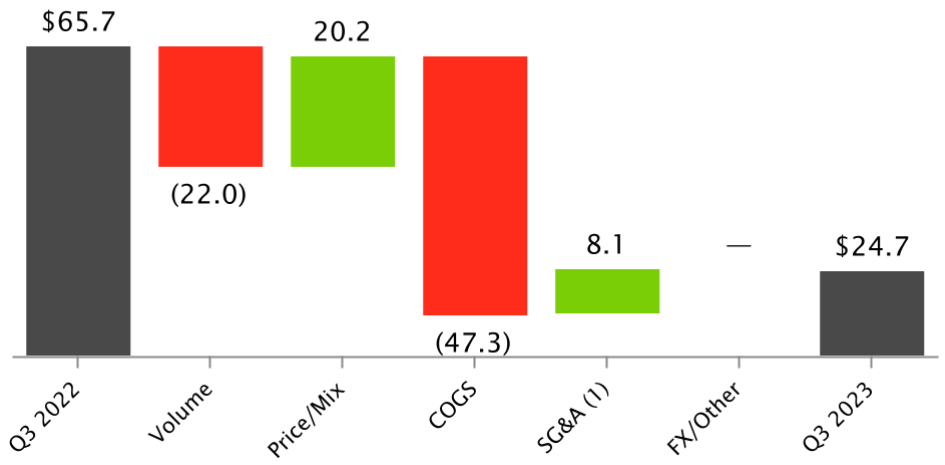
- CapEx spending includes ~$10M related to the separation of North Charleston plant from WestRock mill

NOTE: 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.

PERFORMANCE CHEMICALS

$ IN MILLIONS	Q3 2023	Q3 2022	▲ $ VS. PRIOR YEAR	▲ % VS. PRIOR YEAR
Net Sales	**256.0**	**267.6**	**(11.6)**	**(4.3)%**
Industrial Specialties	126.3	179.3	(53.0)	(29.6)%
Pavement Technologies	129.7	88.3	41.4	46.9%
Segment EBITDA	**24.7**	**65.7**	**(41.0)**	**(62.4)%**
Segment EBITDA Margin	**9.6%**	**24.6%**		**(1500) Bps**

Q3 Segment EBITDA



Performance highlights

Sales of $256.0 million down 4% due to lower volumes in Industrial Specialties as a result of weaker industrial demand, particularly in rosin end markets

- **INDUSTRIAL SPECIALTIES*:*** Sales down 30% driven by lower volumes across the business primarily attributed to global market weakness and share loss from pricing actions to offset higher CTO costs
- **PAVEMENT TECHNOLOGIES:** Sales up 47% due to legacy business pricing gains and the acquisition of Ozark, resulting in record performance

Segment EBITDA of $24.7 million down 62%; segment EBITDA margin of 9.6%

- Results reflect higher CTO raw material costs and the negative operating cost impact of lower capacity utilization

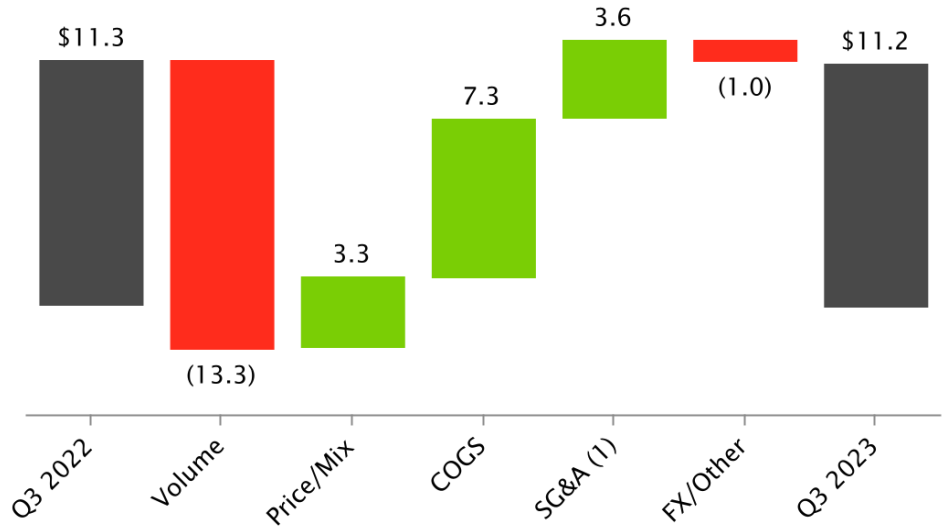


(1) SG&A includes research and technical expenses

ADVANCED POLYMER TECHNOLOGIES

$ IN MILLIONS	Q3 2023	Q3 2022	▲ $ VS. PRIOR YEAR	▲ % VS. PRIOR YEAR
Net Sales	**42.8**	**69.5**	**(26.7)**	**(38.4)%**
Segment EBITDA	**11.2**	**11.3**	**(0.1)**	**(0.9)%**
Segment EBITDA Margin	**26.2%**	**16.3%**		**990 bps**

Q3 Segment EBITDA



Performance highlights

Sales of $42.8 million down 38% reflect global market weakness impacting volumes across all end markets, particularly in lower margin applications

- Asia down due to low demand and customers maintaining lower inventory levels; Europe and Americas down due to continued economic slowdown

Segment EBITDA of $11.2 million flat to prior year; segment EBITDA margin improves almost 1000 bps to 26.2%

- Increased pricing, lower raw material and energy costs as well as cost savings measures resulted in significantly improved EBITDA margins

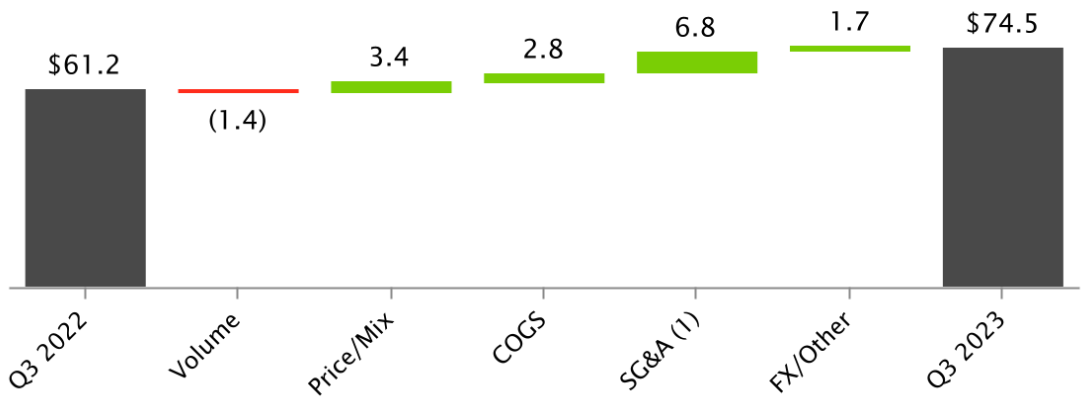


(1) SG&A includes research and technical expenses

PERFORMANCE MATERIALS

$ IN MILLIONS	Q3 2023	Q3 2022	▲ $ VS. PRIOR YEAR	▲ % VS. PRIOR YEAR
Net Sales	**147.2**	**144.9**	**2.3**	**1.6%**
Segment EBITDA	**74.5**	**61.2**	**13.3**	**21.7%**
Segment EBITDA Margin	**50.6%**	**42.2%**		**840 bps**

Q3 Segment EBITDA



Performance highlights

Sales of $147.2 million up 2% as automotive carbon benefited from increased auto production

- Strong demand for automotive carbon in Asia Pacific and North America markets created favorable product mix offsetting lower volumes in Europe and in non-automotive markets
- Auto industry strikes had limited impact in the quarter

Segment EBITDA of $74.5 million up 22%; segment EBITDA margin of 50.6%

- Favorable product mix of automotive carbon coupled with cost saving actions, including lower incentive compensation



(1) SG&A includes research and technical expenses

2023 GUIDANCE AND OUTLOOK

FY Guidance

Financial metric	FY Guidance
Revenue	$1.6 - $1.7 billion
Adj. EBITDA [(1)]	$375 - $390 million
Capital expenditures	$95 – $105 million
Free cash flow [(1)]	$75 - $85 million
Net debt ratio [(1)]	~3.2X

Adjustment to Guidance:

- Weak industrial markets expected to continue into the fourth quarter
- Inventory build, primarily of CTO and rosin, negatively impacting working capital this year; plan to execute sales of excess CTO to improve inventory levels and cash flow
- Expect leverage to remain in line with Q3
- Combined savings from Q2 actions and today's announcement of ~$25 million are included; restructuring charges are not reflected **(1)**

(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.


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PERFORMANCE CHEMICALS
BUSINESS REPOSITIONING
SPEED LIMIT 45

PERFORMANCE CHEMICALS REPOSITIONING

Focusing on higher margin, higher growth specialty products which are less cyclical

- Prioritizing pavement applications, and certain industrial and oilfield markets; exiting non-specialty, commoditized markets
- Performance Chemicals segment EBITDA margins to improve from mid-single digits to 15-20% as Alternative Fatty Acids (AFA) ramps up

Reducing dependence on CTO which has undergone dramatic structural changes related to the biofuels market

- CTO cost increases amplify impact of cyclical rosin-based end markets
- Multiple oleo feedstocks provides flexibility to optimize raw material costs and availability
- Flexibility to participate in biofuels market

Expect to generate $65-75M in annual savings beginning in 2024

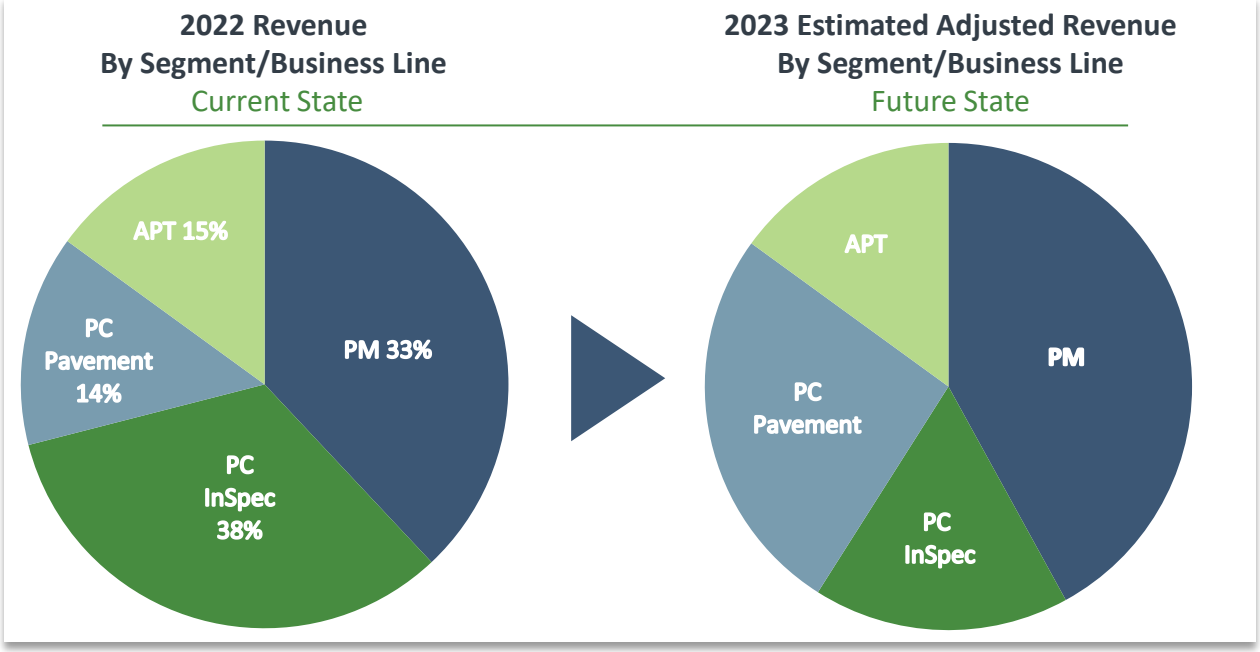
- Closing DeRidder, LA operations by the end of the first half of 2024
- Continuing to assess manufacturing network to support specialty businesses

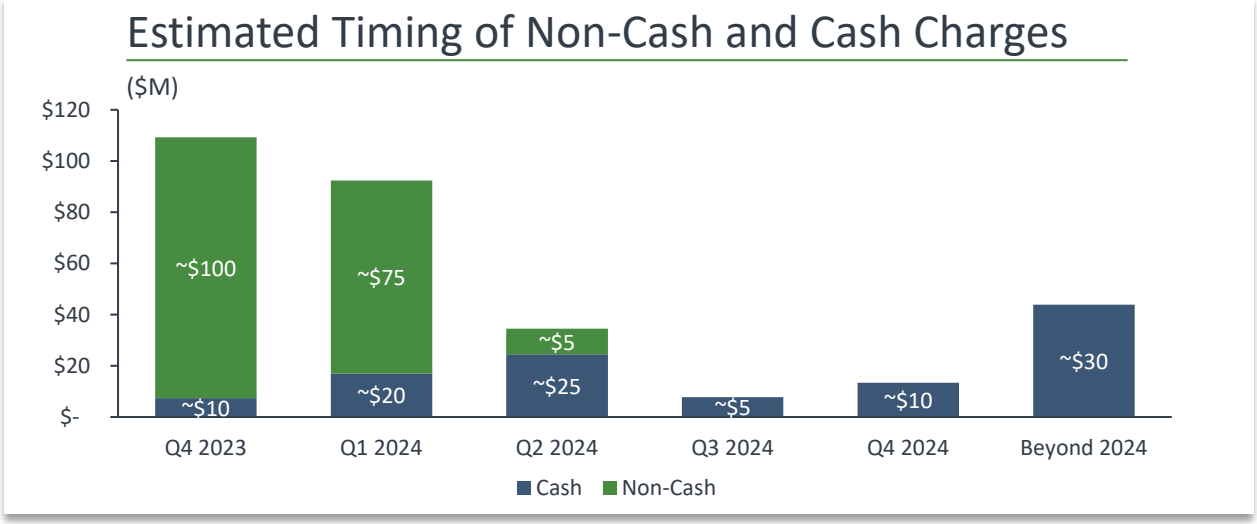
Results in a stronger, more focused Ingevity

- Focus our capital and resources on most profitable growth markets
- Expect full company adjusted EBITDA margin to improve to 25-30%
- Streamlining business and corporate support functions to align with focus on specialty markets

NOTE: 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.

PERFORMANCE CHEMICALS REPOSITIONING

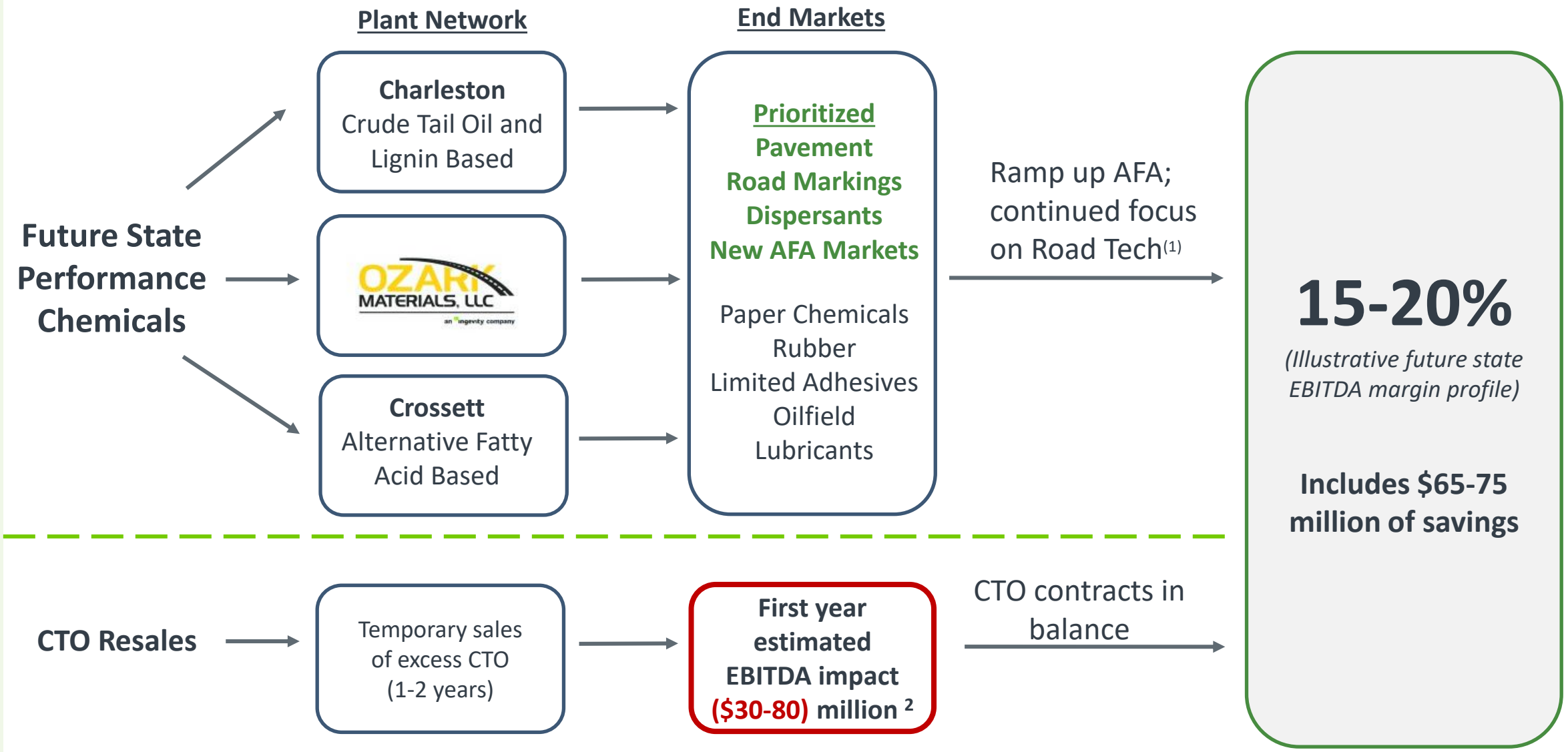




- Repositioning results in ~$300 million less revenue in Performance Chemicals
  - Reducing presence in rosin-based end markets such as adhesives and printing inks, and increasing focus on AFA substitutes for Tall Oil Fatty Acid (TOFA) end markets
- Total global headcount reduced by approximately 20%
- Total charges of ~$280 million associated with this repositioning, inclusive of the DeRidder plant closure
  - Expect ~$180 million of the total charges to be non-cash; ~$100 million in cash
  - Majority of the non-cash charges and 50-60% of the cash charges are expected to be recognized by the end of the first half of 2024

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PERFORMANCE CHEMICALS REPOSITIONING



(1) Road Technologies includes Pavement and Road Markings
(2) Assumed losses in 2024 from CTO resales associated with the management of excess CTO inventory until contracts are in balance

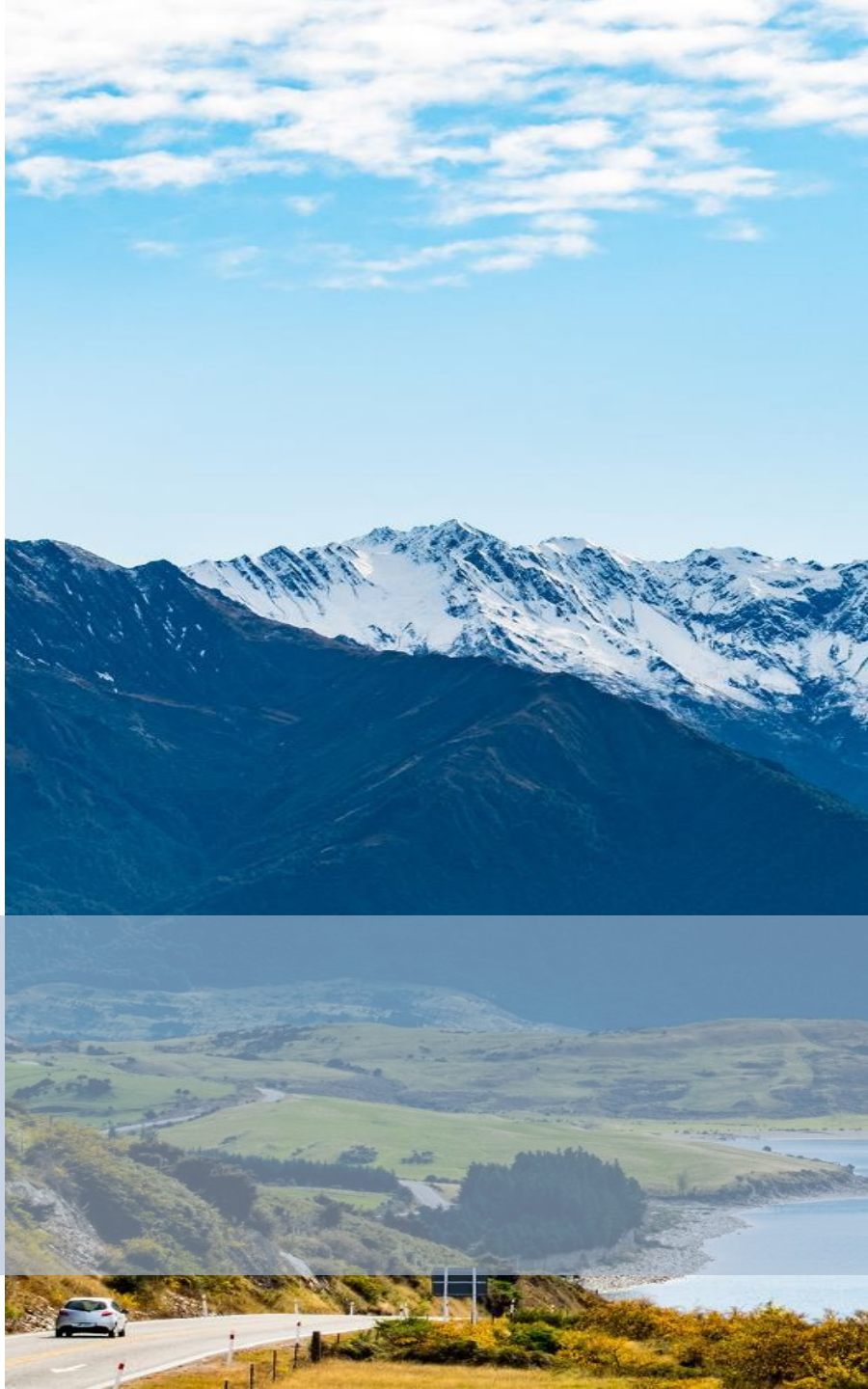
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FOR MORE INFORMATION

Investors
John E. Nypaver, Jr. (843) 740 - 2002

Media
Caroline Monahan (843) 740 - 2068

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 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 September 30,		Nine Months Ended September 30,	
In millions, except per data (unaudited)	2023	2022	2023	2022
Net income (loss) (GAAP)	$ 25.2	$ 75.4	$ 111.4	$ 196.0
Restructuring and other (income) charges [1]	24.6	3.3	49.4	10.6
Acquisition and other related costs [2] [6]	0.1	1.9	4.6	1.9
Debt refinancing fees [3]	—	—	—	5.1
Gain on sale of strategic investment [4]	(0.1)	—	(19.3)	—
Tax effect on items above	(5.8)	(1.2)	(8.1)	(4.1)
Certain discrete tax provision (benefit) [5]	0.2	—	(1.1)	0.4
Adjusted earnings (loss) (Non-GAAP)	$ 44.2	$ 79.4	$ 136.9	$ 209.9
Diluted earnings (loss) per common share (GAAP)	$ 0.69	$ 1.98	$ 3.03	$ 5.06
Restructuring and other (income) charges	0.67	0.09	1.34	0.27
Acquisition and other related costs	—	0.05	0.13	0.05
Debt refinancing fees	—	—	—	0.13
Gain on sale of strategic investment	—	—	(0.52)	—
Tax effect on items above	(0.16)	(0.03)	(0.23)	(0.10)
Certain discrete tax provision (benefit)	0.01	—	(0.03)	0.01
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 1.21	$ 2.09	$ 3.72	$ 5.42
Weighted average common shares outstanding - Diluted	36.4	38.1	36.8	38.7

(1) For the three and nine months ended September 30, 2023, charges of $1.3 million and $7.5 million relate to the Performance Materials segment, charges of $18.3 million and $34.0 million relate to the Performance Chemicals segment, and charges of $0.4 million and $2.3 million relate to the Advanced Polymer Technologies segment, respectively. For the three and nine months ended September 30, 2022, charges of $1.1 million and $3.7 million relate to the Performance Materials segment, charges of $1.7 million and $5.4 million relate to the Performance Chemicals segment, and charges of $0.5 million and $1.5 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 second quarter of 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 $31.5 million, resulting in a $19.3 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) Includes zero and $0.8 million of Inventory fair value step-up amortization for the three and nine months ended September 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 September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Net income (loss) (GAAP)	$ 25.2	$ 75.4	$ 111.4	$ 196.0
Provision (benefit) for income taxes	6.9	20.4	32.5	53.9
Interest expense, net	23.1	11.5	64.3	37.3
Depreciation and amortization	35.2	25.7	97.7	78.6
Restructuring and other (income) charges, net [(1)]	20.0	3.3	43.8	10.6
Acquisition and other related costs [(2)]	0.1	1.9	4.6	1.9
Gain on strategic investment	(0.1)	—	(19.3)	—
Adjusted EBITDA (Non-GAAP)	$ 110.4	$ 138.2	$ 335.0	$ 378.3
Net sales	$ 446.0	$ 482.0	$ 1,320.4	$ 1,284.7
Net income (loss) margin	5.7 %	15.6 %	8.4 %	15.3 %
Adjusted EBITDA margin	24.8 %	28.7 %	25.4 %	29.4 %

(1) Excludes $4.6 million and $5.6 million of Depreciation and amortization for the three and nine months ended September 30, 2023, relating to the alternative feedstock transition and North Charleston plant transition within our Performance Chemicals reportable segment.

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

In millions, except percentages (unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Gross Profit (GAAP)	$ 129.0	$ 176.3	$ 412.4	$ 464.7
Plus:				
Depreciation and amortization	21.1	15.8	55.9	48.1
AFA transition	(1.0)	—	(2.0)	—
North Charleston plant transition	(3.6)	—	(3.6)	—
Inventory fair value step-up amortization	—	—	0.8	—
Adjusted gross profit (Non-GAAP)	$ 145.5	$ 192.1	$ 463.5	$ 512.8
Net Sales	$ 446.0	$ 482.0	$ 1,320.4	$ 1,284.7
Gross margin	28.9 %	36.6 %	31.2 %	36.2 %
Adjusted Gross margin	32.6 %	39.9 %	35.1 %	39.9 %

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

In millions, except percentages (unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
SG&A (GAAP)	$ 40.0	$ 54.2	$ 140.3	$ 142.9
Research and technical expenses (GAAP)	7.8	7.6	24.6	23.1
Total SG&A (GAAP)	47.8	61.8	164.9	166.0
Less:				
Depreciation and amortization	14.1	9.7	40.7	29.9
Adjusted SG&A (Non-GAAP)	$ 33.7	$ 52.1	$ 124.2	$ 136.1
Net Sales	$ 446.0	$ 482.0	$ 1,320.4	$ 1,284.7
SG&A as a percent of Net sales	9.0 %	11.2 %	10.6 %	11.1 %
Adjusted SG&A as a percent of Net sales	7.6 %	10.8 %	9.4 %	10.6 %

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

In millions, except percentages (unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Other (income) expense, net (GAAP)	$ 1.3	$ 2.0	$ (13.9)	$ (1.0)
Less:				
Gain on strategic investment	(0.1)	—	(19.3)	—
Depreciation and amortization	—	0.2	1.1	0.6
Other (income) expense, net (Non-GAAP)	$ 1.4	$ 1.8	$ 4.3	$ (1.6)
Net Sales	$ 446.0	$ 482.0	$ 1,320.4	$ 1,284.7
OIE as a percent of Net sales	0.3 %	0.4 %	(1.1)%	(0.1)%
Adjusted OIE as a percent of Net sales	0.3 %	0.4 %	0.3 %	(0.1)%

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

In millions (unaudited)	Three Months Ended September 30, 2023	2022	Nine Months Ended September 30, 2023	2022
Cash Flow from Operations	$ 106.9	$ 100.1	$ 160.5	$ 214.9
Less: Capital Expenditures	33.5	36.1	80.6	93.3
Free Cash Flow	$ 73.4	$ 64.0	$ 79.9	$ 121.6

In millions (unaudited)	2018 Q1	Q2	Q3	Q4	2019 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

In millions (unaudited)	2020 Q1	Q2	Q3	Q4	2021 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

In millions (unaudited)	2022 Q1	Q2	Q3	Q4	2023 Q1	Q2
Cash Flow from Operations	$ 24.3	$ 90.5	$ 100.1	$ 98.2	$ 5.2	$ 48.4
Less: Capital Expenditures	27.6	29.6	36.1	49.2	25.4	21.7
Free Cash Flow	$ (3.3)	$ 60.9	$ 64.0	$ 49.0	$ (20.2)	$ 26.7

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

In millions, except ratios (unaudited)	September 30, 2023
Notes payable and current maturities of long-term debt	$ 3.0
Long-term debt including finance lease obligations	1,469.7
Debt issuance costs	5.6
Total Debt	$ 1,478.3
Less:	
Cash and cash equivalents [1]	84.7
Restricted investment [2]	80.5
Net Debt	$ 1,313.1

Net Debt Ratio (Non GAAP)	
Adjusted EBITDA [3]	
Twelve months ended December 31, 2022	452.6
Nine months ended September 30, 2022	(378.3)
Nine months ended September 30, 2023	335.0
Adjusted EBITDA - last twelve months (LTM) as of September 30, 2023	$ 409.3
Net debt ratio (Non GAAP)	3.2x

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(1) Includes $0.2 million of Restricted Cash related to the New Market Tax Credit arrangement for the three months ended September 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)

In millions, except ratios (unaudited)	December 31, 2019	December 31, 2020	December 31, 2021	2022 Q1	2022 Q2	2022 Q3	2022 Q4	2023 Q1	2023 Q2
Net Debt [1]	$ 1,121.0	$ 982.7	$ 928.7	$ 976.7	$ 975.9	$ 1,011.3	$ 1,324.3	$ 1,352.3	$ 1,384.4
Adjusted EBITDA[2]	396.9	397.9	422.2	435.8	439.2	457.9	452.6	437.5	437.1
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	$ 437.1
Net Debt Ratio	2.8x	2.5x	2.2x	2.2x	2.2x	2.2x	2.9x	3.1x	3.2x

(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.