



FIRST QUARTER 2024 EARNINGS PRESENTATION

May 2, 2024



SPEED
LIMIT
45

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 repositioning of our Performance Chemicals segment, including 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; 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 repositioning of our Performance Chemicals segment, including 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; 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 Q&A

QUARTER HIGHLIGHTS AND UPDATES

Performance Materials (PM) revenue growth up 3% with 53.8% EBITDA margins as automotive carbon volumes were up versus the prior year in all regions

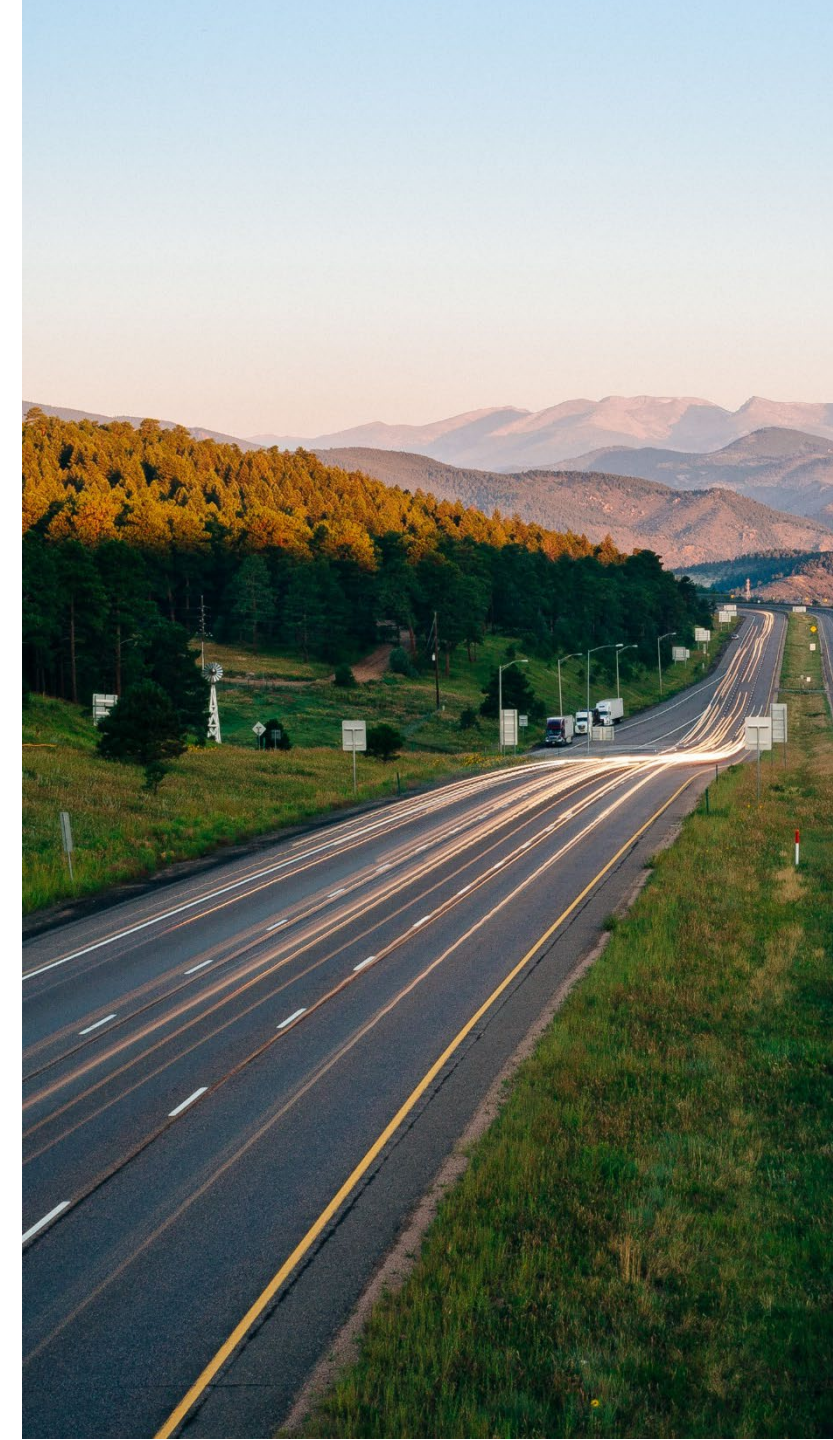
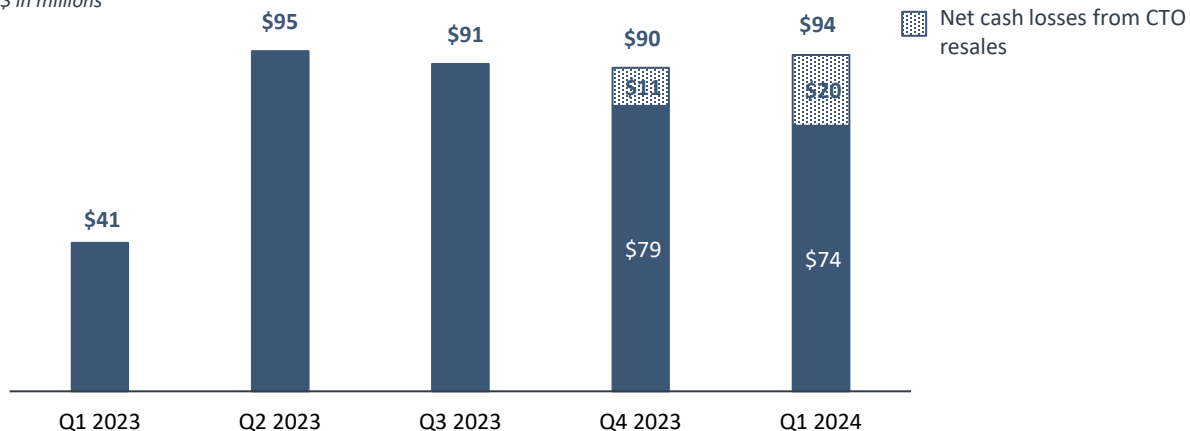
Advanced Polymer Technologies (APT) maintained ~20% EBITDA margins and volumes are up sequentially the last two quarters

Performance Chemicals (PC) repositioning efforts:

- ~\$20 million in cost savings in Q1; on track to reach expected \$65-\$75 million for FY 2024
- DeRidder, Louisiana plant production ceased in February and exited certain low margin end markets
- Crude Tall Oil (CTO) spend more than doubled versus prior year

Total CTO Spend

\$ in millions



FIRST QUARTER (Q1) CONSOLIDATED FINANCIAL PERFORMANCE

Q1 financials ⁽¹⁾

\$ in millions except percentage and EPS	Q1 2024	Q1 2023	vs PY Δ%
Net sales	\$340.1	\$392.6	(13.4)%
Adjusted gross profit	\$119.8	\$148.5	
<i>Adjusted gross margin % net sales</i>	35.2%	37.8%	(260) Bps
Total SG&A excl. D&A ⁽²⁾	\$42.0	\$44.7	
<i>% net sales</i>	12.3%	11.4%	(90) Bps
Adjusted other (income) expense, net	\$0.9	\$(0.1)	
<i>% net sales</i>	0.3%	(0.1)%	(40) bps
Adjusted EBITDA	\$76.9	\$103.9	(26.0)%
% margin	22.6%	26.5%	(390) Bps
Diluted adjusted EPS	\$0.52	\$1.09	(52.3)%

Performance highlights

Sales down 13% driven by Performance Chemicals repositioning and lower sales in APT and Industrial Specialties product line due to weak end market demand, partially offset by increased pricing and volumes in Performance Materials

Adjusted gross margin negatively impacted by lower sales, significantly higher CTO spend and lower volumes in Industrial Specialties and APT which negatively impacted plant utilization rates

Adjusted EBITDA margin lower due to gross margin decline

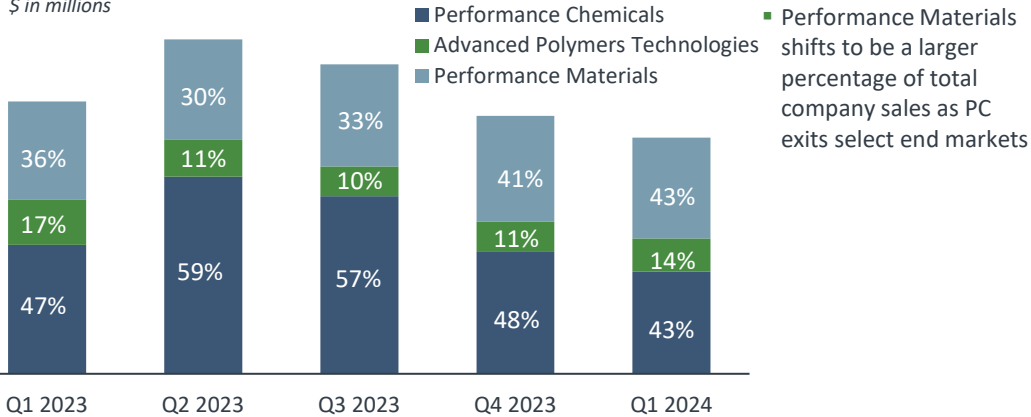
(1) With the exception of Net sales, numbers on this slide are non-GAAP; please see appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures and reconciliations to the nearest GAAP financial measures.

(2) Total SG&A excl. D&A includes research and technical expenses

Q1 2024 FINANCIAL METRICS AND HIGHLIGHTS

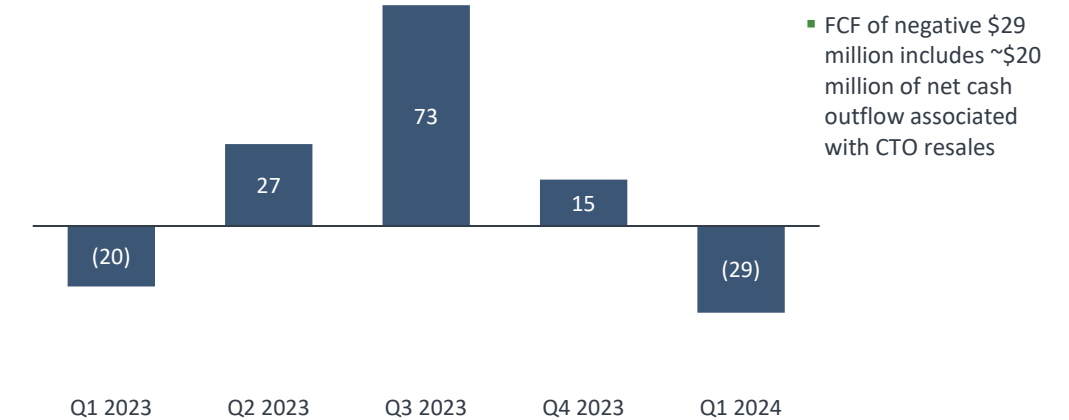
Net Sales

\$ in millions



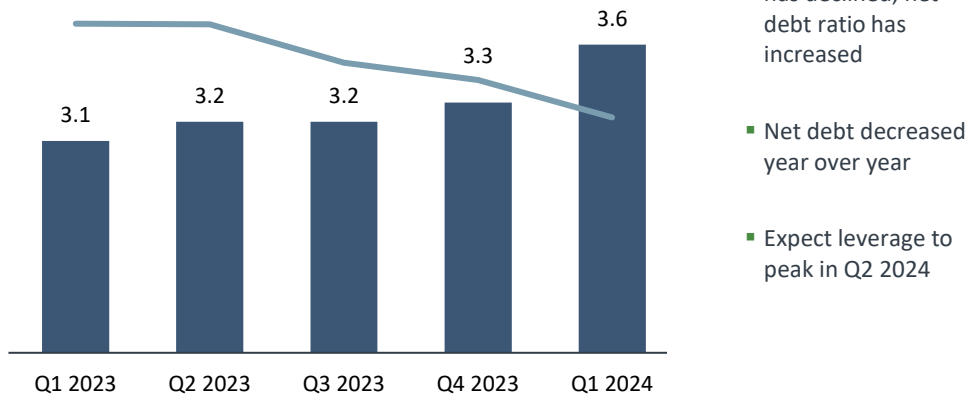
Free cash flow ⁽¹⁾

\$ in millions



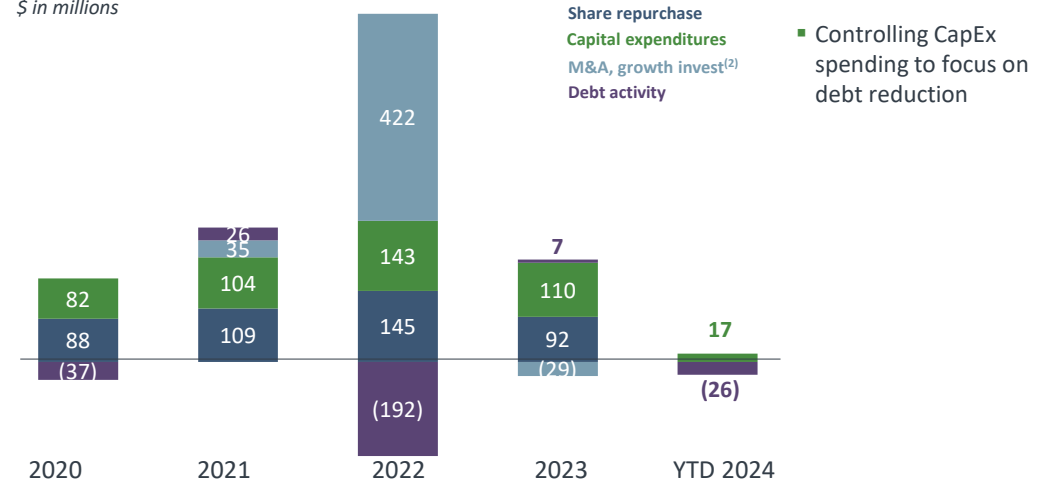
Net Debt Ratio and Trailing Twelve Months (TTM) Adj. EBITDA ⁽¹⁾

■ Net Debt Ratio — TTM Adj. EBITDA



Capital allocation

\$ in millions



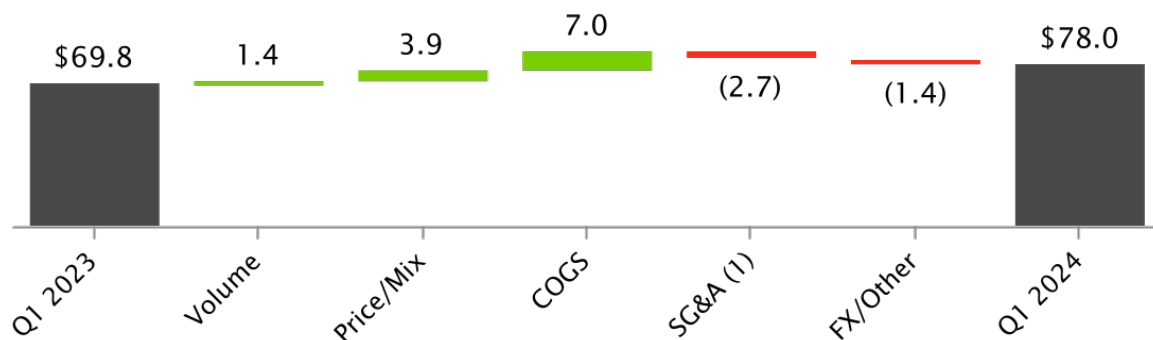
(1) Please see appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures and reconciliations to the nearest GAAP financial measures.

(2) Includes cash received from the sale of our strategic equity method investment during the three months ended, March 31, 2023.

PERFORMANCE MATERIALS

\$ IN MILLIONS	Q1 2024	Q1 2023	▲ \$ VS. PRIOR YEAR	▲ % VS. PRIOR YEAR
Net Sales	145.1	141.4	3.7	2.6%
Segment EBITDA	78.0	69.8	8.2	11.7%
Segment EBITDA Margin	53.8%	49.4%		440 bps

Q1 Segment EBITDA



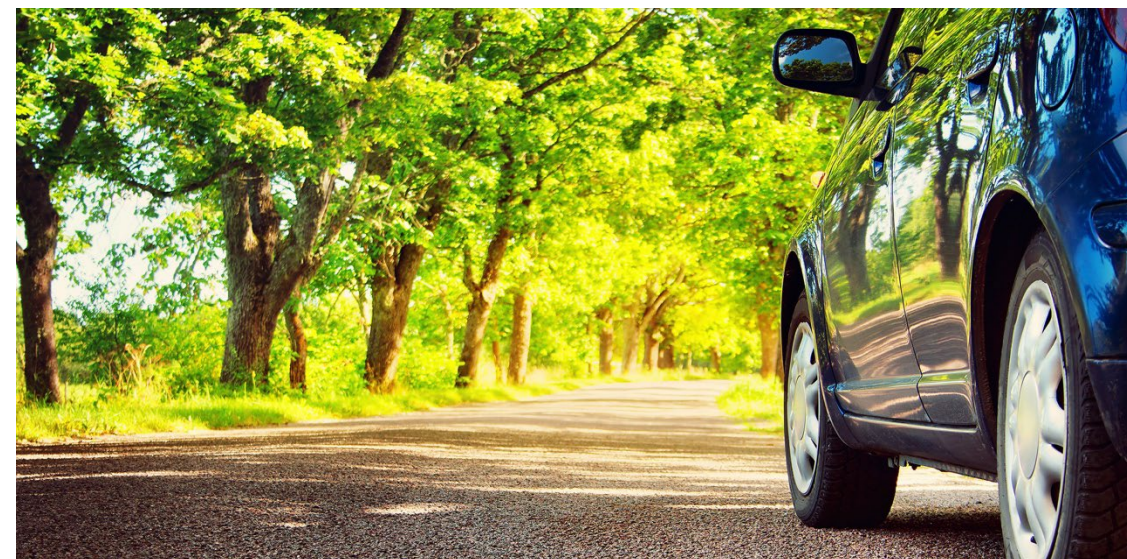
Performance highlights

Sales of \$145.1 million up 3% due to increased pricing and automotive carbon volumes

- Annual price increases took effect in Q1 for all regions
- Automotive carbon volumes up vs. prior year in all regions

Segment EBITDA of \$78.0 million up 12%; segment EBITDA margin of 53.8%

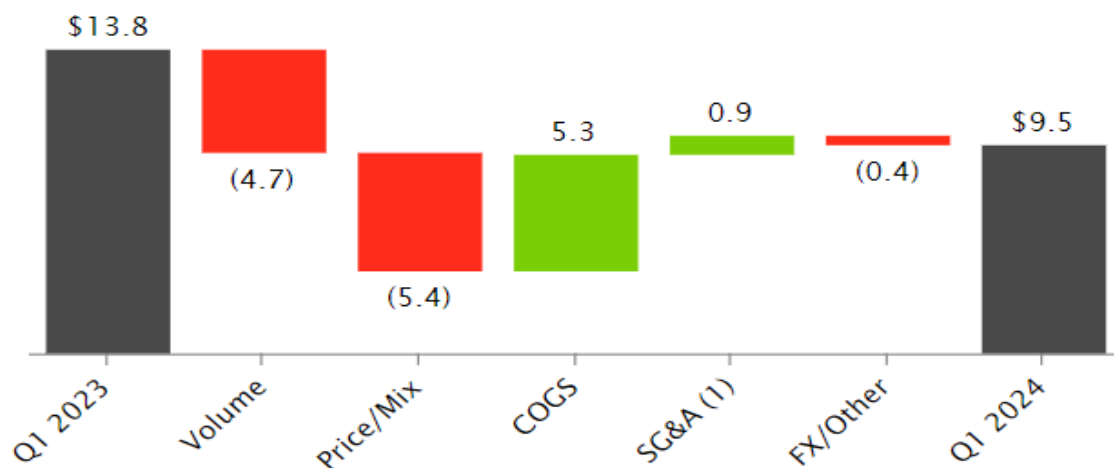
- Margin improved primarily due to lower input costs, particularly energy, improved operational efficiency, and increased pricing



ADVANCED POLYMER TECHNOLOGIES

\$ IN MILLIONS	Q1 2024	Q1 2023	▲ \$ VS. PRIOR YEAR	▲ % VS. PRIOR YEAR
Net Sales	48.0	65.6	(17.6)	(26.8)%
Segment EBITDA	9.5	13.8	(4.3)	(31.2)%
Segment EBITDA Margin	19.8%	21.0%		(120) bps

Q1 Segment EBITDA



Performance highlights

Sales of \$48.0 million down 27% due to demand weakness compared to a strong prior year

- Decreased sales volumes and pricing in Asia driven by weaker polyol volumes, particularly in the paint protective film market in China
- Volumes lower vs. last year in all regions; North America and EMEA volumes up sequentially

Segment EBITDA of \$9.5 million; segment EBITDA margin of 19.8%

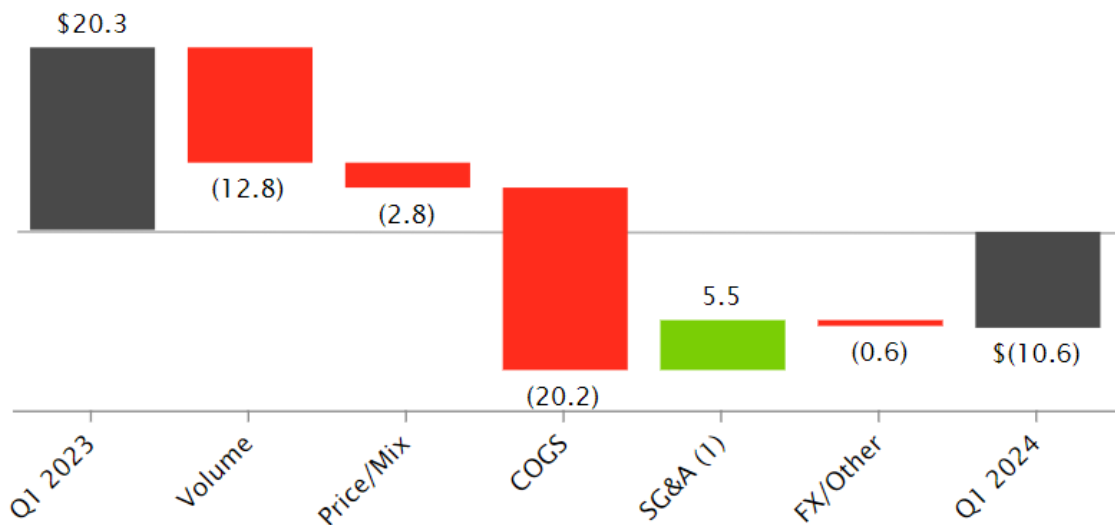
- Lower volumes and pricing partially offset by favorable input costs



PERFORMANCE CHEMICALS

\$ IN MILLIONS	Q1 2024	Q1 2023	▲ \$ VS. PRIOR YEAR	▲ % VS. PRIOR YEAR
Net Sales	147.0	185.6	(38.6)	(20.8)%
Industrial Specialties	101.3	139.8	(38.5)	(27.5)%
Road Technologies	45.7	45.8	(0.1)	(0.2)%
Segment EBITDA	(10.6)	20.3	(30.9)	(152.2)%
Segment EBITDA Margin	(7.2)%	10.9%		(1810) bps

Q1 Segment EBITDA



(1) SG&A includes research and technical expenses

(2) These costs are excluded from Performance Chemicals Segment Operating results, as well as full company Adjusted EBITDA. For a reconciliation of the full company Adjusted EBITDA to the nearest GAAP financial measure, please refer to the appendix.

Performance highlights

Sales of \$147.0 million down 21% due primarily to the segment repositioning

- **INDUSTRIAL SPECIALTIES:** Sales down 28% due to lower volumes driven primarily by the actions taken to reposition the segment, which included exiting lower margin end markets; weaker industrial demand also contributed to volume declines
- **ROAD TECHNOLOGIES:** Sales were flat as weather delays in Europe offset increased sales in North America in both pavement and road markings markets

Segment EBITDA of negative \$10.6 million; segment EBITDA margin of negative 7.2%

- CTO spend significantly higher versus the prior year and plant utilization was negatively impacted by lower volumes

Repositioning Update

DeRidder production ceased in February 2024; ~\$34 million of Q1 sales from finished goods inventory

CTO Resales⁽²⁾:

Q1 2024: \$26.5 million of CTO resale losses of which \$19.8 million was cash losses (reflected in free cash flow)

FY 2024: Updated estimate for CTO resale losses is \$50-80 million based on current CTO price expectations

Segment Repositioning Costs⁽²⁾:

Q1 2024: \$7.3 million of cash charges, \$57.5 million of non-cash

FY 2024: Estimated \$50-60 million of cash charges

2024 GUIDANCE AND OUTLOOK

FY Guidance ⁽¹⁾

Financial metric	FY Guidance
Revenue	\$1.40 - \$1.55 billion
Adj. EBITDA ⁽²⁾	\$365 - \$390 million
Capital expenditures	\$90– \$110 million
Free cash flow ⁽²⁾	≥\$75 million
Net debt ratio ⁽²⁾	~3.0x

2024 Uncertainties:

- Timing and pace of global industrial recovery
- Geopolitical risks
- U.S. Presidential election year dynamics
- Crude Oil pricing

Upside to Guidance:

- Strengthened global end market demand
- Increased pace of hybrid auto adoption
- Improved input costs
- Increased government infrastructure spending

Downside to Guidance:

- Slower than expected ramp up of end market sales of diverse oleo-based products
- Reduced automotive production
- Increased competition in APT

(1) Revenue guidance excludes the anticipated resale of excess CTO in 2024; Adj. EBITDA guidance excludes the estimated \$50 million to \$80 million loss on those CTO resales. CTO resale gain/losses will be reflected in Other (Income) Expense, net in GAAP financials.

(2) This is a non-GAAP financial measure; please see the 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

Investors

John E. Nypaver, Jr.

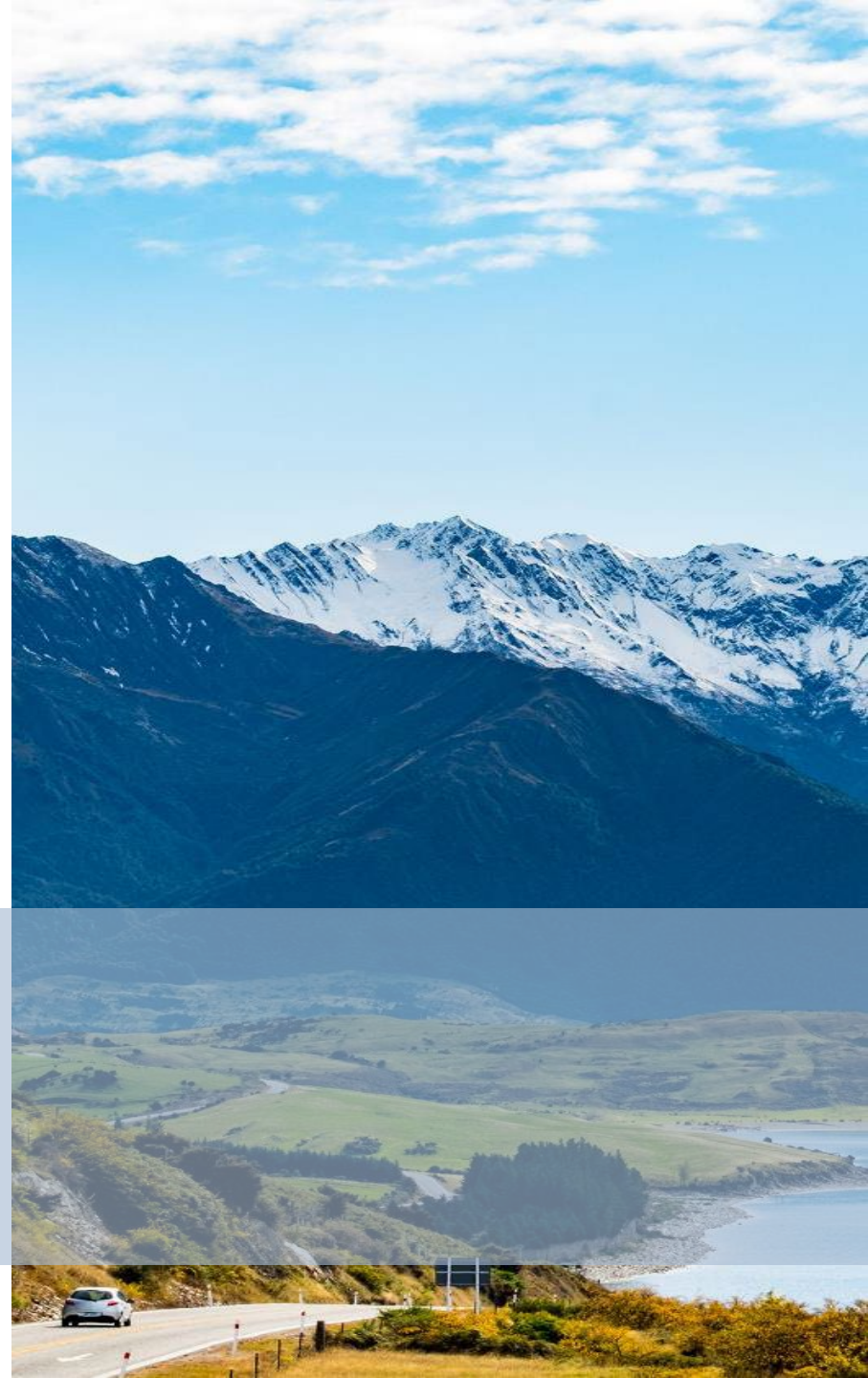
(843) 740 - 2002

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 on the following pages. These financial measures are not meant to be considered in isolation nor as a substitute for the most directly comparable financial measure calculated in accordance with GAAP. 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.

We believe these non-GAAP financial measures provide management as well as 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, liquidity measures, 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, including inventory lower of cost or market charges associated with restructuring actions, acquisition and other-related (income) costs, pension and postretirement settlement and curtailment (income) charges, loss on CTO resales, (gain) loss on strategic investments, debt refinancing fees, litigation verdict charges, and the income tax expense (benefit) on those items, less the provision (benefit) from certain discrete tax items.

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, including inventory lower of cost or market charges associated with restructuring actions, acquisition and other-related (income) costs, litigation verdict charges, (gain) loss on strategic investments, loss on CTO resales, and pension and postretirement settlement and curtailment (income) charges, net.

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

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

Adjusted Gross Profit is defined as gross profit plus depreciation and amortization, inventory lower of cost or market charges associated with restructuring actions, inventory fair value step-up amortization resulting from purchase accounting on acquisitions, and pension and postretirement settlement and curtailment (income) charges.

Adjusted other (income) expense, net is defined as other (income) expense, net plus litigation verdict charges, depreciation, and amortization, less (gain) loss on strategic investments.

Adjusted other (income) expense, net as a percent of sales is defined as adjusted other (income) expense, net divided by Net sales.

Adjusted earnings (loss) before income taxes is defined as Adjusted EBITDA less depreciation and amortization and interest expense, net.

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.

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, including inventory lower of cost or market charges associated with restructuring actions, acquisition and other-related (income) costs, debt refinancing fees, litigation verdict charges, (gain) loss on strategic investments, pension and postretirement settlement and curtailment (income) charges, less the provision (benefit) from certain discrete tax items.

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

Diluted adjusted earnings (loss) per share is defined as Diluted earnings (loss) per common share plus restructuring and other (income) charges, net, including inventory lower of cost or market charges associated with restructuring actions, per share, acquisition and other-related (income) costs per share, pension and postretirement settlement and curtailment (income) charges per share, loss on CTO resales per share, (gain) loss on strategic investments per share, debt refinancing fees per share, litigation verdict charge per share, and the income tax expense (benefit) per share on those items, less the provision (benefit) from certain discrete tax items per share.

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

Net Debt is defined as the sum of notes payable, short-term debt, current maturities of long-term debt, long-term debt including finance lease obligations, and debt issuance costs, less the sum of cash and cash equivalents, restricted cash associated with our new market tax credit financing arrangement, and restricted investment associated with certain finance lease obligations, excluding the allowance for credit losses on held-to-maturity debt securities held within the restricted investment

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

Ingevity's management also uses the above financial measures as the primary measures of profitability and liquidity 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.

A reconciliation of net income to adjusted EBITDA as projected for 2024 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 (income) costs; litigation verdict charges; 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 the comparability of periods, and which are not known at this time, may exist and impact adjusted EBITDA.

**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)**

<i>In millions, except per data (unaudited)</i>	Three Months Ended March 31,	
	2024	2023
Net income (loss) (GAAP)	\$ (56.0)	\$ 50.7
Restructuring and other (income) charges ⁽¹⁾	65.3	5.6
Acquisition and other related costs ⁽²⁾	0.3	2.7
Loss on CTO Resales ⁽³⁾	26.5	—
(Gain) loss on strategic investments ⁽⁴⁾	4.8	(19.2)
Tax effect on items above ⁽⁵⁾	(22.7)	2.6
Certain discrete tax provision (benefit) ⁽⁶⁾	0.9	(1.3)
Adjusted earnings (loss) (Non-GAAP)	\$ 19.1	\$ 41.1
Diluted earnings (loss) per common share (GAAP)	\$ (1.54)	\$ 1.35
Restructuring and other (income) charges	1.79	0.15
Acquisition and other related costs	0.01	0.07
Loss on CTO Resales	0.73	—
(Gain) loss on strategic investments	0.13	(0.51)
Tax effect on items above	(0.62)	0.07
Certain discrete tax provision (benefit)	0.02	(0.04)
Diluted adjusted earnings (loss) per share (Non-GAAP)	\$ 0.52	\$ 1.09
Weighted average common shares outstanding - Diluted	36.4	37.5

(1) We regularly perform strategic reviews and assess the return on our operations, which sometimes results in a plan to restructure the business. These costs are excluded from our reportable segment results; details of which are included in the table on the slide titled **Restructuring and other (income) charges**.

(2) Charges represent (gains) losses incurred to complete and integrate acquisitions and other strategic investments. Charges may include the expensing of the inventory fair value step-up resulting from the application of purchase accounting for acquisitions and certain legal and professional fees associated with the completion of acquisitions and strategic investments; details of which are included in the table on the slide titled **Acquisition and other-related (income) charges**.

(3) Due to the DeRidder Plant closure, as noted in footnote 1 above, and the corresponding reduced CTO refining capacity, we may be obligated, under an existing CTO supply contract, to purchase CTO through 2025 at amounts in excess of required CTO volumes. We intend to manage our CTO volumes by reselling excess volumes (herein referred to as "CTO resales") in the open market, which, based on what we believe to be market rates today, may result in a loss of \$50.0 million to \$80.0 million in 2024. Refer to Note 2 in the Notes to the Consolidated Financial Statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, under the section: Non-operating income and expense, filed on February 22, 2024. Updates will be provided in subsequent filings of the Company's Form 10-Q in 2024.

For three months ended March 31, 2024, charges relate to the Performance Chemicals segment.

(4) We exclude gains and losses from strategic investments from our segment results, as well as our non-GAAP financial measures, because we do not consider such gains or losses to be directly associated with the operational performance of the segment. We believe that the inclusion of such gains or losses, would impair the factors and trends affecting the historical financial performance of our reportable segments. We continue to include undistributed earnings or loss, distributions, amortization or accretion of basis differences, and other-than-temporary impairments for equity method investments that we believe are directly attributable to the operational performance of such investments, in our reportable segment results.

For the three months ended March 31, 2024, (gain) loss on strategic investments relates to the Performance Chemicals reportable segment. For the three months ended March 31, 2023, (gain) loss on strategic investments relates to the Performance Materials segment.

(5) Income tax impact of non-GAAP adjustments is the summation of the calculated income tax charge related to each pre-tax non-GAAP adjustment. The non-GAAP adjustments relate primarily to adjustments in the United States. As such, the income tax effect is calculated using the statutory tax rates of 21% for the United States and approximately 2.5% for state and local taxes, applied to the non-GAAP adjustments.

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

Restructuring and other (income) charges

<i>In millions</i>	Three Months Ended March 31,	
	2024	2023
Work force reductions and other	\$ —	\$ 3.1
Performance Chemicals' repositioning	62.3	—
Restructuring charges ⁽¹⁾	\$ 62.3	\$ 3.1
North Charleston plant transition	0.5	—
Business transformation costs	—	2.5
Other (income) charges, net ⁽¹⁾	\$ 0.5	\$ 2.5
Performance Chemicals' repositioning inventory charges ⁽²⁾	2.5	—
Restructuring and other (income) charges, net ⁽³⁾⁽⁴⁾	<u>\$ 65.3</u>	<u>\$ 5.6</u>

(1) Amounts are recorded within Restructuring and other (income) charges, net on the condensed consolidated statement of operations.

(2) Amounts are recorded within Cost of sales on the condensed consolidated statement of operations.

(3) For information on our Workforce reductions and other, Performance Chemicals' repositioning, North Charleston plant transition, and the Business transformation costs please refer to Note 15, Restructuring and Other (Income) Charges, net, in the Notes to the Consolidated Financial Statements included in the Company's Form 10-K for the year ended December 31, 2023, filed on February 22, 2024. An update has been provided in subsequent filings of the Company's Form 10-Q in 2024.

(4) The table below provides an allocation of these charges between our three reportable segments to provide investors, potential investors, securities analysts and others with the information, should they choose, to apply such (income) charges to each respective reportable segment for which the charges relate.

<i>In millions</i>	Three Months Ended March 31,	
	2024	2023
Performance Materials	\$ 0.1	\$ 1.7
Performance Chemicals	65.3	3.1
Advanced Polymer Technologies	(0.1)	0.8
Restructuring and other (income) charges, net	<u>\$ 65.3</u>	<u>\$ 5.6</u>

Acquisition and other-related (income) charges

<i>In millions</i>	Three Months Ended March 31,	
	2024	2023
Legal and professional service fees	\$ 0.3	\$ 1.9
Acquisition-related (income) costs	\$ 0.3	\$ 1.9
Inventory fair value step-up amortization ⁽¹⁾	—	0.8
Acquisition and other-related (income) charges ⁽²⁾	<u>\$ 0.3</u>	<u>\$ 2.7</u>

(1) Included in Cost of sales on the condensed consolidated statement of operations.

(2) The table below provides an allocation of these charges between our three reportable segments to provide investors, potential investors, securities analysts and others with the information, should they choose, to apply such (income) charges to each respective reportable segment for which the charges relate.

<i>In millions</i>	Three Months Ended March 31,	
	2024	2023
Performance Materials	\$ —	\$ —
Performance Chemicals	0.3	2.7
Advanced Polymer Technologies	—	—
Acquisition and other-related (income) costs	<u>\$ 0.3</u>	<u>\$ 2.7</u>

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

<i>In millions, except percentages (unaudited)</i>	Three Months Ended March 31,	
	2024	2023
Net income (loss) (GAAP)	\$ (56.0)	\$ 50.7
Provision (benefit) for income taxes	(15.9)	13.4
Interest expense, net	22.3	19.6
Depreciation and amortization	29.6	31.1
Restructuring and other (income) charges, net ⁽¹⁾	65.3	5.6
Acquisition and other related costs ⁽¹⁾	0.3	2.7
Loss on CTO resales ⁽¹⁾	26.5	—
(Gain) loss on strategic investments ⁽¹⁾	4.8	(19.2)
Adjusted EBITDA (Non-GAAP)	<u>\$ 76.9</u>	<u>\$ 103.9</u>
Net sales	\$ 340.1	\$ 392.6
Net income (loss) margin	(16.5)%	12.9 %
Adjusted EBITDA margin	22.6 %	26.5 %

(1) For more information on these charges, refer to the Reconciliation of Adjusted Earnings table on the slide titled 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).

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

<i>In millions, except percentages (unaudited)</i>	Three Months Ended March 31,	
	2024	2023
Gross Profit (GAAP)	\$ 99.7	\$ 130.4
Plus:		
Depreciation and amortization	17.6	17.3
Inventory fair value step-up amortization	—	0.8
Performance Chemicals' repositioning inventory charges	2.5	—
Adjusted gross profit (Non-GAAP)	\$ 119.8	\$ 148.5
Net Sales	\$ 340.1	\$ 392.6
Gross margin (GAAP)	29.3 %	33.2 %
Adjusted Gross margin (Non-GAAP)	35.2 %	37.8 %

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

<i>In millions, except percentages (unaudited)</i>	Three Months Ended March 31,	
	2024	2023
SG&A (GAAP)	\$ 47.2	\$ 48.6
Research and technical expenses (GAAP)	6.8	8.8
Total SG&A (GAAP)	54.0	57.4
Less:		
Depreciation and amortization	12.0	12.7
Adjusted SG&A (Non-GAAP)	\$ 42.0	\$ 44.7
Net Sales	\$ 340.1	\$ 392.6
SG&A as a percent of Net sales (GAAP)	13.9 %	12.4 %
Adjusted SG&A as a percent of Net sales (Non-GAAP)	12.3 %	11.4 %

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

<i>In millions, except percentages (unaudited)</i>	Three Months Ended March 31,	
	2024	2023
Other (income) expense, net (GAAP)	\$ 32.2	\$ (18.2)
Less:		
(Gain) loss on strategic investments	4.8	(19.2)
Loss on CTO resales	26.5	—
Depreciation and amortization	—	1.1
Other (income) expense, net (Non-GAAP)	<u>\$ 0.9</u>	<u>\$ (0.1)</u>
Net Sales	\$ 340.1	\$ 392.6
OIE as a percent of Net sales (GAAP)	9.5 %	(4.6)%
Adjusted OIE as a percent of Net sales (Non-GAAP)	0.3 %	— %

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

<i>In millions (unaudited)</i>	Three Months Ended March 31,	
	2024	2023
Cash Flow from Operations (GAAP)	\$ (12.1)	\$ 5.3
Less: Capital Expenditures (GAAP)	16.6	25.4
Free Cash Flow (Non-GAAP)	\$ (28.7)	\$ (20.1)

<i>In millions (unaudited)</i>	2023			
	Q1	Q2	Q3	Q4
Cash Flow from Operations (GAAP)	\$ 5.3	\$ 48.4	\$ 106.9	\$ 44.6
Less: Capital Expenditures (GAAP)	25.4	21.7	33.5	29.2
Free Cash Flow (Non-GAAP)	\$ (20.1)	\$ 26.7	\$ 73.4	\$ 15.4

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

<i>In millions, except ratios (unaudited)</i>	March 31, 2024
Notes payable and current maturities of long-term debt	\$ 84.7
Long-term debt including finance lease obligations	1,408.7
Debt issuance costs	5.0
Total Debt	\$ 1,498.4
Less:	
Cash and cash equivalents ⁽¹⁾	88.7
Restricted investment ⁽²⁾	79.9
Net Debt	<u>\$ 1,329.8</u>

Net Debt Ratio (Non GAAP)

Adjusted EBITDA (Non-GAAP) ⁽³⁾	
Twelve months ended December 31, 2023	396.8
Three months ended March 31, 2023	(103.9)
Three months ended March 31, 2024	76.9
Adjusted EBITDA - trailing twelve months (TTM) as of March 31, 2024	<u>\$ 369.8</u>
Net debt ratio (Non GAAP)	3.6x

(1) Includes \$0.2 million of Restricted Cash related to the New Market Tax Credit arrangement for the three months ended March 31, 2024.

(2) Excludes \$0.1 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)

<i>In millions, except ratios (unaudited)</i>	2023			
	Q1	Q2	Q3	Q4
Net Debt ⁽¹⁾	\$ 1,352.3	\$ 1,384.4	\$ 1,313.1	\$ 1,297.1
Adjusted EBITDA (Non-GAAP) ⁽²⁾	437.5	437.1	409.3	396.8
TTM Adjusted EBITDA	<u>\$ 437.5</u>	<u>\$ 437.1</u>	<u>\$ 409.3</u>	<u>\$ 396.8</u>
Net Debt Ratio (Non-GAAP)	3.1x	3.2x	3.2x	3.3x

(1) Net debt is defined as the sum of notes payable, short-term debt, current maturities of long-term debt, long-term debt including finance lease obligations, and debt issuance costs, less the sum of cash and cash equivalents, restricted cash associated with our new market tax credit financing arrangement, and restricted investment associated with certain finance lease obligations, excluding the allowance for credit losses on held-to-maturity debt securities held within the restricted investment

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