

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2024

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 001-37586



INGEVITY CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

47-4027764

(I.R.S. Employer Identification No.)

4920 O'Hear Avenue Suite 400

North Charleston

South Carolina

29405

(Address of principal executive offices)

(Zip code)

843-740-2300

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock (\$0.01 par value)	NGVT	New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements. ☐

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b). ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the Registrant is a shell company (as defined by Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The registrant had 36,349,108 shares of common stock, \$0.01 par value, outstanding at October 28, 2024.

Ingevity Corporation

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PART I - FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

INGEVITY CORPORATION

Condensed Consolidated Statements of Operations (Unaudited)

<i>In millions, except per share data</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net sales	\$ 376.9	\$ 446.0	\$ 1,107.6	\$ 1,320.4
Cost of sales	247.0	317.0	754.8	908.0
Gross profit	129.9	129.0	352.8	412.4
Selling, general, and administrative expenses	38.7	40.0	127.3	140.3
Research and technical expenses	6.7	7.8	20.8	24.6
Restructuring and other (income) charges, net	86.9	24.6	162.8	49.4
Goodwill impairment charge	—	—	349.1	—
Acquisition-related costs	(0.1)	0.1	—	3.8
Other (income) expense, net	111.8	1.3	167.9	(13.9)
Interest expense, net	23.8	23.1	69.3	64.3
Income (loss) before income taxes	(137.9)	32.1	(544.4)	143.9
Provision (benefit) for income taxes	(30.7)	6.9	(97.5)	32.5
Net income (loss)	<u>\$ (107.2)</u>	<u>\$ 25.2</u>	<u>\$ (446.9)</u>	<u>\$ 111.4</u>
Per share data				
Basic earnings (loss) per share	\$ (2.95)	\$ 0.70	\$ (12.31)	\$ 3.05
Diluted earnings (loss) per share	(2.95)	0.69	(12.31)	3.03

The accompanying notes are an integral part of these financial statements.

INGEVITY CORPORATION

Condensed Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	\$ (107.2)	\$ 25.2	\$ (446.9)	\$ 111.4
Other comprehensive income (loss), net of tax:				
Foreign currency adjustments:				
Foreign currency translation adjustment	34.8	(21.4)	23.1	(6.9)
Total foreign currency adjustments, net of tax provision (benefit) of zero for all periods	34.8	(21.4)	23.1	(6.9)
Derivative instruments:				
Unrealized gain (loss), net of tax provision (benefit) of \$(0.4), \$(0.1), \$(0.5), and \$(0.8)	(1.6)	(0.1)	(1.8)	(2.5)
Reclassifications of deferred derivative instruments (gain) loss, included in net income (loss), net of tax (provision) benefit of \$0.1, \$0.3, \$0.5, and \$0.7	0.7	1.1	1.8	2.2
Total derivative instruments, net of tax provision (benefit) of \$(0.3), \$0.2, \$0.0, and \$(0.1)	(0.9)	1.0	—	(0.3)
Pension & other postretirement benefits:				
Reclassifications of net actuarial and other (gain) loss and amortization of prior service cost, included in net income, net of tax of zero for all periods	0.1	—	0.1	0.1
Total pension and other postretirement benefits, net of tax of zero for all periods	0.1	—	0.1	0.1
Other comprehensive income (loss), net of tax provision (benefit) of \$(0.3), \$0.2, \$0.0, and \$(0.1)	34.0	(20.4)	23.2	(7.1)
Comprehensive income (loss)	<u>\$ (73.2)</u>	<u>\$ 4.8</u>	<u>\$ (423.7)</u>	<u>\$ 104.3</u>

The accompanying notes are an integral part of these financial statements.

INGEVITY CORPORATION
Condensed Consolidated Balance Sheets

In millions, except share and par value data

	September 30, 2024	December 31, 2023
	(Unaudited)	
Assets		
Cash and cash equivalents	\$ 135.5	\$ 95.9
Accounts receivable, net of allowance of \$0.4 - 2024 and \$1.1 - 2023	189.9	182.0
Inventories, net	261.0	308.8
Prepaid and other current assets	50.4	71.9
Current assets	636.8	658.6
Property, plant, and equipment, net	671.3	762.2
Operating lease assets, net	56.0	67.1
Goodwill	186.9	527.5
Other intangibles, net	298.6	336.1
Deferred income taxes	113.9	11.6
Restricted investment, net of allowance of \$0.2 - 2024 and \$0.2 - 2023	81.1	79.1
Strategic investments	87.3	99.2
Other assets	79.7	81.9
Total Assets	\$ 2,211.6	\$ 2,623.3
Liabilities		
Accounts payable	\$ 96.5	\$ 158.4
Accrued expenses	116.8	72.3
Accrued payroll and employee benefits	23.9	19.9
Current operating lease liabilities	18.2	18.7
Notes payable and current maturities of long-term debt	100.7	84.4
Income taxes payable	4.7	9.2
Current liabilities	360.8	362.9
Long-term debt including finance lease obligations	1,397.6	1,382.8
Noncurrent operating lease liabilities	39.8	48.6
Deferred income taxes	65.7	70.9
Other liabilities	133.2	126.7
Total Liabilities	1,997.1	1,991.9
Commitments and contingencies (Note 13)		
Equity		
Preferred stock (par value \$0.01 per share; 50,000,000 shares authorized; zero issued and outstanding at 2024 and 2023, respectively)	—	—
Common stock (par value \$0.01 per share; 300,000,000 shares authorized; 43,622,219 and 43,446,513 issued and 36,345,623 and 36,233,092 outstanding at 2024 and 2023, respectively)	0.4	0.4
Additional paid-in capital	174.7	164.9
Retained earnings	555.4	1,002.3
Accumulated other comprehensive income (loss)	(3.5)	(26.7)
Treasury stock, common stock, at cost (7,276,596 shares - 2024 and 7,213,421 shares - 2023)	(512.5)	(509.5)
Total Equity	214.5	631.4
Total Liabilities and Equity	\$ 2,211.6	\$ 2,623.3

The accompanying notes are an integral part of these financial statements.

INGEVITY CORPORATION
Condensed Consolidated Statements of Cash Flows (Unaudited)

<i>In millions</i>	Nine Months Ended September 30,	
	2024	2023
Cash provided by (used in) operating activities:		
Net income (loss)	\$ (446.9)	\$ 111.4
Adjustments to reconcile net income (loss) to cash provided by (used in) operating activities:		
Depreciation and amortization	83.1	92.1
Non cash operating lease costs	14.7	13.8
Deferred income taxes	(111.0)	(2.3)
Disposal/impairment of assets	1.0	12.6
Restructuring and other (income) charges, net	162.8	49.4
Loss on CTO resales	50.8	—
LIFO reserve	(12.4)	62.6
Share-based compensation	9.8	8.3
(Gain) loss on strategic investment	11.4	(19.3)
Goodwill impairment charge	349.1	—
CTO supply contract termination charges	100.0	—
Other non-cash items	9.4	20.9
Changes in operating assets and liabilities, net of effect of acquisitions:		
Accounts receivable, net	(7.0)	6.1
Inventories, net	57.8	(118.1)
Prepaid and other current assets	8.9	(5.8)
Accounts payable	(62.4)	20.6
Accrued expenses	8.1	9.0
Accrued payroll and employee benefits	3.9	(36.7)
Income taxes	(11.8)	4.2
Restructuring and other cash outflow, net	(43.9)	(46.7)
Operating leases	(17.5)	(16.6)
CTO resales cash outflow, net	(45.0)	—
CTO supply contract termination cash outflow	(50.0)	—
Changes in other operating assets and liabilities, net	1.2	(6.6)
Net cash provided by (used in) operating activities	\$ 64.1	\$ 158.9
Cash provided by (used in) investing activities:		
Capital expenditures	\$ (52.7)	\$ (80.6)
Proceeds from sale of strategic investment	—	31.5
Purchase of strategic investment	—	(2.4)
Other investing activities, net	1.2	(1.1)
Net cash provided by (used in) investing activities	\$ (51.5)	\$ (52.6)
Cash provided by (used in) financing activities:		
Proceeds from revolving credit facility and other borrowings	\$ 150.5	\$ 239.5
Payments on revolving credit facility and other borrowings	(119.3)	(240.1)
Finance lease obligations, net	(0.9)	(0.6)
Tax payments related to withholdings on vested equity awards	(2.9)	(4.8)
Proceeds and withholdings from share-based compensation plans, net	—	4.7
Repurchases of common stock under publicly-announced plan	—	(92.1)
Net cash provided by (used in) financing activities	\$ 27.4	\$ (93.4)
Increase (decrease) in cash, cash equivalents, and restricted cash	40.0	12.9
Effect of exchange rate changes on cash	1.6	(3.0)
Change in cash, cash equivalents, and restricted cash	41.6	9.9
Cash, cash equivalents, and restricted cash at beginning of period	111.9	84.3
Cash, cash equivalents, and restricted cash at end of period ⁽¹⁾	\$ 153.5	\$ 94.2
Supplemental cash flow information:		
Cash paid for interest, net of capitalized interest	\$ 61.0	\$ 57.9
Cash paid for income taxes, net of refunds	24.0	27.9
Purchases of property, plant, and equipment in accounts payable	2.2	6.1
Leased assets obtained in exchange for new finance lease liabilities	—	0.2
Leased assets obtained in exchange for new operating lease liabilities	5.5	26.0

The accompanying notes are an integral part of these financial statements.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
September 30, 2024
(Unaudited)

Note 1: Background

Description of Business

Ingevity Corporation ("Ingevity," "the company," "we," "us," or "our") provides products and technologies that purify, protect, and enhance the world around us. Through a diverse team of talented and experienced people, we develop, manufacture, and bring to market solutions that are largely renewably sourced and help customers solve complex problems while making the world more sustainable. Our products are used in a variety of demanding applications, including adhesives, agrochemicals, asphalt paving, bioplastics, coatings, elastomers, lubricants, pavement markings, oil production, and automotive components. We operate in three reportable segments: Performance Materials, Performance Chemicals, and Advanced Polymer Technologies.

Basis of Consolidation and Presentation

These unaudited Condensed Consolidated Financial Statements reflect the consolidated operations of the company and have been prepared in accordance with United States Securities and Exchange Commission ("SEC") interim reporting requirements. Accordingly, the accompanying Condensed Consolidated Financial Statements do not include all disclosures required by accounting principles generally accepted in the United States of America ("GAAP") for full financial statements and should be read in conjunction with the Annual Consolidated Financial Statements for the years ended December 31, 2023, 2022 and 2021, collectively referred to as the "Annual Consolidated Financial Statements," included in our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 Annual Report").

In the opinion of management, the Condensed Consolidated Financial Statements contain all adjustments which include only normal recurring adjustments necessary to fairly present the financial position, results of operations, and cash flows for the interim periods presented and contain adequate disclosures to make the information presented not misleading. The consolidated results of operations for interim periods are not necessarily indicative of the results to be expected for the full year.

The preparation of the Condensed Consolidated Financial Statements requires management to make estimates and assumptions with respect to the reported amounts of assets, liabilities, revenue, and expenses and the disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

Certain prior year amounts have been reclassified to conform with the current year's presentation.

Note 2: New Accounting Guidance

The Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC" or "Codification") is the sole source of authoritative GAAP other than SEC issued rules and regulations that apply only to SEC registrants. The FASB issues an Accounting Standards Update ("ASU") to communicate changes to the Codification. We consider the applicability and impact of all ASUs. Recently issued ASUs that are not listed within this Form 10-Q have been assessed and determined to be either not applicable or are not expected to have a material impact on the Condensed Consolidated Financial Statements.

Recently Issued Accounting Pronouncements

In November 2023, the FASB issued ASU 2023-07, "Segment Reporting: Improvements to Reportable Segment Disclosures", which is intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. The purpose of the amendment is to provide readers of the financial statements with information to better understand an entity's overall performance and assess potential future cash flows. The guidance is effective beginning with our 2024 fiscal year Form 10-K and will be applied to all prior periods presented in the financial statements. We are currently evaluating the potential impact of adopting this new guidance on our Condensed Consolidated Financial Statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, "Improvements to Income Tax Disclosures", which is intended to enhance income tax disclosures around the rate reconciliation and income taxes paid. The purpose of the amendment is to provide readers of the financial statements with information to better assess the differences between the effective tax rate and the statutory tax rate across multiple jurisdictions, enabling them to understand tax implications around operational

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
September 30, 2024
(Unaudited)

opportunities and potential future cash flows. The guidance is effective beginning with our 2025 fiscal year Form 10-K. We are currently evaluating the potential impact of adopting this new guidance on our Condensed Consolidated Financial Statements and related disclosures.

Note 3: Net Sales

Disaggregation of Net Sales

The following table presents our Net sales disaggregated by reportable segment and product line.

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Performance Materials segment	\$ 151.1	\$ 147.2	\$ 453.4	\$ 433.2
<i>Road Technologies product line</i>	119.0	129.7	293.8	316.4
<i>Industrial Specialties product line</i>	58.0	126.3	215.7	409.2
Performance Chemicals segment	\$ 177.0	\$ 256.0	\$ 509.5	\$ 725.6
Advanced Polymer Technologies segment	\$ 48.8	\$ 42.8	\$ 144.7	\$ 161.6
Net sales	\$ 376.9	\$ 446.0	\$ 1,107.6	\$ 1,320.4

The following table presents our Net sales disaggregated by geography, based on the delivery address of our customer.

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
North America	\$ 228.0	\$ 292.4	\$ 666.3	\$ 854.3
Asia Pacific	86.5	92.4	251.6	264.3
Europe, Middle East, and Africa	45.4	48.6	149.0	167.6
South America	17.0	12.6	40.7	34.2
Net sales	\$ 376.9	\$ 446.0	\$ 1,107.6	\$ 1,320.4

Contract Balances

The contract assets primarily relate to our rights to consideration for products produced but not billed at the reporting date. The contract assets are recognized as accounts receivables when we have an enforceable right to payment for performance completed to date and the customer has been billed. Contract liabilities represent obligations to transfer goods to a customer for which we have received consideration from our customer. For all periods presented, we had no contract liabilities.

The following table provides information about contract assets from contracts with certain customers.

<i>In millions</i>	Contract Asset September 30,	
	2024	2023
Beginning balance	\$ 11.2	\$ 6.4
Contract asset additions	10.1	13.2
Reclassification to accounts receivable, billed to customers	(13.8)	(11.7)
Ending balance ⁽¹⁾	\$ 7.5	\$ 7.9

(1) Included within "Prepaid and other current assets" on the condensed consolidated balance sheets.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
September 30, 2024
(Unaudited)

Note 4: Fair Value Measurements

Recurring Fair Value Measurements

The following information is presented for assets and liabilities that are recorded on the condensed consolidated balance sheets at fair value measured on a recurring basis. There were no transfers of assets and liabilities that were recorded at fair value between the three-level fair value hierarchy during the periods reported.

<i>In millions</i>	Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾	Total
September 30, 2024				
Assets:				
Deferred compensation plan investments ⁽⁴⁾	\$ 3.7	\$ —	\$ —	\$ 3.7
Total assets	\$ 3.7	\$ —	\$ —	\$ 3.7
Liabilities:				
Deferred compensation arrangement ⁽⁴⁾	\$ 16.3	\$ —	\$ —	\$ 16.3
Total liabilities	\$ 16.3	\$ —	\$ —	\$ 16.3
December 31, 2023				
Assets:				
Deferred compensation plan investments ⁽⁴⁾	\$ 3.0	\$ —	\$ —	\$ 3.0
Total assets	\$ 3.0	\$ —	\$ —	\$ 3.0
Liabilities:				
Deferred compensation arrangement ⁽⁴⁾	\$ 15.5	\$ —	\$ —	\$ 15.5
Total liabilities	\$ 15.5	\$ —	\$ —	\$ 15.5

(1) Quoted prices in active markets for identical assets.

(2) Quoted prices for similar assets and liabilities in active markets.

(3) Significant unobservable inputs.

(4) Consists of a deferred compensation arrangement through which we hold various investment securities recognized on our condensed consolidated balance sheets. Both the asset and liability related to investment securities are recorded at fair value and are included within "Other assets" and "Other liabilities" on the condensed consolidated balance sheets, respectively. In addition to the investment securities, we also had company-owned life insurance related to the deferred compensation arrangement recorded at cash surrender value in "Other assets" of \$16.7 million and \$14.9 million at September 30, 2024 and December 31, 2023, respectively.

Nonrecurring Fair Value Measurements

There were no nonrecurring fair value measurements on the condensed consolidated balance sheets during the periods ended September 30, 2024, and December 31, 2023.

Strategic Investments

Equity Method Investments

The aggregate carrying value of all strategic equity method investments totaled \$15.4 million and \$16.0 million at September 30, 2024 and December 31, 2023, respectively. There were no adjustments to the carrying value of equity method investments for impairment for the periods ended September 30, 2024 and December 31, 2023, respectively. As of September 30, 2024, we had approximately \$5.6 million of unfunded commitments, associated with a venture capital fund investment accounted for under the equity method of accounting, which we anticipate will be paid over a period of 10 years from the date of the investment.

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 statements of operations. We recognized an additional \$0.1 million gain associated with the equity method investment sale during the second quarter of 2024.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
September 30, 2024
(Unaudited)

Measurement Alternative Investments

The aggregate carrying value of all measurement alternative investments where fair value is not readily determinable totaled \$71.9 million and \$83.2 million at September 30, 2024 and December 31, 2023, respectively. During the first and third quarters of 2024, the company identified triggering events indicating that investments being accounted for under the measurement alternative may be impaired. For the three and nine months ended September 30, 2024, the company recognized an impairment of \$6.7 million and \$11.5 million, respectively, recorded in Other (income) expense, net on the condensed consolidated statements of operations.

Restricted Investment

Our restricted investment is a trust managed in order to secure repayment of the finance lease obligation associated with our Performance Materials' Wickliffe, Kentucky manufacturing site at maturity. The trust, presented as Restricted investment on our condensed consolidated balance sheets, originally purchased long-term bonds that mature through 2026. The principal received at maturity of the bonds, along with interest income that is reinvested in the trust, is expected to be equal to or more than the \$80.0 million finance lease obligation that is due in 2027. Because the provisions of the trust provide us the ability, and it is our intent, to hold the investments to maturity, the investments held by the trust are accounted for as held to maturity ("HTM"); therefore, they are held at their amortized cost. The investments held by the trust earn interest at the stated coupon rate of the invested bonds. Interest earned on the investments held by the trust is recognized and presented as interest income on our condensed consolidated statements of operations. As interest from the bonds is received and as bonds mature, any proceeds not reinvested are held in highly liquid securities and treated as restricted cash.

At September 30, 2024 and December 31, 2023, the carrying value of our restricted investment was \$81.1 million and \$79.1 million, net of an allowance for credit losses of \$0.2 million and \$0.2 million, and included restricted cash of \$17.5 million and \$15.4 million, respectively. The fair value at September 30, 2024 and December 31, 2023 was \$79.8 million and \$76.7 million, respectively, based on Level 1 inputs.

The following table shows the total amortized cost of our HTM debt securities by credit rating, excluding the allowance for credit losses and cash. The primary factor in our expected credit loss calculation is the composite bond rating. As the rating decreases, the risk present in holding the bond is inherently increased, leading to an increase in expected credit losses.

<i>In millions</i>	HTM Debt Securities						Total
	AA+	AA-	A	A-	BBB+		
September 30, 2024	\$ 13.3	10.3	13.2	17.0	10.0	\$	63.8
December 31, 2023	\$ 13.3	10.4	13.2	17.0	10.0	\$	63.9

Debt and Finance Lease Obligations

At September 30, 2024 and December 31, 2023, the carrying value of finance lease obligations was \$100.3 million and \$101.1 million, respectively, and the fair value was \$104.0 million and \$105.7 million, respectively. The fair value of our finance lease obligation associated with our Performance Materials' Wickliffe, Kentucky manufacturing site, is based on the period-end quoted market prices for the obligation, using Level 2 inputs. The fair value of all other finance lease obligations approximates their carrying values.

The carrying value, excluding debt issuance fees, of our variable interest rate debt was \$851.6 million and \$821.4 million as of September 30, 2024 and December 31, 2023, respectively. The carrying value of our variable rate debt is a reasonable estimate of the fair value.

At September 30, 2024 and December 31, 2023, the carrying value of our fixed rate debt was \$550.0 million and \$550.0 million, respectively, and the fair value was \$516.9 million and \$494.6 million, respectively, based on Level 2 inputs.

INGEVITY CORPORATION
Notes to the Condensed Consolidated Financial Statements
September 30, 2024
(Unaudited)

Note 5: Inventories, net

<i>In millions</i>	September 30, 2024	December 31, 2023
Raw materials	\$ 106.8	\$ 128.3
Production materials, stores, and supplies	25.1	26.0
Finished and in-process goods	217.5	255.2
Subtotal	\$ 349.4	\$ 409.5
Less: LIFO reserve	(88.4)	(100.7)
Inventories, net	<u>\$ 261.0</u>	<u>\$ 308.8</u>

Note 6: Property, Plant, and Equipment, net

<i>In millions</i>	September 30, 2024	December 31, 2023
Machinery and equipment	\$ 1,287.8	\$ 1,244.6
Buildings and leasehold improvements	222.6	217.4
Land and land improvements	26.3	26.3
Construction in progress	82.4	92.8
Total cost	\$ 1,619.1	\$ 1,581.1
Less: accumulated depreciation ⁽¹⁾	(947.8)	(818.9)
Property, plant, and equipment, net	<u>\$ 671.3</u>	<u>\$ 762.2</u>

(1) As a result of the Performance Chemicals' repositioning, as further described in Note 11, we accelerated the depreciation of certain property, plant and equipment assets. This resulted in \$59.2 million and \$92.6 million of additional expense for the three and nine months ended September 30, 2024, respectively, which is included in Restructuring and other (income) charges, net within the condensed consolidated statements of operations.

Note 7: Goodwill and Other Intangible Assets, net

Goodwill

<i>In millions</i>	Reporting Units			Total
	Performance Materials	Performance Chemicals	Advanced Polymer Technologies	
December 31, 2023	\$ 4.3	\$ 349.4	\$ 173.8	\$ 527.5
Goodwill impairment charge	—	(349.1)	—	(349.1)
Foreign currency translation	—	(0.3)	8.8	8.5
September 30, 2024	<u>\$ 4.3</u>	<u>\$ —</u>	<u>\$ 182.6</u>	<u>\$ 186.9</u>

Annual Goodwill Test

We conduct a required annual review of goodwill for potential impairment at October 1st, or sooner if events or changes in circumstances indicate that the fair value of a reporting unit is below its carrying value. Our reporting units are our operating segments, i.e., Performance Materials, Performance Chemicals, and Advanced Polymer Technologies ("APT"). If the carrying value of a reporting unit that includes goodwill exceeds its fair value, which is determined using both the income approach and market approach, goodwill is considered impaired.

During the second quarter of 2024, as further described below under the section titled: Goodwill Impairment Charge, we recorded a full impairment of our Performance Chemicals reporting unit goodwill. The remaining balance of our goodwill, as disclosed in the table above, is primarily related to our APT reporting unit. There have been no events or changes in circumstances during the third quarter that have required interim testing of our goodwill for impairment.

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We are currently testing our remaining goodwill balance as part of our required annual October 1st goodwill impairment testing. The preliminary results have calculated that our APT reporting unit headroom, defined as the percentage difference between the fair value of a reporting unit and its carrying value, is between 10 and 15 percent. Since the fair value of our APT reporting unit is higher than the carrying value, we have concluded that no impairment to goodwill is necessary. Our analysis includes significant assumptions such as revenue growth rate, Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") margin, and discount rate, which are judgmental, and variations in any assumptions could result in materially different calculations of fair value.

Goodwill Impairment Charge

Beginning in fiscal year 2023, we began to see depressed volumes in our industrial end markets, constraining our ability to offset the continued crude oil ("CTO") price inflation we were experiencing, and negatively impacting earnings and cash flow within our Performance Chemicals reporting unit, particularly in our industrial specialties product line. As a result, we concluded that a triggering event occurred in the third quarter of 2023. Our third quarter 2023 impairment analysis included significant assumptions, such as the execution of several measures in 2023 to pursue greater cost efficiency, including a reorganization to streamline certain functions and reduce ongoing costs, and expectations of decreased CTO costs beginning in the second half of 2024. We concluded that no impairment was necessary as a result of that third quarter 2023 interim analysis or at our annual impairment test, dated October 1, 2023.

During the second quarter of 2024, our supplier provided new information regarding the cost of CTO for the second half of 2024, which significantly exceeded our forecasted costs, resulting in a triggering event for our Performance Chemicals reporting unit. We performed an analysis of the reporting unit's goodwill, intangibles, and long-lived assets. Our analysis included significant assumptions such as: revenue growth rate, EBITDA margin, and discount rate, which are judgmental, and variations in any assumptions could result in materially different calculations of fair value.

Our analysis reassessed the expected cash flows in light of current performance and expected lack of near term recovery in our industrial specialties product line, resulting in lower volume and profitability expectations. As a result, the company concluded that the carrying amount of the Performance Chemicals reporting unit exceeded its fair value, resulting in a non-cash goodwill impairment charge of \$349.1 million, which represents all of the goodwill within the Performance Chemicals' reportable segment. The charge was recorded within "Goodwill impairment charge" on the condensed consolidated statements of operations for the nine months ended September 30, 2024.

Other Intangible Assets

<i>In millions</i>	Customer contracts and relationships	Brands ⁽¹⁾	Developed Technology	Total
Gross Asset Value				
December 31, 2023	\$ 396.5	\$ 92.6	\$ 91.7	\$ 580.8
Retirements ⁽²⁾	(129.0)	—	(1.9)	(130.9)
Foreign currency translation	7.9	3.3	3.3	14.5
September 30, 2024	\$ 275.4	\$ 95.9	\$ 93.1	\$ 464.4
Accumulated Amortization				
December 31, 2023	\$ (179.4)	\$ (30.3)	\$ (35.0)	\$ (244.7)
Amortization ⁽³⁾	(35.1)	(4.2)	(7.5)	(46.8)
Retirements ⁽²⁾	129.0	—	1.9	130.9
Foreign currency translation	(2.6)	(1.0)	(1.6)	(5.2)
September 30, 2024	\$ (88.1)	\$ (35.5)	\$ (42.2)	\$ (165.8)
Other intangibles, net	\$ 187.3	\$ 60.4	\$ 50.9	\$ 298.6

(1) Represents trademarks, trade names, and know-how.

(2) As a result of the Performance Chemicals' repositioning, as further described in Note 11, we retired certain customer contracts and relationships, and developed technology finite-lived intangible assets.

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(3) As a result of the Performance Chemicals' repositioning, as further described in Note 11, we accelerated the amortization of certain customer contract and relationship finite-lived intangible assets. This resulted in zero and \$22.1 million of additional expense for the three and nine months ended September 30, 2024, respectively, and \$37.4 million of additional expenses for the twelve months ended December 31, 2023, which is included in Restructuring and other (income) charges, net within the condensed consolidated statements of operations.

Intangible assets subject to amortization were attributed to our business segments as follows:

<i>In millions</i>	September 30, 2024	December 31, 2023
Performance Materials	\$ 1.3	\$ 1.5
Performance Chemicals	105.2	137.5
Advanced Polymer Technologies	192.1	197.1
Other intangibles, net	<u>\$ 298.6</u>	<u>\$ 336.1</u>

The amortization expense related to our intangible assets in the table above is shown in the table below.

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Selling, general, and administrative expenses	\$ 7.7	\$ 10.5	\$ 24.7	\$ 31.4
Restructuring and other (income) charges, net ⁽¹⁾	—	—	22.1	—
Total amortization expense	<u>\$ 7.7</u>	<u>\$ 10.5</u>	<u>\$ 46.8</u>	<u>\$ 31.4</u>

(1) Amounts recorded to Restructuring and other (income) charges, net are not included within segment depreciation and amortization.

Based on the current carrying values of intangible assets, estimated pre-tax amortization expense for the next five years is as follows: \$7.5 million for the remainder of 2024, 2025 - \$30.0 million, 2026 - \$29.3 million, 2027 - \$29.3 million, and 2028 - \$29.3 million. The estimated pre-tax amortization expense may fluctuate due to changes in foreign currency exchange rates.

Note 8: Financial Instruments and Risk Management

Cash Flow Hedges

Foreign Currency Exchange Risk Management

As of September 30, 2024, there were \$2.9 million open foreign currency derivative contracts. The fair value of the designated foreign currency hedge contracts was a net asset (liability) of zero at September 30, 2024 and December 31, 2023.

Commodity Price Risk Management

As of September 30, 2024, we had 1.6 million and 0.4 million mm BTUS (millions of British Thermal Units) in aggregate notional volume of outstanding natural gas commodity swap contracts and zero cost collar option contracts, respectively, designated as cash flow hedges. As of September 30, 2024, open commodity contracts hedge forecasted transactions until December 2025. The fair value of the outstanding designated natural gas commodity hedge contracts as of September 30, 2024 and December 31, 2023, was a net asset (liability) of \$(0.1) million and \$(0.9) million, respectively.

Interest Rate Risk Management

During the three months ended September 30, 2024, we entered into a floating-to-fixed interest rate swap with a notional amount of \$200.0 million to manage the variability of cash flows in the interest rate payments associated with our existing Secured Overnight Financing Rate ("SOFR") based interest payments, effectively converting \$200.0 million of our floating rate debt to a fixed rate. In accordance with the terms of this instrument, we receive floating rate interest payments based upon one-month U.S. dollar SOFR and in return are obligated to pay interest at a fixed rate of 3.84 percent until August 2026. The fair value of the interest rate swap was an asset (liability) of \$(1.7) million and zero at September 30, 2024 and December 31, 2023, respectively.

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Effect of Cash Flow Hedge Accounting on AOCI

<i>In millions</i>	Amount of Gain (Loss) Recognized in AOCI		Amount of Gain (Loss) Reclassified from AOCI into Net income (loss)		Location of Gain (Loss) Reclassified from AOCI in Net income (loss)
	Three Months Ended September 30,				
	2024	2023	2024	2023	
Cash flow hedging derivatives					
Currency exchange contracts	\$ —	\$ 0.1	\$ —	\$ (0.2)	Net sales
Natural gas contracts	(0.3)	(0.3)	(0.8)	(1.2)	Cost of sales
Interest rate swap contracts	(1.7)	—	—	—	Interest expense, net
Total	<u>\$ (2.0)</u>	<u>\$ (0.2)</u>	<u>\$ (0.8)</u>	<u>\$ (1.4)</u>	

<i>In millions</i>	Amount of Gain (Loss) Recognized in AOCI		Amount of Gain (Loss) Reclassified from AOCI into Net income (loss)		Location of Gain (Loss) Reclassified from AOCI in Net income (loss)
	Nine Months Ended September 30,				
	2024	2023	2024	2023	
Cash flow hedging derivatives					
Currency exchange contracts	\$ 0.1	\$ —	\$ —	\$ (0.7)	Net sales
Natural gas contracts	(0.7)	(3.3)	(2.3)	(2.2)	Cost of sales
Interest rate swap contracts	(1.7)	—	—	—	Interest expense, net
Total	<u>\$ (2.3)</u>	<u>\$ (3.3)</u>	<u>\$ (2.3)</u>	<u>\$ (2.9)</u>	

Within the next twelve months, we expect to reclassify \$0.3 million of net gains from AOCI to income, before taxes.

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Fair Value Measurements

The following information is presented for derivative assets and liabilities that are recorded in the condensed consolidated balance sheets at fair value measured on a recurring basis. There were no transfers of assets and liabilities that are recorded at fair value between Level 1 and Level 2 during the periods reported. There were no nonrecurring fair value measurements related to derivative assets and liabilities on the condensed consolidated balance sheets as of September 30, 2024, or December 31, 2023.

<i>In millions</i>	September 30, 2024			
	Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾	Total
Assets:				
Currency exchange contracts ⁽⁴⁾	\$ —	\$ 0.1	\$ —	\$ 0.1
Natural gas contracts ⁽⁴⁾	—	0.1	—	0.1
Total assets	<u>\$ —</u>	<u>\$ 0.2</u>	<u>\$ —</u>	<u>\$ 0.2</u>
Liabilities:				
Currency exchange contracts ⁽⁵⁾	\$ —	\$ 0.1	\$ —	\$ 0.1
Natural gas contracts ⁽⁵⁾	—	0.2	—	0.2
Interest rate swap contracts ⁽⁶⁾	—	1.7	—	1.7
Total liabilities	<u>\$ —</u>	<u>\$ 2.0</u>	<u>\$ —</u>	<u>\$ 2.0</u>

<i>In millions</i>	December 31, 2023			
	Level 1 ⁽¹⁾	Level 2 ⁽²⁾	Level 3 ⁽³⁾	Total
Assets:				
Currency exchange contracts ⁽⁴⁾	\$ —	\$ 0.5	\$ —	\$ 0.5
Total assets	<u>\$ —</u>	<u>\$ 0.5</u>	<u>\$ —</u>	<u>\$ 0.5</u>
Liabilities:				
Natural gas contracts ⁽⁵⁾	\$ —	\$ 0.9	\$ —	\$ 0.9
Currency exchange contracts ⁽⁵⁾	—	0.5	—	0.5
Total liabilities	<u>\$ —</u>	<u>\$ 1.4</u>	<u>\$ —</u>	<u>\$ 1.4</u>

(1) Quoted prices in active markets for identical assets.

(2) Quoted prices for similar assets and liabilities in active markets.

(3) Significant unobservable inputs.

(4) Included within "Prepaid and other current assets" on the condensed consolidated balance sheets.

(5) Included within "Accrued expenses" on the condensed consolidated balance sheets.

(6) Included within "Other liabilities" on the condensed consolidated balance sheets.

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Note 9: Debt, including Finance Lease Obligations

Current and long-term debt including finance lease obligations consisted of the following:

<i>In millions, except percentages</i>	September 30, 2024	December 31, 2023
Revolving Credit Facility and other lines of credit ⁽¹⁾⁽²⁾	\$ 752.9	\$ 738.0
3.88% Senior Notes due 2028	550.0	550.0
Finance lease obligations ⁽³⁾	100.3	101.1
Accounts receivable securitization ⁽⁴⁾	97.5	81.3
Other notes payable	2.1	2.1
Total debt including finance lease obligations	\$ 1,502.8	\$ 1,472.5
Less: debt issuance costs	4.5	5.3
Total debt, including finance lease obligations, net of debt issuance costs	\$ 1,498.3	\$ 1,467.2
Less: debt maturing within one year ⁽⁵⁾	100.7	84.4
Long-term debt including finance lease obligations	\$ 1,397.6	\$ 1,382.8

(1) Letters of credit outstanding under the revolving credit facility were \$2.6 million and \$2.5 million and available funds under the facility were \$244.4 million and \$259.5 million at September 30, 2024 and December 31, 2023, respectively.

(2) The weighted average interest rate associated with our revolving credit facility, exclusive of any floating-to-fixed interest rate instrument, was 6.80 percent and 6.36 percent for the period ended September 30, 2024 and December 31, 2023, respectively.

(3) As of September 30, 2024 and December 31, 2023, \$80.0 million of the finance lease obligation upon maturity will be settled utilizing liquid assets that have been placed into a trust established strictly for this purpose. The trust is presented as Restricted investments on the condensed consolidated balance sheets in the amount of \$81.1 million and \$79.1 million as of September 30, 2024 and December 31, 2023, respectively. Refer to Note 4, under the section: *Restricted Investment*, for more information.

(4) The interest rate associated with our accounts receivable securitization program was 5.47 percent and 5.61 percent for the period ended September 30, 2024 and December 31, 2023, respectively.

(5) Debt maturing within one year is included in "Notes payable and current maturities of long-term debt" on the condensed consolidated balance sheets.

Debt Covenants

Our indenture contains certain customary covenants (including covenants limiting Ingevity's and its restricted subsidiaries' ability to grant or permit liens on certain property securing debt, declare or pay dividends, make distributions on or repurchase or redeem capital stock, make investments in unrestricted subsidiaries, engage in sale and lease-back transactions, and engage in a consolidation or merger, or sell, transfer or otherwise dispose of all or substantially all of the assets of Ingevity and our restricted subsidiaries, taken as a whole) and events of default (subject in certain cases to customary exceptions, as well as grace and cure periods). The occurrence of an event of default under the 2028 Senior Notes could result in the acceleration of the notes of such series and could cause a cross-default resulting in the acceleration of other indebtedness of Ingevity and its subsidiaries. We were in compliance with all covenants under the indenture as of September 30, 2024.

The credit agreement governing our revolving credit facility contains customary default provisions, including defaults for non-payment, breach of representations and warranties, insolvency, non-compliance with covenants and cross-defaults to other material indebtedness. The occurrence of an uncured event of default under the credit agreement could result in all loans and other obligations becoming immediately due and payable and our revolving credit facility being terminated. The credit agreement also contains certain customary covenants, including financial covenants. The revolving credit facility financial covenants require Ingevity to maintain on a consolidated basis a maximum total net leverage ratio of 4.0 to 1.0 (which may be increased to 4.5 to 1.0 under certain circumstances) and a minimum interest coverage ratio of 3.0 to 1.0. As calculated per the credit agreement, our net leverage for the four consecutive quarters ended September 30, 2024 was 3.0, and our actual interest coverage for the four consecutive quarters ended September 30, 2024 was 5.0. We were in compliance with all covenants under the credit agreement at September 30, 2024.

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Note 10: Equity

	Common Stock				Accumulated other comprehensive income (loss)	Treasury stock	Total Equity
<i>In millions, shares in thousands</i>	Shares	Amount	Additional paid in capital	Retained earnings			
Balance at December 31, 2023	43,447	\$ 0.4	\$ 164.9	\$ 1,002.3	\$ (26.7)	\$ (509.5)	\$ 631.4
Net income (loss)	—	—	—	(56.0)	—	—	(56.0)
Other comprehensive income (loss)	—	—	—	—	(8.9)	—	(8.9)
Common stock issued	139	—	—	—	—	—	—
Tax payments related to vested restricted stock units	—	—	—	—	—	(2.6)	(2.6)
Share-based compensation plans	—	—	4.3	—	—	—	4.3
Balance at March 31, 2024	43,585	\$ 0.4	\$ 169.2	\$ 946.3	\$ (35.6)	\$ (512.1)	\$ 568.2
Net income (loss)	—	—	—	(283.7)	—	—	(283.7)
Other comprehensive income (loss)	—	—	—	—	(1.9)	—	(1.9)
Common stock issued	20	—	—	—	—	—	—
Tax payments related to vested restricted stock units	—	—	—	—	—	(0.2)	(0.2)
Share-based compensation plans	—	—	2.4	—	—	—	2.4
Balance at June 30, 2024	43,606	\$ 0.4	\$ 171.6	\$ 662.6	\$ (37.5)	\$ (512.3)	\$ 284.8
Net income (loss)	—	—	—	(107.2)	—	—	(107.2)
Other comprehensive income (loss)	—	—	—	—	34.0	—	34.0
Common stock issued	17	—	—	—	—	—	—
Exercise of stock options, net	—	—	—	—	—	—	—
Tax payments related to vested restricted stock units	—	—	—	—	—	(0.2)	(0.2)
Share repurchase program	—	—	—	—	—	—	—
Share-based compensation plans	—	—	3.1	—	—	—	3.1
Balance at September 30, 2024	43,622	\$ 0.4	\$ 174.7	\$ 555.4	\$ (3.5)	\$ (512.5)	\$ 214.5

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	Common Stock				Accumulated other comprehensive income (loss)	Treasury stock	Total Equity
<i>In millions, shares in thousands</i>	Shares	Amount	Additional paid in capital	Retained earnings			
Balance at December 31, 2022	43,228	\$ 0.4	\$ 153.0	\$ 1,007.7	\$ (46.8)	\$ (416.0)	\$ 698.3
Net income (loss)	—	—	—	50.7	—	—	50.7
Other comprehensive income (loss)	—	—	—	—	8.0	—	8.0
Common stock issued	139	—	—	—	—	—	—
Exercise of stock options, net	41	—	2.2	—	—	—	2.2
Tax payments related to vested restricted stock units	—	—	—	—	—	(4.5)	(4.5)
Share repurchase program	—	—	—	—	—	(33.4)	(33.4)
Share-based compensation plans	—	—	3.7	—	—	0.7	4.4
Balance at March 31, 2023	43,408	\$ 0.4	\$ 158.9	\$ 1,058.4	\$ (38.8)	\$ (453.2)	\$ 725.7
Net income (loss)	—	—	—	35.5	—	—	35.5
Other comprehensive income (loss)	—	—	—	—	5.3	—	5.3
Common stock issued	22	—	—	—	—	—	—
Share repurchase program	—	—	—	—	—	(58.7)	(58.7)
Share-based compensation plans	—	—	4.7	—	—	1.6	6.3
Balance at June 30, 2023	43,430	\$ 0.4	\$ 163.6	\$ 1,093.9	\$ (33.5)	\$ (510.3)	\$ 714.1
Net income (loss)	—	—	—	25.2	—	—	25.2
Other comprehensive income (loss)	—	—	—	—	(20.4)	—	(20.4)
Common stock issued	13	—	—	—	—	—	—
Tax payments related to vested restricted stock units	—	—	—	—	—	(0.2)	(0.2)
Share-based compensation plans	—	—	(1.0)	—	—	1.0	—
Balance at September 30, 2023	43,443	\$ 0.4	\$ 162.6	\$ 1,119.1	\$ (53.9)	\$ (509.5)	\$ 718.7

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Accumulated other comprehensive income (loss)

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Foreign currency translation				
Beginning balance	\$ (37.3)	\$ (31.3)	\$ (25.6)	\$ (45.8)
Net gains (losses) on foreign currency translation	34.8	(21.4)	23.1	(6.9)
Other comprehensive income (loss), net of tax	34.8	(21.4)	23.1	(6.9)
Ending balance	\$ (2.5)	\$ (52.7)	\$ (2.5)	\$ (52.7)
Derivative instruments				
Beginning balance	\$ (0.7)	\$ (2.7)	\$ (1.6)	\$ (1.4)
Gains (losses) on derivative instruments	(2.0)	(0.2)	(2.3)	(3.3)
Less: tax provision (benefit)	(0.4)	(0.1)	(0.5)	(0.8)
Net gains (losses) on derivative instruments	(1.6)	(0.1)	(1.8)	(2.5)
(Gains) losses reclassified to net income	0.8	1.4	2.3	2.9
Less: tax (provision) benefit	0.1	0.3	0.5	0.7
Net (gains) losses reclassified to net income	0.7	1.1	1.8	2.2
Other comprehensive income (loss), net of tax	(0.9)	1.0	—	(0.3)
Ending balance	\$ (1.6)	\$ (1.7)	\$ (1.6)	\$ (1.7)
Pension and other postretirement benefits				
Beginning balance	\$ 0.5	\$ 0.5	\$ 0.5	\$ 0.4
Amortization of actuarial and other (gains) losses, prior service cost (credits), and settlement and curtailment (income) charge reclassified to net income	0.1	—	0.1	0.1
Less: tax (provision) benefit	—	—	—	—
Net actuarial and other (gains) losses, amortization of prior service cost (credits), and settlement and curtailment (income) charge reclassified to net income	0.1	—	0.1	0.1
Other comprehensive income (loss), net of tax	0.1	—	0.1	0.1
Ending balance	\$ 0.6	\$ 0.5	\$ 0.6	\$ 0.5
Total AOCI ending balance at September 30	\$ (3.5)	\$ (53.9)	\$ (3.5)	\$ (53.9)

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Reclassifications of accumulated other comprehensive income (loss)

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Derivative instruments				
Currency exchange contracts ⁽¹⁾	\$ —	\$ (0.2)	\$ —	\$ (0.7)
Natural gas contracts ⁽²⁾	(0.8)	(1.2)	(2.3)	(2.2)
Total before tax	(0.8)	(1.4)	(2.3)	(2.9)
(Provision) benefit for income taxes	0.1	0.3	0.5	0.7
Amount included in net income (loss)	<u>\$ (0.7)</u>	<u>\$ (1.1)</u>	<u>\$ (1.8)</u>	<u>\$ (2.2)</u>
Pension and other post retirement benefits				
Amortization of prior service costs ⁽²⁾	\$ (0.1)	\$ —	\$ (0.1)	\$ (0.1)
Total before tax	(0.1)	—	(0.1)	(0.1)
(Provision) benefit for income taxes	—	—	—	—
Amount included in net income (loss)	<u>\$ (0.1)</u>	<u>\$ —</u>	<u>\$ (0.1)</u>	<u>\$ (0.1)</u>

(1) Included within "Net sales" on the condensed consolidated statements of operations.

(2) Included within "Cost of sales" on the condensed consolidated statements of operations.

Share Repurchases

On July 25, 2022, our Board of Directors authorized the repurchase of up to \$500.0 million of our common stock (the "2022 Authorization"), and rescinded the prior outstanding repurchase authorization with respect to the shares that remained unused under the prior authorization. Shares under the 2022 Authorization may be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market prevailing conditions and other factors, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended.

During the three and nine months ended September 30, 2024, we repurchased no common stock. At September 30, 2024, \$353.4 million remained unused under the 2022 Authorization.

During the three and nine months ended September 30, 2023, we repurchased zero and \$92.1 million, inclusive of \$0.8 million excise tax, in common stock, representing zero and 1,269,373 shares of our common stock at a weighted average cost per share of zero and \$71.93, respectively.

Note 11: Restructuring and Other (Income) Charges, net

Detail on the restructuring charges and other (income) charges, net, is provided below.

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Restructuring charges	\$ 85.6	\$ 1.5	\$ 157.9	\$ 11.6
Other (income) charges, net	1.3	23.1	4.9	37.8
Total Restructuring and other (income) charges, net	<u>\$ 86.9</u>	<u>\$ 24.6</u>	<u>\$ 162.8</u>	<u>\$ 49.4</u>

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Restructuring Charges

<i>In millions</i>	Severance and other employee-related costs	Other charges (income) ⁽¹⁾	Asset disposal charges ⁽²⁾	Total
Performance Chemicals' repositioning	\$ 5.1	\$ 15.5	\$ 65.0	\$ 85.6
Three Months Ended September 30, 2024	\$ 5.1	\$ 15.5	\$ 65.0	\$ 85.6
Other	\$ 1.5	\$ —	\$ —	\$ 1.5
Three Months Ended September 30, 2023	\$ 1.5	\$ —	\$ —	\$ 1.5

<i>In millions</i>	Severance and other employee-related costs	Other charges (income) ⁽¹⁾	Asset disposal charges ⁽²⁾	Total
Performance Chemicals' repositioning	\$ 8.2	\$ 27.9	\$ 121.8	\$ 157.9
Nine Months Ended September 30, 2024	\$ 8.2	\$ 27.9	\$ 121.8	\$ 157.9
Other	\$ 8.9	\$ 0.1	\$ 2.6	\$ 11.6
Nine Months Ended September 30, 2023	\$ 8.9	\$ 0.1	\$ 2.6	\$ 11.6

(1) Primarily represents costs associated with CTO supply contract terminations, plant and equipment decommissioning charges and other miscellaneous exit costs.

(2) Primarily represents property, plant and equipment and finite-lived intangible asset write-downs, accelerated depreciation and amortization, and impairment charges on certain assets, which were or are to be disposed of or abandoned. Also included, to the extent incurred, the acceleration effect of re-estimating settlement dates and revised cost estimates associated with asset retirement obligations related to asset disposal charges that are included within restructuring charges.

Performance Chemicals' Repositioning

On November 1, 2023, we announced a number of strategic actions designed to reposition our Performance Chemicals reportable segment to improve profitability and reduce the cyclical nature of the company as a whole. These actions increased our focus on growing our most profitable Performance Chemicals' product lines, such as road technologies, and accelerate our transition to non-CTO based fatty acids. This initiative focused on reducing exposure to lower margin end-use markets of our industrial specialties product line, such as adhesives, publication inks, and oilfield, representing approximately 45 percent of our industrial specialties product line historical annualized net sales. This initiative included the permanent closure of our Performance Chemicals' CTO refinery and the closure of our manufacturing plant located in DeRidder, Louisiana (the "DeRidder Plant"), including the polyol production assets associated with the APT reportable segment. All production at the DeRidder Plant ceased in the first quarter of 2024. The Performance Chemicals' repositioning initiative included additional corporate and business cost reduction actions executed in November 2023.

Additionally, in July 2024, we announced plans to transition the refining of oleo-based products manufactured for our Performance Chemicals reportable segment from our Crossett, Arkansas manufacturing plant (the "Crossett Facility") to our North Charleston, South Carolina manufacturing plant. This action included the closure of the Crossett Facility, as well as additional corporate and business cost reduction actions. We ceased production at the Crossett Facility in the third quarter of 2024.

The actions referenced above, when combined with other targeted workforce reduction initiatives during 2023 and 2024, resulted in the reduction of Ingevity's global workforce by 23 percent. Specific to Performance Chemicals, the reduction represented approximately 40 percent of the reportable segment's workforce.

Expected Charges

We expect to incur aggregate charges of approximately \$350 million associated with the Performance Chemicals' repositioning. This is an increase of approximately \$100 million from prior expectations due to the closure of the Crossett Facility. Total expected charges now consist of approximately \$250 million in asset-related charges, approximately \$25 million in severance and other employee-related costs, and approximately \$75 million in other restructuring costs, including decommissioning, dismantling and removal charges, and CTO supply contract termination costs. Through September 30, 2024,

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we have incurred \$297.0 million associated with these actions, including \$250.8 million of non-cash asset-related charges and \$46.2 million of charges to be settled in cash. As of September 30, 2024, \$41.0 million of the charges to be settled in cash have been paid and all non-cash charges have been incurred. In total, we expect approximately \$100 million of cash charges, including approximately \$10-\$15 million during the fourth quarter of 2024 and approximately \$20-\$25 million during 2025.

Inventory Charges

The company believes the collective actions of workforce, operational, and regional business exits will hinder our ability to dispose of the associated inventory on hand. As a result, we recorded \$3.8 million and \$6.3 million of non-cash, lower of cost or market, inventory charges during the three and nine months ended September 30, 2024, respectively, to adjust the carrying value of the impacted inventory to what we expect to realize upon disposal, less disposal costs. These inventory charges are recorded to Cost of sales on the condensed consolidated statements of operations.

CTO Resale Activity

The DeRidder Plant closure, and the corresponding reduction in CTO refining capacity, significantly reduced our CTO volume requirements. However, we were obligated under an existing CTO supply contract to purchase CTO volumes through 2025 at amounts in excess of the CTO volumes needed to support our business operations. To manage this excess inventory, we sold CTO volumes (herein referred to as "CTO resales") in the open market. For the three and nine months ended September 30, 2024, we have incurred \$0.8 million and \$50.8 million, respectively, of CTO resale losses, which are recorded as Other (income) expense, net on the condensed consolidated statements of operations.

As of July 1, 2024, we terminated the CTO supply contract that resulted in these excess CTO volumes. As consideration for the termination of the CTO supply contract, we made a cash payment in the amount of \$50.0 million on July 1, 2024, and an additional cash payment in the amount of \$50.0 million in early October, 2024. The total charge of \$100.0 million was recorded within Other (income) expense, net on the condensed consolidated statements of operations for the nine months ended September 30, 2024. As a result of the termination of this supply contract, the purchases under the CTO supply contract ended effective June 30, 2024. Therefore, we are no longer required to purchase this excess CTO volume through 2025, and as such, we expect to end our CTO resale activity by the end of 2024 and to incur no more than \$5.0 million in additional costs as we liquidate the excess CTO volumes on hand as of September 30, 2024.

The charges we currently expect to incur in connection with these actions are subject to a number of assumptions and risks, and actual results may differ materially. We may also incur other material charges not currently contemplated due to events that may occur as a result of, or in connection with, these actions.

Other (income) charges, net

Alternative feedstock transition

In April 2023, we implemented the feedstock transition of the Crossett Facility. This transition converted the Crossett Facility from a CTO-based feedstock production facility to produce fatty acids from alternative plant-based feedstocks. During the three and nine months ended September 30, 2024, we incurred charges of zero. During the three and nine months ended September 30, 2023, we incurred charges of \$11.8 million and \$18.4 million, respectively.

North Charleston plant transition

Our North Charleston, South Carolina Performance Chemicals manufacturing plant has historically been co-located with a WestRock Company ("WestRock") paper mill. In May 2023, WestRock announced that it would permanently cease operating its North Charleston paper mill by August 31, 2023 and notified us that it was terminating the shared services in accordance with our operating agreement. WestRock ceased production at their North Charleston paper mill in June 2023. During 2023, we executed a transition plan to separate certain critical operating services WestRock had historically provided to us such as steam, water and wastewater treatment. During the three and nine months ended September 30, 2024, we incurred charges of \$1.3 million and \$4.9 million, respectively. During the three and nine months ended September 30, 2023, we incurred charges of \$9.8 million and \$12.7 million, respectively.

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Business transformation costs

Our enterprise resource planning tool implementation and associated business transformation initiative concluded in the fourth quarter of 2023. During the three and nine months ended September 30, 2024, we incurred charges of zero. During the three and nine months ended September 30, 2023, we incurred charges of \$1.5 million and \$6.7 million, respectively.

Restructuring and Other (Income) Charges, net Reserves

The following table shows a roll forward of restructuring reserves that will result in cash spending, the majority of which relate to the Performance Chemicals' repositioning.

<i>In millions</i>	Balance at 12/31/2023 ⁽¹⁾	Change in Reserve ⁽²⁾	Cash Payments	Other ⁽³⁾	Balance at 9/30/2024 ⁽¹⁾
Performance Chemicals' repositioning					
Severance and other employee-related costs	\$ 7.3	8.2	(11.1)	(0.1)	\$ 4.3
Other charges (income)	0.9	27.9	(27.9)	—	0.9
Restructuring	8.2	36.1	(39.0)	(0.1)	5.2
Other (income) charges, net	—	4.9	(4.9)	—	—
Restructuring and Other (income) charges, net reserves	\$ 8.2	41.0	(43.9)	(0.1)	\$ 5.2

(1) Included in "Accrued expenses" on the condensed consolidated balance sheets.

(2) Includes severance and other employee-related costs, exited leases, CTO supply contract terminations and other miscellaneous exit costs. Any asset write-downs including accelerated depreciation and impairment charges are not included in the above table.

(3) Primarily foreign currency translation adjustments.

Note 12: Income Taxes

The effective tax rates, including discrete items, were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Effective tax rate	22.3 %	21.5 %	17.9 %	22.6 %

We determine our interim tax provision using an Estimated Annual Effective Tax Rate methodology ("EAETR"). The EAETR is applied to the year-to-date ordinary income, exclusive of discrete items. The tax effects of discrete items are then included to arrive at the total reported interim tax provision.

The determination of the EAETR is based upon a number of estimates, including the estimated annual pre-tax ordinary income in each tax jurisdiction in which we operate. As our projections of ordinary income change throughout the year, the EAETR will change period-to-period. The tax effects of discrete items are recognized in the tax provision in the period they occur. Depending on various factors, such as the item's significance in relation to total income and the rate of tax applicable in the jurisdiction to which it relates, discrete items in any quarter may materially impact the reported effective tax rate. As a global enterprise, our tax expense may be impacted by changes in tax rates or laws, the finalization of tax audits and reviews, as well as other factors. As such, there may be significant volatility in interim tax provisions.

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The below table provides a reconciliation between our reported effective tax rates and the EAETR.

<i>In millions, except percentages</i>	Three Months Ended September 30,					
	2024			2023		
	Before tax	Tax	Effective tax rate % impact	Before tax	Tax	Effective tax rate % impact
Consolidated operations	\$ (137.9)	\$ (30.7)	22.3 %	\$ 32.1	\$ 6.9	21.5 %
Discrete items:						
Restructuring and other (income) charges, net ⁽¹⁾	89.4	21.1		1.5	0.4	
(Gain) loss on strategic investments ⁽²⁾	6.7	1.6		(0.1)	—	
Goodwill impairment ⁽³⁾	—	—		—	—	
Other tax only discrete items	—	7.0		—	2.3	
Total discrete items	96.1	29.7		1.4	2.7	
Consolidated operations, before discrete items	\$ (41.8)	\$ (1.0)		\$ 33.5	\$ 9.6	
EAETR ⁽⁴⁾			2.6 %			28.7 %

<i>In millions, except percentages</i>	Nine Months Ended September 30,					
	2024			2023		
	Before tax	Tax	Effective tax rate % impact	Before tax	Tax	Effective tax rate % impact
Consolidated operations	\$ (544.4)	\$ (97.5)	17.9 %	\$ 143.9	\$ 32.5	22.6 %
Discrete items:						
Restructuring and other (income) charges, net ⁽¹⁾	164.2	38.6		8.9	2.1	
(Gain) loss on strategic investments ⁽²⁾	11.4	2.7		(19.3)	(4.5)	
Goodwill impairment ⁽³⁾	349.1	57.0		—	—	
Other tax only discrete items	—	5.6		—	2.8	
Total discrete items	524.7	103.9		(10.4)	0.4	
Consolidated operations, before discrete items	\$ (19.7)	\$ 6.4		\$ 133.5	\$ 32.9	
EAETR ⁽⁵⁾			(33.0)%			24.6 %

(1) See Note 14 for further information.

(2) See Note 4 for further information.

(3) See Note 7 for further information.

(4) Decrease in EAETR for the three months ended September 30, 2024, as compared to September 30, 2023, is due to an overall change in the mix of forecasted earnings in various tax jurisdictions with varying rates, most notably in the U.S. While consolidated operations before discrete items are expected to be in overall losses driven by expenses incurred in the U.S., tax impacts from profitable foreign operations exceed the overall tax benefit incurred in the U.S., resulting in a large reduction to the three months ended September 30, 2024 EAETR. The EAETR tax percentage shown may not precisely recalculate due to rounding.

(5) Specific to the nine months ended September 30, 2024, while consolidated operations before discrete items are expected to be in overall losses driven by expenses incurred in the U.S., tax impacts from profitable foreign operations exceed the overall tax benefit incurred in the U.S., creating a negative EAETR. The EAETR tax percentage shown may not precisely recalculate due to rounding.

At September 30, 2024 and December 31, 2023, we had deferred tax assets of \$10.9 million and \$11.1 million, respectively, resulting from certain historical net operating losses from our Brazil and China operations and U.S. state tax credits for which a valuation allowance has been established. The ultimate realization of these deferred tax assets depends on the generation of future taxable income during the periods in which these net operating losses and tax credits are available to be used. In evaluating the realizability of these deferred tax assets, we consider projected future taxable income and tax planning strategies in making our assessment. As of September 30, 2024, we cannot objectively assert that these deferred tax assets are more likely than not to be realized and therefore we have maintained a valuation allowance. We intend to continue maintaining a valuation allowance on these deferred tax assets until there is sufficient evidence to support the reversal of all or some portion

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of these allowances. A release of all or a portion of the valuation allowance could be possible if we determine that sufficient positive evidence becomes available to allow us to reach a conclusion that the valuation allowance will no longer be needed. A release of the valuation allowance would result in the recognition of certain deferred tax assets and a reduction to income tax expense for the period the release is recorded. However, the exact timing and amount of the valuation allowance release are subject to change based on the level of profitability that we are able to actually achieve.

Pillar Two, released by the Organisation for Economic Cooperation and Development (OECD), went into effect on January 1, 2024. Pillar Two's intent is to create a 15% global minimum tax for all jurisdictions in which multinational enterprises operate. To date, ten of our reporting jurisdictions have enacted final legislation adopting Pillar Two. While we do not anticipate that this legislation will have a material impact on our tax provision or effective tax rate, we continue to monitor evolving tax legislation in the jurisdictions in which we operate. No tax impacts of Pillar Two were recorded for the nine months ended September 30, 2024.

Note 13: Commitments and Contingencies

Legal Proceedings

On July 19, 2018, we filed suit against BASF Corporation ("BASF") in the United States District Court for the District of Delaware (the "Delaware Proceeding") alleging BASF infringed Ingevity's patent covering canister systems used in the control of automotive gasoline vapor emissions (U.S. Patent No. RE38,844) (the "844 Patent"). On February 14, 2019, BASF asserted counterclaims against us in the Delaware Proceeding, alleging two claims for violations of U.S. antitrust law (one for exclusive dealing and the other for tying) as well as a claim for tortious interference with an alleged prospective business relationship between BASF and a BASF customer (the "BASF Counterclaims"). The BASF Counterclaims relate to our enforcement of the 844 Patent and our entry into several supply agreements with customers of our fuel vapor canister honeycombs. The U.S. District Court dismissed our patent infringement claims on November 18, 2020, and the case proceeded to trial on the BASF Counterclaims in September 2021.

On September 15, 2021, a jury in the Delaware Proceeding issued a verdict in favor of BASF on the BASF Counterclaims and awarded BASF damages of approximately \$28.3 million, which trebled under U.S. antitrust law to approximately \$85.0 million. On May 18, 2023, the court in the Delaware Proceeding entered judgment on the jury's verdict, which commenced the post-trial briefing stage. On February 13, 2024, the court in the Delaware Proceeding denied BASF's motion for pre-judgment interest on its tortious interference claim as well as our motion seeking judgment as a matter of law, or a new trial in the alternative. In addition, BASF has indicated it will seek attorneys' fees and costs in amounts that they will allege and have to demonstrate at a future date. Unless the judgment is set aside, BASF will be entitled to post-judgment interest pursuant to the rate provided under federal law.

We disagree with the verdict, including the court's application of the law and entry of judgment. Therefore, on March 13, 2024, we appealed the verdict as well as the U.S. District Court's November 2020 dismissal of our patent infringement claims against BASF. Ingevity believes in the strength of its intellectual property and the merits of its position and intends to pursue all legal relief available to challenge these outcomes in the Delaware Proceeding. Final resolution of these matters could take up to 18 months.

As of September 30, 2024, nothing has occurred in the post-trial proceedings to warrant any change to our conclusions as disclosed within our Annual Report on Form 10-K for the year ended December 31, 2023. The full amount of the trebled jury's verdict, \$85.0 million, is accrued in Other liabilities on the condensed consolidated balance sheets as of September 30, 2024 and the charge was included within Other (income) expense, net on the condensed consolidated statements of operations for the year ended December 31, 2021. In addition, as a result of the judgment being entered on May 18, 2023, we have started accruing for post-judgment interest at the legally mandated interest rate. The amount of any liability we may ultimately incur could be more or less than the amount accrued.

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Note 14: Segment Information

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net sales				
Performance Materials	\$ 151.1	\$ 147.2	\$ 453.4	\$ 433.2
Performance Chemicals	177.0	256.0	509.5	725.6
Advanced Polymer Technologies	48.8	42.8	144.7	161.6
Total net sales ⁽¹⁾	\$ 376.9	\$ 446.0	\$ 1,107.6	\$ 1,320.4
Segment EBITDA ⁽²⁾				
Performance Materials	\$ 80.6	\$ 74.5	\$ 240.8	\$ 208.5
Performance Chemicals	19.8	24.7	18.5	89.9
Advanced Polymer Technologies	9.8	11.2	29.1	36.6
Total Segment EBITDA ⁽²⁾	\$ 110.2	\$ 110.4	\$ 288.4	\$ 335.0
Interest expense, net	(23.8)	(23.1)	(69.3)	(64.3)
(Provision) benefit for income taxes	30.7	(6.9)	97.5	(32.5)
Depreciation and amortization - Performance Materials	(9.7)	(9.5)	(29.0)	(28.7)
Depreciation and amortization - Performance Chemicals	(8.6)	(13.2)	(31.1)	(40.0)
Depreciation and amortization - Advanced Polymer Technologies	(7.9)	(7.9)	(23.0)	(23.4)
Restructuring and other income (charges), net ⁽³⁾	(86.9)	(24.6)	(162.8)	(49.4)
Goodwill impairment charge ⁽⁴⁾	—	—	(349.1)	—
Acquisition and other-related income (costs), net ⁽⁵⁾	0.1	(0.1)	—	(4.6)
Inventory charges ⁽⁶⁾	(3.8)	—	(6.3)	—
Loss on CTO resales ⁽⁷⁾	(0.8)	—	(50.8)	—
CTO supply contract termination charges ⁽⁷⁾	(100.0)	—	(100.0)	—
Gain (loss) on strategic investments ⁽⁸⁾	(6.7)	0.1	(11.4)	19.3
Net income (loss)	\$ (107.2)	\$ 25.2	\$ (446.9)	\$ 111.4

(1) Relates to external customers only, all intersegment sales and related profit have been eliminated in consolidation.

(2) Segment EBITDA is the primary measure used by our chief operating decision maker ("CODM") to evaluate the performance of and allocate resources among our operating segments. Segment EBITDA is defined as segment net sales less segment operating expenses (segment operating expenses consist of costs of sales, selling, general and administrative expenses, research and technical expenses, other (income) expense, net, excluding depreciation and amortization). We have excluded the following items from segment EBITDA: interest expense associated with corporate debt facilities, interest income, income taxes, depreciation, amortization, restructuring and other income (charges), net, inventory lower of cost or market charges associated with restructuring actions, goodwill impairment charge, acquisition and other-related income (costs), gain (loss) on strategic investments, loss on CTO resales, CTO supply contract termination charges, and pension and postretirement settlement and curtailment income (charges), net.

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- (3) 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 September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Performance Materials	\$ 0.6	\$ 1.3	\$ 0.7	\$ 7.5
Performance Chemicals	86.1	22.9	162.0	39.6
Advanced Polymer Technologies	0.2	0.4	0.1	2.3
Restructuring and other (income) charges, net	\$ 86.9	\$ 24.6	\$ 162.8	\$ 49.4

- (4) For the three and nine months ended September 30, 2024, charges relate to the Performance Chemicals reportable segment. Refer to Note 7 for more information.
(5) 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. For the three and nine months ended September 30, 2024 and 2023, charges relate to the Performance Chemicals reportable segment.

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Legal and professional service fees	\$ (0.1)	\$ 0.1	\$ —	\$ 3.8
Acquisition-related (income) costs	\$ (0.1)	\$ 0.1	\$ —	\$ 3.8
Inventory fair value step-up amortization ⁽¹⁾	—	—	—	0.8
Acquisition and other-related (income) charges	\$ (0.1)	\$ 0.1	\$ —	\$ 4.6

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

- (6) For the three and nine months ended September 30, 2024, inventory charges represent lower of cost or market charges associated with the Performance Chemicals' repositioning. These charges were not allocated in the measurement of Performance Chemicals reportable segment profitability used by our CODM. Amounts are included in Cost of sales on the condensed consolidated statements of operations.
(7) For the three and nine months ended September 30, 2024, charges relate to the Performance Chemicals reportable segment. Refer to Note 11 for more information.
(8) 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. Refer to Note 4, under the section: *Strategic Investments*, for more information.

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Performance Materials	\$ —	\$ (0.1)	\$ (0.1)	\$ (19.3)
Performance Chemicals	4.5	—	9.3	—
Advanced Polymer Technologies	2.2	—	2.2	—
(Gain) loss on strategic investments	\$ 6.7	\$ (0.1)	\$ 11.4	\$ (19.3)

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Note 15: Earnings (Loss) per Share

<i>In millions (except share and per share data)</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss)	\$ (107.2)	\$ 25.2	\$ (446.9)	\$ 111.4
Basic and Diluted earnings (loss) per share				
Basic earnings (loss) per share	\$ (2.95)	\$ 0.70	\$ (12.31)	\$ 3.05
Diluted earnings (loss) per share	(2.95)	0.69	(12.31)	3.03
Shares <i>(in thousands)</i>				
Weighted average number of common shares outstanding - Basic	36,345	36,225	36,315	36,585
Weighted average additional shares assuming conversion of potential common shares	—	162	—	226
Shares - diluted basis ⁽¹⁾	<u>36,345</u>	<u>36,387</u>	<u>36,315</u>	<u>36,811</u>

(1) For the three and nine months ended September 30, 2024, all potentially dilutive common shares were excluded from the calculation of diluted earnings (loss) per share as we had a net loss for the period.

The following average number of potential common shares were antidilutive, and therefore, were not included in the diluted earnings per share calculation:

<i>In thousands</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Average number of potential common shares - antidilutive	250	491	250	400

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Introduction

Management's discussion and analysis of Ingevity Corporation's ("Ingevity," "the company," "we," "us," or "our") financial condition and results of operations ("MD&A") is provided as a supplement to the Condensed Consolidated Financial Statements and related notes included elsewhere herein to help provide an understanding of our financial condition, changes in financial condition and results of our operations. The following discussion should be read in conjunction with Ingevity's consolidated financial statements as of and for the year ended December 31, 2023, filed on February 22, 2024, with the Securities and Exchange Commission ("SEC") as part of the company's Annual Reporting on Form 10-K ("2023 Annual Report") and the unaudited interim Condensed Consolidated Financial Statements and notes to the unaudited interim Condensed Consolidated Financial Statements, which are prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

All references to notes (herein referred to as "Note") in this section refer to the notes accompanying the Condensed Consolidated Financial Statements included in Item 1 within this Form 10-Q.

Investors are cautioned that the forward-looking statements contained in this section and other parts of this Quarterly Report on Form 10-Q involve both risk and uncertainty. Several important factors could cause actual results to differ materially from those anticipated by these statements. Many of these statements are macroeconomic in nature and are, therefore, beyond the control of management. See "Cautionary Statements About Forward-Looking Statements" below and at the beginning of our 2023 Annual Report.

Cautionary Statements Regarding Forward-Looking Statements

This section and other parts of this Quarterly Report on Form 10-Q contain forward-looking statements, within the meaning of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the Private Securities Litigation Reform Act of 1995 that reflect our current expectations, beliefs, plans or forecasts with respect to, among other things, future events and financial performance. Forward-looking statements are often characterized by words or phrases such as "may," "will," "could," "should," "would," "anticipate," "estimate," "expect," "outlook," "project," "intend," "plan," "believe," "target," "prospects," "potential" and "forecast," and other words, terms and phrases of similar meaning. Forward-looking statements involve estimates, expectations, projections, goals, forecasts, assumptions, risks and uncertainties. We caution readers that a forward-looking statement is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statement. Such risks and uncertainties include, among others, those discussed in Part I, Item 1A. Risk Factors of our 2023 Annual Report, as well as in our unaudited Condensed Consolidated Financial Statements, related notes, and the other information appearing elsewhere in this report and our other filings with the SEC. We do not intend, and undertake no obligation, to update any of our forward-looking statements after the date of this report to reflect actual results or future events or circumstances. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. In addition to any such risks, uncertainties and other factors discussed elsewhere herein, risks, uncertainties and other factors that could cause or contribute to actual results differing materially from those expressed or implied by the forward-looking statements include, but are not limited to the following:

- the anticipated timing, charges and costs of the Performance Chemicals manufacturing consolidation and closures of our Crossett, Arkansas and DeRidder, Louisiana plants may differ materially from our estimates due to events that may occur as a result of, or in connection with, such consolidation or plant closures;
- the anticipated timing, charges and costs associated with the repositioning of our Performance Chemicals reportable segment and crude tall oil ("CTO") resales may differ materially from our estimates due to events that may occur as a result of, or in connection with, such actions;
- we may be adversely affected by general global economic, geopolitical, and financial conditions beyond our control, including inflation, the Russia-Ukraine war, and the conflict in the Middle East;
- we are exposed to risks related to our international sales and operations;
- adverse conditions in the automotive market have and may continue to negatively impact demand for our automotive carbon products;
- if more stringent air quality standards are not adopted worldwide, our growth could be impacted;
- we face competition from substitute products, new technologies, and new or emerging competitors;

- we may be adversely affected by a decrease in government infrastructure spending;
- adverse conditions in cyclical end markets may continue to adversely affect demand for our products;
- our Performance Chemicals segment is highly dependent on CTO, which is limited in supply and subject to price increases that have negatively impacted the business and will continue to do so if our ability to pass through such price increases remains limited;
- lack of access to raw materials upon which we depend would impact our ability to produce our products;
- the inability to make or effectively integrate future acquisitions and other investments may negatively affect our results;
- we are dependent upon third parties for the provision of certain critical operating services at several of our facilities;
- we may be adversely affected by disruptions in our supply chain;
- the occurrence of natural disasters and extreme weather or other unanticipated problems such as labor difficulties (including work stoppages), equipment failure, or unscheduled maintenance and repair, which could result in operational disruptions of varied duration;
- adverse weather conditions may impact demand for certain of our road technologies products;
- we are dependent upon attracting and retaining key personnel;
- we are dependent on certain large customers;
- from time to time, we are and may be engaged in legal actions associated with our intellectual property rights;
- if we are unable to protect our intellectual property and other proprietary information, we may lose significant competitive advantage;
- information technology security breaches and other disruptions;
- complications with the implementation and operation of our new enterprise resource planning system, including higher than anticipated associated costs;
- government policies and regulations, including, but not limited to, those affecting the environment, climate change, tax policies, tariffs, the chemicals industry and subsidies or incentives that may impact key raw materials or products may adversely affect financial results; and
- losses due to lawsuits arising out of environmental damage or personal injuries associated with chemical or other manufacturing processes.

Overview

Ingevity Corporation provides products and technologies that purify, protect, and enhance the world around us. Through a diverse team of talented and experienced people, we develop, manufacture, and bring to market solutions that are largely renewably sourced and help customers solve complex problems while making the world more sustainable. Our products are used in a variety of demanding applications, including adhesives, agrochemicals, asphalt paving, bioplastics, coatings, elastomers, lubricants, pavement markings, oil production, and automotive components. We operate in three reportable segments: Performance Materials, Performance Chemicals and Advanced Polymer Technologies.

Recent Developments and Updates

Interest Rate Risk Management

During the three months ended September 30, 2024, we entered into a floating-to-fixed interest rate swap with a notional amount of \$200.0 million to manage the variability of cash flows in the interest rate payments associated with our existing Secured Overnight Financing Rate ("SOFR") based interest payments, effectively converting \$200.0 million of our floating rate debt to a fixed rate. In accordance with the terms of this instrument, we receive floating rate interest payments based upon one-month U.S. dollar SOFR and in return are obligated to pay interest at a fixed rate of 3.84 percent until August 2026. The fair value of the interest rate swap was an asset (liability) of \$(1.7) million and zero at September 30, 2024 and December 31, 2023, respectively.

Measurement Alternative Investments

During the first and third quarters of 2024, the company identified triggering events indicating that investments being accounted for under the measurement alternative may be impaired. For the three and nine months ended September 30, 2024, the company recognized an impairment of \$6.7 million and \$11.5 million, respectively, recorded in Other (income) expense, net on the condensed consolidated statements of operations.

Annual Goodwill Test

We conduct a required annual review of goodwill for potential impairment at October 1st, or sooner if events or changes in circumstances indicate that the fair value of a reporting unit is below its carrying value. Our reporting units are our operating segments, i.e., Performance Materials, Performance Chemicals, and Advanced Polymer Technologies ("APT"). If the carrying value of a reporting unit that includes goodwill exceeds its fair value, which is determined using both the income approach and market approach, goodwill is considered impaired.

During the second quarter of 2024, we recorded a full impairment of our Performance Chemicals reporting unit goodwill. The remaining balance of our goodwill, is primarily related to our APT reporting unit. There have been no events or changes in circumstances during the third quarter that have required interim testing of our goodwill for impairment.

We are currently testing our remaining goodwill balance as part of our required annual October 1st goodwill impairment testing. The preliminary results have calculated that our APT reporting unit headroom, defined as the percentage difference between the fair value of a reporting unit and its carrying value, is between 10 and 15 percent. Since the fair value of our APT reporting unit is higher than the carrying value, we have concluded that no impairment to goodwill is necessary. Our analysis includes significant assumptions such as revenue growth rate, Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") margin, and discount rate, which are judgmental, and variations in any assumptions could result in materially different calculations of fair value.

The below table shows how changes in certain significant assumptions utilized in our preliminary annual goodwill testing, specific to our APT reporting unit, impacts the calculated headroom.

Advanced Polymer Technologies Reporting Unit - Headroom Sensitivity Analysis				
	Reporting Unit Fair Value	Revenue Growth Rate declines by 100 Bps	EBITDA Margin declines by 100 Bps	Discount Rate increases by 100 Bps
Preliminary Headroom	10 - 15%	3 - 8%	3 - 8%	(3) - 2%

Performance Chemicals' Repositioning

On November 1, 2023, we announced a number of strategic actions designed to reposition our Performance Chemicals reportable segment to improve profitability and reduce the cyclicity of the company as a whole. These actions increased our focus on growing our most profitable Performance Chemicals' product lines, such as road technologies, and accelerate our transition to non-CTO based fatty acids. This initiative focused on reducing exposure to lower margin end-use markets of our industrial specialties product line, such as adhesives, publication inks, and oilfield, representing approximately 45 percent of our industrial specialties product line historical annualized net sales. This initiative included the permanent closure of our Performance Chemicals' CTO refinery and the closure of our manufacturing plant located in DeRidder, Louisiana (the "DeRidder Plant"), including the polyol production assets associated with the APT reportable segment. All production at the DeRidder Plant ceased in the first quarter of 2024. The Performance Chemicals' repositioning initiative included additional corporate and business cost reduction actions executed in November 2023.

Additionally, in July 2024, we announced plans to transition the refining of oleo-based products manufactured for our Performance Chemicals reportable segment from our Crossett, Arkansas manufacturing plant (the "Crossett Facility") to our North Charleston, South Carolina manufacturing plant. This action included the closure of the Crossett Facility, as well as additional corporate and business cost reduction actions. We ceased production at the Crossett Facility in the third quarter of 2024.

The actions referenced above, when combined with other targeted workforce reduction initiatives during 2023 and 2024, resulted in the reduction of Ingevity's global workforce by 23 percent. Specific to Performance Chemicals, the reduction represented approximately 40 percent of the reportable segment's workforce.

Expected Charges

We expect to incur aggregate charges of approximately \$350 million associated with the Performance Chemicals' repositioning. This is an increase of approximately \$100 million from prior expectations due to the closure of the Crossett Facility. Total expected charges now consist of approximately \$250 million in asset-related charges, approximately \$25 million in severance and other employee-related costs, and approximately \$75 million in other restructuring costs, including

decommissioning, dismantling and removal charges, and CTO supply contract termination costs. Through September 30, 2024, we have incurred \$297.0 million associated with these actions, including \$250.8 million of non-cash asset-related charges and \$46.2 million of charges to be settled in cash. As of September 30, 2024, \$41.0 million of the charges to be settled in cash have been paid and all non-cash charges have been incurred. In total, we expect approximately \$100 million of cash charges, including approximately \$10-\$15 million during the fourth quarter of 2024 and approximately \$20-\$25 million during 2025.

Inventory Charges

The company believes the collective actions of workforce, operational, and regional business exits will hinder our ability to dispose of the associated inventory on hand. As a result, we recorded \$3.8 million and \$6.3 million of non-cash, lower of cost or market, inventory charges during the three and nine months ended September 30, 2024, respectively, to adjust the carrying value of the impacted inventory to what we expect to realize upon disposal, less disposal costs. These inventory charges are recorded to Cost of sales on the condensed consolidated statements of operations.

CTO Resale Activity

The DeRidder Plant closure, and the corresponding reduction in CTO refining capacity, significantly reduced our CTO volume requirements. However, we were obligated under an existing CTO supply contract to purchase CTO volumes through 2025 at amounts in excess of the CTO volumes needed to support our business operations. To manage this excess inventory, we sold CTO volumes (herein referred to as "CTO resales") in the open market. For the three and nine months ended September 30, 2024, we have incurred \$0.8 million and \$50.8 million, respectively, of CTO resale losses, which are recorded as Other (income) expense, net on the condensed consolidated statements of operations.

As of July 1, 2024, we terminated the CTO supply contract that resulted in these excess CTO volumes. As consideration for the termination of the CTO supply contract, we made a cash payment in the amount of \$50.0 million on July 1, 2024 and an additional cash payment in the amount of \$50.0 million. The total charge of \$100.0 million was recorded within Other (income) expense, net on the condensed consolidated statements of operations for the nine months ended September 30, 2024. As a result of the termination of this supply contract, the purchases under the CTO supply contract ended effective June 30, 2024. Therefore, we are no longer required to purchase this excess CTO volume through 2025, and as such, we expect to end our CTO resale activity by the end of 2024 and to incur no more than \$5.0 million in additional costs as we liquidate the excess CTO resale volumes on hand as of September 30, 2024.

Expected Savings and Impact

The Performance Chemicals' repositioning is focused on reducing exposure to lower margin end-use markets of our industrial specialties product line, such as adhesives, publication inks, and oilfield, representing approximately 45 percent of our industrial specialties product line historical annualized net sales, and as such, we expect annualized net sales to decrease accordingly. The annualized cash savings we expect to realize from these actions are approximately \$95 million to \$110 million of which \$65 million to \$75 million we expect to realize in 2024. These cash savings will be derived from headcount reductions, plant operating efficiencies, and reduced supply chain costs. In addition to the cash savings, annualized depreciation and intangible amortization expense related to asset charges taken through this initiative will decline by approximately \$15 million and \$17 million, respectively, of which we expect to realize approximately \$10 million and \$12 million in 2024, respectively.

Collectively, these savings are expected to be realized in the following financial statement captions: 70-80 percent in Cost of sales, 15-25 percent in Selling, general, and administrative expenses, and ~5 percent in Research and technical expenses, all presented on our condensed consolidated statements of operations. During the three and nine months ended September 30, 2024, we realized cash savings of approximately \$18 million and \$60 million, including \$14 million and \$46 million in Cost of sales, \$3 million and \$11 million in Selling, general, and administrative expenses, and \$1 million and \$3 million in Research and technical expenses, respectively.

The charges we currently expect to incur and the savings we expect to obtain in connection with these actions are subject to a number of assumptions and risks, and actual results may differ materially. We may also incur other material charges not currently contemplated due to events that may occur as a result of, or in connection with, these actions.

Results of Operations

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net sales	\$ 376.9	\$ 446.0	\$ 1,107.6	\$ 1,320.4
Cost of sales	247.0	317.0	754.8	908.0
Gross profit	129.9	129.0	352.8	412.4
Selling, general, and administrative expenses	38.7	40.0	127.3	140.3
Research and technical expenses	6.7	7.8	20.8	24.6
Restructuring and other (income) charges, net	86.9	24.6	162.8	49.4
Goodwill impairment charge	—	—	349.1	—
Acquisition-related costs	(0.1)	0.1	—	3.8
Other (income) expense, net	111.8	1.3	167.9	(13.9)
Interest expense, net	23.8	23.1	69.3	64.3
Income (loss) before income taxes	(137.9)	32.1	(544.4)	143.9
Provision (benefit) for income taxes	(30.7)	6.9	(97.5)	32.5
Net income (loss)	\$ (107.2)	\$ 25.2	\$ (446.9)	\$ 111.4

Net sales

The table below shows the 2024 Net sales and variances from 2023:

<i>In millions</i>	Prior year Net sales	Change vs. prior year			Current year Net Sales
		Volume	Price/Mix	Currency effect	
Three months ended September 30, 2024 vs. 2023	\$ 446.0	(68.7)	0.4	(0.8)	\$ 376.9
Nine months ended September 30, 2024 vs. 2023	\$ 1,320.4	(199.9)	(5.2)	(7.7)	\$ 1,107.6

Q3 2024 Performance Summary

The Net sales decrease was driven primarily by the Performance Chemicals' industrial specialties product line due to repositioning actions which included the focus on reducing exposure to lower margin end-use markets and therefore reduced sales during the quarter by approximately \$51 million. Also contributing to the lower sales was unfavorable weather in key North American regions impacting our road technologies product line and continued weakness in certain industrial end markets that negatively impacted sales in our industrial specialties product line, slightly offset by an increase in our Advanced Polymer Technologies and Performance Materials reportable segments.

Three Months Ended September 30, 2024 vs. 2023

The Net sales decrease of \$69.1 million in 2024 was driven by volume declines of \$68.7 million (15 percent), primarily in our Performance Chemicals reportable segment, and unfavorable foreign currency exchange of \$0.8 million (zero percent). This was partially offset by favorable pricing and sales composition (mix) of \$0.4 million (zero percent).

Nine Months Ended September 30, 2024 vs. 2023

The Net sales decrease of \$212.8 million in 2024 was driven by volume declines of \$199.9 million (15 percent), primarily in our Performance Chemicals reportable segment. Unfavorable pricing and sales composition (mix) of \$5.2 million (zero percent) and unfavorable foreign currency exchange of \$7.7 million (one percent) also contributed to the decline in Net sales.

Gross Profit

Three Months Ended September 30, 2024 vs. 2023

Gross profit increase of \$0.9 million was driven primarily by decreased manufacturing costs of \$2.8 million, driven by lower input costs in Performance Materials and higher throughput in APT, partially offset by higher CTO costs in Performance Chemicals. The increase was partially offset by unfavorable sales volume of \$0.5 million in our Performance Chemicals industrial specialties product line, unfavorable pricing and sales composition (mix) of \$0.5 million, primarily in our APT reportable segment, and unfavorable foreign currency exchange of \$0.9 million. Gross profit includes the realized savings of \$14.0 million from the Performance Chemicals repositioning actions initiated in 2023. Refer to the Segment Operating Results section included within this MD&A for more information on the drivers to the changes in gross profit period over period for all segments.

Nine Months Ended September 30, 2024 vs. 2023

Gross profit decrease of \$59.6 million was driven primarily by unfavorable sales volume of \$27.7 million in our Performance Chemicals industrial specialties product line, and increased manufacturing costs of \$22.5 million, mainly driven by higher CTO costs in Performance Chemicals which were partially offset by lower input costs in Performance Materials and higher throughput in APT. The decrease was further driven by unfavorable pricing and sales composition (mix) of \$7.9 million primarily within our APT reportable segment, and unfavorable foreign currency exchange of \$1.5 million. Gross profit includes the realized savings of \$46.0 million from the Performance Chemicals repositioning actions initiated in 2023. Refer to the Segment Operating Results section included within this MD&A for more information on the drivers to the changes in gross profit period over period for all segments.

Selling, general and administrative expenses

Three Months Ended September 30, 2024 vs. 2023

Selling, general and administrative expenses ("SG&A") were \$38.7 million (10 percent of Net sales) and \$40.0 million (nine percent of Net sales) for the three months ended September 30, 2024 and 2023, respectively. Overall, SG&A decreased by approximately \$1.3 million or three percent. Our Performance Chemicals' repositioning actions resulted in non-cash reduction of intangible amortization expense of \$3.5 million and \$3.0 million in cash savings. These combined savings were partially offset by increased spending on commercial activities of \$0.4 million and \$4.8 million of higher variable incentive compensation, driven by adjustments recognized in the three months ended September 30, 2023, that did not repeat in 2024.

Nine Months Ended September 30, 2024 vs. 2023

SG&A was \$127.3 million (11 percent of Net sales) and \$140.3 million (11 percent of Net sales) for the nine months ended September 30, 2024 and 2023, respectively. Overall, SG&A decreased by \$13.0 million or nine percent driven by our Performance Chemicals' repositioning actions that reduced non-cash intangible amortization expense by \$8.6 million and included \$11.0 million in cash savings. These combined savings were partially offset by increased spending on commercial activities of \$1.1 million and \$5.5 million of higher variable incentive compensation, driven by adjustments recognized in 2023 that did not repeat in 2024.

Research and technical expenses

Three Months Ended September 30, 2024 vs. 2023

Research and technical expenses as a percentage of Net sales remained relatively consistent period over period, increasing to 1.8 percent from 1.7 percent for the three months ended September 30, 2024 and 2023, respectively. Research and technical expenses as a percentage of Net sales increased due to lower sales. Overall, Research and technical expense decreased by \$1.1 million, which included approximately \$1.0 million realized from the Performance Chemicals repositioning actions initiated in 2023.

Nine Months Ended September 30, 2024 vs. 2023

Research and technical expenses as a percentage of Net sales remained consistent period over period, at 1.9 percent and 1.9 percent for the nine months ended September 30, 2024 and 2023, respectively. Included in the overall \$3.8 million decrease is approximately \$3.0 million realized from the Performance Chemicals repositioning actions initiated in 2023.

Restructuring and other (income) charges, net**Three and Nine Months Ended September 30, 2024 vs. 2023**

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Work force reductions and other	\$ —	\$ 1.5	\$ —	\$ 11.6
Performance Chemicals' repositioning	85.6	—	157.9	—
Restructuring charges	\$ 85.6	\$ 1.5	\$ 157.9	\$ 11.6
Alternative feedstock transition	—	11.8	—	18.4
North Charleston plant transition	1.3	9.8	4.9	12.7
Business transformation costs	—	1.5	—	6.7
Other (income) charges, net	\$ 1.3	\$ 23.1	\$ 4.9	\$ 37.8
Restructuring and other (income) charges, net ⁽¹⁾	\$ 86.9	\$ 24.6	\$ 162.8	\$ 49.4

(1) See Note 11 for more information.

Goodwill impairment charge**Three and Nine Months Ended September 30, 2024 vs. 2023**

Goodwill impairment charge of zero and \$349.1 million for the three and nine months ended September 30, 2024 within our Performance Chemicals reporting unit. See Note 7 for more information.

Acquisition-related costs**Three and Nine Months Ended September 30, 2024 vs. 2023**

Acquisition-related (income) costs were \$(0.1) million and zero for the three and nine months ended September 30, 2024, and \$0.1 million and \$3.8 million for the three and nine months ended September 30, 2023, respectively. All charges relate to the integration of Ozark Materials into our Performance Chemicals reportable segment.

Other (income) expense, net**Three and Nine Months Ended September 30, 2024 vs. 2023**

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Foreign currency transaction (gain) loss	\$ 1.0	\$ 1.7	\$ 3.1	\$ 4.4
Loss on CTO resales ⁽¹⁾	0.8	—	50.8	—
CTO supply contract termination charges ⁽¹⁾	100.0	—	100.0	—
(Gain) loss on strategic investments ⁽²⁾	6.7	(0.1)	11.4	(19.3)
CEO severance charges	4.8	—	4.8	—
Other (income) expense, net	(1.5)	(0.3)	(2.2)	1.0
Total Other (income) expense, net	\$ 111.8	\$ 1.3	\$ 167.9	\$ (13.9)

(1) See Notes 11 and 14 for more information.

(2) See Note 4 for more information.

Interest expense, net

Three and Nine Months Ended September 30, 2024 vs. 2023

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Accounts receivable securitization ⁽¹⁾	\$ 1.7	\$ —	\$ 4.5	\$ —
Finance lease obligations ⁽¹⁾	1.8	1.9	5.4	5.5
Interest rate swap ⁽²⁾	(0.4)	—	(0.4)	—
Litigation related interest expense ⁽³⁾	1.3	1.3	3.9	1.7
Revolving Credit Facility and other lines of credit ⁽¹⁾	14.5	15.0	41.7	43.2
Senior notes ⁽¹⁾	5.6	5.6	16.8	16.8
Other interest (income) expense, net	(0.7)	(0.7)	(2.6)	(2.9)
Total Interest expense, net	<u>\$ 23.8</u>	<u>\$ 23.1</u>	<u>\$ 69.3</u>	<u>\$ 64.3</u>

(1) See Note 9 for more information.

(2) See Note 8 for more information.

(3) See Note 13 for more information.

Provision (benefit) for income taxes

Three and Nine Months Ended September 30, 2024 vs. 2023

For the three months ended September 30, 2024 and 2023, our effective tax rate was 22.3 percent and 21.5 percent, respectively. Excluding discrete items, the effective rate was 2.6 percent compared to 28.7 percent in the three months ended September 30, 2024 and 2023, respectively. See Note 12 for more information.

For the nine months ended September 30, 2024 and 2023, our effective tax rate was 17.9 percent and 22.6 percent, respectively. Excluding discrete items, the effective rate was (33.0) percent compared to 24.6 percent in the nine months ended September 30, 2024 and 2023, respectively. See Note 12 for more information.

Segment Operating Results

In addition to the information discussed above, the following sections discuss the results of operations for Ingevity's reportable segments. Our segments are (i) Performance Materials, (ii) Performance Chemicals and (iii) Advanced Polymer Technologies. Segment Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") is the primary measure used by the company's chief operating decision maker to evaluate the performance of and allocate resources among our operating segments. Segment EBITDA is defined as segment net sales less segment operating expenses (segment operating expenses consist of costs of sales, selling, general and administrative expenses, research and technical expenses, other (income) expense, net, excluding depreciation and amortization). We have excluded the following items from segment EBITDA: interest expense associated with corporate debt facilities, interest income, income taxes, depreciation, amortization, restructuring and other income (charges), net, including inventory lower of cost or market charges associated with restructuring actions, goodwill impairment charge, acquisition and other-related income (costs), litigation verdict charges, gain (loss) on strategic investments, loss on CTO resales, CTO supply contract termination charges, and pension and postretirement settlement and curtailment income (charges), net.

In general, the accounting policies of the segments are the same as those described in the Summary of Significant Accounting Policies in the Annual Consolidated Financial Statements included in our 2023 Annual Report.

Performance Materials

Q3 2024 Performance Summary

Net sales in our Performance Materials reportable segment increased three percent compared to the prior year quarter as the segment benefited from increased pricing on select products. Segment EBITDA increased \$6.1 million or eight percent primarily driven by improved operational efficiencies that contributed to lower input costs.

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Total Performance Materials - Net sales	\$ 151.1	\$ 147.2	\$ 453.4	\$ 433.2
Segment EBITDA	\$ 80.6	\$ 74.5	\$ 240.8	\$ 208.5

Net Sales Comparison of Three and Nine Months Ended September 30, 2024 and September 30, 2023:

<i>In millions</i>	Prior year Net sales	Change vs. prior year			Current year Net sales
		Volume	Price/Mix	Currency effect	
Three months ended September 30, 2024 vs. 2023	\$ 147.2	(0.3)	3.9	0.3	\$ 151.1
Nine months ended September 30, 2024 vs. 2023	\$ 433.2	10.2	14.1	(4.1)	\$ 453.4

Three Months Ended September 30, 2024 vs. 2023

Segment net sales. The increase of \$3.9 million in 2024 was driven primarily by increased pricing on selected products of \$3.9 million (three percent) and favorable foreign currency exchange of \$0.3 million (zero percent). The increase was partially offset by a volume decrease of \$0.3 million (zero percent).

Segment EBITDA. The increase of \$6.1 million in 2024 was driven by the increase in sales as noted above, decreased manufacturing costs of \$7.7 million, favorable pricing and sales composition (mix) of \$3.0 million, and decreased foreign currency exchange and other charges of \$0.1 million. The increase was partially offset by increased SG&A and research and technical expenses of \$4.5 million, and a volume decrease of \$0.2 million.

Nine Months Ended September 30, 2024 vs. 2023

Segment net sales. The increase of \$20.2 million in 2024 was driven by favorable pricing and sales composition (mix) of \$14.1 million (three percent), and a volume increase of \$10.2 million (two percent). The increase was partially offset by unfavorable foreign currency exchange of \$4.1 million (one percent).

Segment EBITDA. The increase of \$32.3 million in 2024 was driven by the increase in sales as noted above, decreased manufacturing costs of \$21.8 million, favorable pricing and sales composition (mix) of \$11.7 million, a volume increase of \$5.7 million, and decreased foreign currency exchange and other charges of \$0.4 million. The increase was partially offset by increased SG&A and research and technical expenses of \$7.3 million.

Performance Chemicals

Q3 2024 Performance Summary

Net sales in our Performance Chemicals reportable segment decreased 31 percent compared to the prior year quarter, primarily the result of our Performance Chemicals' repositioning actions that are focused on exiting lower-margin end markets for our Industrial Specialties product line.

The road technologies product line net sales decrease of \$10.7 million was primarily driven by unfavorable weather conditions in key North American regions. The industrial specialties product line net sales decrease of \$68.3 million was primarily driven by lower volumes as a result of our repositioning actions resulting in reduced sales of approximately \$51 million, as well as continued weakness in certain industrial end markets.

Contributing to the decline in Segment EBITDA was higher CTO costs and unfavorable plant throughput due to continued weakness in industrial demand associated with our industrial specialties product line. Additionally, unfavorable weather conditions in key North American regions impacted our road technologies product line. Slightly offsetting these elevated costs were cost savings realized during the quarter due to the Performance Chemicals' repositioning.

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Total Performance Chemicals - Net sales	\$ 177.0	\$ 256.0	\$ 509.5	\$ 725.6
Road Technologies product line	119.0	129.7	293.8	316.4
Industrial Specialties product line	58.0	126.3	215.7	409.2
Segment EBITDA	\$ 19.8	\$ 24.7	\$ 18.5	\$ 89.9

Net Sales Comparison of Three and Nine Months Ended September 30, 2024 and September 30, 2023:

<i>In millions</i>	Prior year Net sales	Change vs. prior year			Current year Net Sales
		Volume	Price/Mix	Currency effect	
Three months ended September 30, 2024 vs. 2023	\$ 256.0	(80.2)	1.5	(0.3)	\$ 177.0
Road Technologies product line	129.7	(8.6)	(2.0)	(0.1)	119.0
Industrial Specialties product line	126.3	(71.6)	3.5	(0.2)	58.0
Nine months ended September 30, 2024 vs. 2023	\$ 725.6	(212.6)	(2.6)	(0.9)	\$ 509.5
Road Technologies product line	316.4	(26.7)	4.4	(0.3)	293.8
Industrial Specialties product line	409.2	(185.9)	(7.0)	(0.6)	215.7

Three Months Ended September 30, 2024 vs. 2023

Segment net sales. The decrease of \$79.0 million was driven by a volume decrease of \$80.2 million (31 percent), as a result of a decrease in industrial specialties (\$71.6 million) and road technologies (\$8.6 million), and unfavorable foreign currency exchange of \$0.3 million (zero percent). This decrease was partially offset by favorable pricing and sales composition (mix) of \$1.5 million (one percent), attributable to an increase in industrial specialties (\$3.5 million), partially offset by a decrease in road technologies (\$2.0 million).

Segment EBITDA. The decrease of \$4.9 million was driven by a volume decrease of \$4.9 million, higher manufacturing costs of \$3.5 million, primarily due to higher cost CTO, and increased foreign currency exchange and other charges of \$1.8 million. The decrease was partially offset by lower SG&A of \$3.8 million, which benefited from the Performance Chemicals' repositioning and cost saving initiatives implemented in 2023, and favorable pricing and sales composition (mix) of \$1.5 million.

Nine Months Ended September 30, 2024 vs. 2023

Segment net sales. The decrease of \$216.1 million was driven by a volume decrease of \$212.6 million (29 percent), as a result of a decrease in industrial specialties (\$185.9 million) and road technologies (\$26.7 million), unfavorable pricing and

sales composition (mix) of \$2.6 million (zero percent), attributable to a decrease in industrial specialties (\$7.0 million), partially offset by an increase in road technologies (\$4.4 million), and unfavorable foreign currency exchange of \$0.9 million (zero percent).

Segment EBITDA. The decrease of \$71.4 million was driven by higher manufacturing costs of \$47.5 million, primarily due to higher cost CTO, a volume decrease of \$34.3 million, increased foreign currency exchange and other charges of \$2.8 million, and unfavorable pricing and sales composition (mix) of \$2.6 million. The decrease was partially offset by lower SG&A of \$15.8 million, which benefited from the Performance Chemicals' repositioning and cost saving initiatives implemented in 2023.

Advanced Polymer Technologies

Q3 2024 Performance Summary

Net sales in our Advanced Polymer Technologies reportable segment increased 14 percent compared to the prior year quarter as volumes recovered from last year's lows.

Segment EBITDA decreased by 12.5 percent as pricing pressure, unfavorable product mix and adverse impacts from foreign currency exchange more than offset the higher sales volumes that drove improved plant utilization rates in the current quarter.

In millions	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Total Advanced Polymer Technologies - Net sales	\$ 48.8	\$ 42.8	\$ 144.7	\$ 161.6
Segment EBITDA	\$ 9.8	\$ 11.2	\$ 29.1	\$ 36.6

Net Sales Comparison of Three and Nine Months Ended September 30, 2024 and September 30, 2023:

In millions	Prior year Net sales	Change vs. prior year			Current year Net sales
		Volume	Price/Mix	Currency effect	
Three months ended September 30, 2024 vs. 2023	\$ 42.8	11.8	(5.0)	(0.8)	\$ 48.8
Nine months ended September 30, 2024 vs. 2023	\$ 161.6	2.5	(16.7)	(2.7)	\$ 144.7

Three Months Ended September 30, 2024 vs. 2023

Segment net sales. The increase of \$6.0 million in 2024 was driven by a volume increase of \$11.8 million (28 percent), partially offset by unfavorable pricing and sales composition (mix) of \$5.0 million (12 percent), and unfavorable foreign currency exchange of \$0.8 million (two percent).

Segment EBITDA. The decrease of \$1.4 million was driven by unfavorable pricing and sales composition (mix) of \$5.0 million, increased foreign currency exchange and other charges of \$2.2 million, and increased SG&A of \$0.6 million. The decrease was partially offset by a volume increase of \$4.6 million, and decreased manufacturing costs of \$1.8 million.

Nine Months Ended September 30, 2024 vs. 2023

Segment net sales. The decrease of \$16.9 million in 2024 was driven by unfavorable pricing and sales composition (mix) of \$16.7 million (10 percent), and unfavorable foreign currency exchange of \$2.7 million (two percent), partially offset by a volume increase of \$2.5 million (two percent).

Segment EBITDA. The decrease of \$7.5 million was driven by unfavorable pricing and sales composition (mix) of \$17.0 million, and increased foreign currency exchange and other charges of \$2.5 million. The decrease was partially offset by decreased manufacturing costs of \$10.1 million, decreased SG&A of \$1.0 million, and a volume increase of \$0.9 million.

Use of Non-GAAP Financial Measure - Adjusted EBITDA

Ingevity has presented the financial measure, Adjusted EBITDA, defined below, which has not been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and has provided a reconciliation to net income, the most directly comparable financial measure calculated in accordance with GAAP. Adjusted EBITDA is not meant to be considered in isolation nor as a substitute for the most directly comparable financial measure calculated in accordance with GAAP. Adjusted EBITDA is utilized by management as a measure of profitability.

We believe this non-GAAP financial measure provides management as well as investors, potential investors, securities analysts, and others with useful information to evaluate the performance of the business, because such measure, when viewed together with our financial results computed in accordance with GAAP, provides a more complete understanding of the factors and trends affecting our historical financial performance and projected future results. We believe Adjusted EBITDA is a useful measure because it excludes the effects of financing and investment activities as well as non-operating activities.

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, goodwill impairment charge, acquisition and other-related (income) costs, litigation verdict charges, (loss) gain on strategic investments, loss on CTO resales, CTO supply contract termination charges, and pension and postretirement settlement and curtailment (income) charges, net.

This non-GAAP measure is not 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. A reconciliation of Adjusted EBITDA to net income is set forth within this section.

Reconciliation of Net Income (Loss) to Adjusted EBITDA

<i>In millions</i>	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Net income (loss) (GAAP)	\$ (107.2)	\$ 25.2	\$ (446.9)	\$ 111.4
Interest expense, net	23.8	23.1	69.3	64.3
Provision (benefit) for income taxes	(30.7)	6.9	(97.5)	32.5
Depreciation and amortization - Performance Materials	9.7	9.5	29.0	28.7
Depreciation and amortization - Performance Chemicals	8.6	13.2	31.1	40.0
Depreciation and amortization - Advanced Polymer Technologies	7.9	7.9	23.0	23.4
Restructuring and other (income) charges, net ⁽¹⁾	86.9	24.6	162.8	49.4
Goodwill impairment charge ⁽²⁾	—	—	349.1	—
Acquisition and other-related (income) costs, net ⁽³⁾	(0.1)	0.1	—	4.6
Loss on CTO resales ⁽⁴⁾	0.8	—	50.8	—
CTO supply contract termination charges ⁽⁵⁾	100.0	—	100.0	—
(Gain) loss on strategic investments ⁽⁶⁾	6.7	(0.1)	11.4	(19.3)
Adjusted EBITDA (Non-GAAP)	\$ 106.4	\$ 110.4	\$ 282.1	\$ 335.0

(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 and for the purposes of calculating our non-GAAP financial performance measures. Refer to Note 11 for more information.

(2) Refer to Note 7 for more information.

(3) Charges represent costs incurred to complete and integrate acquisitions and other strategic investments, and 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.

- (4) Due to the DeRidder Plant closure, and the corresponding reduced CTO refining capacity, we were obligated, under an existing CTO supply contract, to purchase CTO through 2025 at amounts in excess of required CTO volumes. As of July 1, 2024, we have terminated the CTO supply contract that resulted in these excess CTO volumes. As a result of the termination of this contract the purchases under the CTO supply contract ended, effective June 30, 2024. Therefore, we are no longer required to purchase this excess CTO volume through 2025, and as such, we expect to end our CTO resale activity by the end of 2024. Since these CTO resale activities are directly attributable to the Performance Chemicals' repositioning, that is, they do not represent normal, recurring expenses necessary to operate our business, we have excluded the CTO resale (income) charges for the purposes of calculating our non-GAAP financial performance measures. For the three and nine months ended September 30, 2024, the loss on CTO resales relates to the Performance Chemicals segment. Refer to Note 11 for more information.
- (5) As consideration for the termination of the CTO supply contract, we made a cash payment in the amount of \$50.0 million on July 1, 2024 and an additional cash payment in the amount of \$50.0 million on October 8, 2024. Since this contract termination is directly attributable to the Performance Chemicals' repositioning, that is, it does not represent normal, recurring expenses necessary to operate our business, we have excluded the CTO supply contract termination charges for the purposes of calculating our non-GAAP financial performance measures. Refer to Note 11 for more information.
- (6) 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. Refer to Note 4 for more information.

Adjusted EBITDA

Three and Nine Months Ended September 30, 2024 vs. 2023

The factors that impacted adjusted EBITDA period to period are the same factors that affected earnings discussed in the Results of Operations and Segment Operating Results sections included within this MD&A.

Current Full Year Company Outlook vs. Prior Year

Net sales are expected to be between \$1.40 billion and \$1.50 billion for 2024. We expect growth in our Performance Materials reportable segment due to increased pricing on select products that benefited from improved global hybrid automotive production and lower than anticipated battery electric vehicle penetration. The Performance Chemicals reportable segment revenue will reflect the impact of our repositioning to improve profitability by focusing on higher margin end markets, as well as continued weak industrial demand. We expect our road technologies product line revenue to decline when compared to the prior year due to unfavorable weather conditions experienced in North America during 2024. Our Advanced Polymer Technologies reportable segment anticipates revenues flat to the prior year; market improvements in Europe are mostly expected to be more than offset by a challenging China economy and weak industrial demand.

Adjusted EBITDA is expected to be between \$350 million and \$360 million for 2024. We expect growth in our Performance Materials segment EBITDA, primarily due to improved operational efficiency resulting in lower input costs. Performance Chemicals will continue to be impacted by elevated CTO costs and the slow industrial market recovery. We anticipate that our Advanced Polymer Technologies segment EBITDA will be down versus prior year as pricing strategy is expected to drive volume growth resulting in improved utilization rates, which we expect will be more than offset by unfavorable mix and adverse foreign currency impacts.

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); 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.

Liquidity and Capital Resources

The primary source of liquidity for our business is the cash flow provided by operating activities. We expect our cash flow provided by operations combined with cash on hand and available capacity under our revolving credit facility to be sufficient to fund our planned operations and meet our interest and other contractual obligations for at least the next twelve months. As of September 30, 2024, our undrawn capacity under our revolving credit facility was \$244.4 million. Over the next twelve months, we expect to fund the following: interest payments, capital expenditures, debt principal repayments, income tax payments, purchases pursuant to our stock repurchase program (and related excise tax payments), income tax payments, additional spending associated with our Performance Materials' intellectual property litigation, restructuring activities such as the repositioning of our Performance Chemicals reportable segment as further described within Note 11, and consideration for the termination of the CTO supply contract further described within Note 11. In addition, we may also evaluate and consider strategic acquisitions, joint ventures, or other transactions to create stockholder value and enhance financial performance. In connection with such transactions, or to fund other anticipated uses of cash, we may modify our existing revolving credit facility, redeem all or part of our outstanding senior notes, seek additional debt financing, issue equity securities, or some combination thereof.

Cash and cash equivalents totaled \$135.5 million at September 30, 2024. We continuously monitor deposit concentrations and the credit quality of the financial institutions that hold our cash and cash equivalents, as well as the credit quality of our insurance providers, customers, and key suppliers.

Due to the global nature of our operations, a portion of our cash is held outside the U.S. The cash and cash equivalents balance at September 30, 2024, included \$128.5 million held by our foreign subsidiaries. Cash and earnings of our foreign subsidiaries are generally used to finance our foreign operations and their capital expenditures. We believe that our foreign holdings of cash will not have a material adverse impact on our U.S. liquidity. If these earnings were distributed, such amounts could be subject to U.S. federal income tax at the statutory rate less the available foreign tax credits, if any, and could potentially be subject to withholding taxes in the various jurisdictions. The potential tax implications of the repatriation of unremitted earnings are driven by facts at the time of distribution, therefore, it is not practicable to estimate the income tax liabilities that might be incurred if such cash and earnings were repatriated to the U.S. Management does not currently expect to repatriate cash earnings from our foreign operations in order to fund U.S. operations.

Debt and Finance Lease Obligations

Refer to Note 9 for a summary of our outstanding debt obligations and revolving credit facility.

Other Potential Liquidity Needs

Share Repurchases

On July 25, 2022, our Board of Directors authorized the repurchase of up to \$500.0 million of our common stock (the "2022 Authorization"), and rescinded the prior outstanding repurchase authorization with respect to the shares that remained unused under the prior authorization. Shares under the 2022 Authorization may be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market prevailing conditions and other factors, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act.

During the three and nine months ended September 30, 2024, we repurchased no common stock. At September 30, 2024, \$353.4 million remained unused under the 2022 Authorization.

During the three and nine months ended September 30, 2023, we repurchased zero and \$92.1 million, inclusive of \$0.8 million excise tax, in common stock, representing zero and 1,269,373 shares of our common stock at a weighted average cost per share of zero and \$71.93, respectively.

Capital Expenditures

Projected 2024 capital expenditures are \$90-\$100 million. We have no material commitments associated with these projected capital expenditures as of September 30, 2024.

Cash flow comparison of the Nine Months Ended September 30, 2024 and 2023

<i>In millions</i>	Nine Months Ended September 30,	
	2024	2023
Net cash provided by (used in) operating activities	\$ 64.1	\$ 158.9
Net cash provided by (used in) investing activities	(51.5)	(52.6)
Net cash provided by (used in) financing activities	27.4	(93.4)

Cash flows provided by (used in) operating activities

Cash provided by operating activities, which consists of net income (loss) adjusted for non-cash items including the cash impact from changes in operating assets and liabilities (i.e., working capital), totaled \$64.1 million for the nine months ended September 30, 2024.

Cash provided by operating activities for the nine months ended September 30, 2024, when compared to the nine months ended September 30, 2023, decreased by \$94.8 million. This decrease was driven by reduced cash earnings of \$123.8 million, CTO supply contract termination payment of \$50.0 million, CTO resale cash outflows of \$45.0 million, and higher cash interest paid of \$3.1 million due primarily to rising interest rates when compared to 2023. Partially offsetting these cash outflows was a net reduction in trade working capital of \$79.8 million (including accounts receivable, inventory, and accounts payable), reduced employee compensation payments of \$40.6 million, reduced spending on restructuring initiatives of \$2.8 million, and a reduction in tax payments of \$3.9 million as a result of the lower cash earnings.

Cash flows provided by (used in) investing activities

Cash used in investing activities in the nine months ended September 30, 2024 was \$51.5 million and was primarily driven by capital expenditures of \$52.7 million. In the nine months ended September 30, 2024 and 2023, capital spending included the base maintenance capital supporting ongoing operations, and growth and cost improvement spending. The decrease in Net cash provided by (used in) investing activities when compared to the prior year period is primarily due to the first quarter 2023 sale of a strategic investment that resulted in a cash inflow of \$31.5 million, offset by reduced capital expenditures of \$27.9 million.

Capital expenditure categories

<i>In millions</i>	Nine Months Ended September 30,	
	2024	2023
Maintenance	\$ 33.8	\$ 44.7
Safety, health and environment	2.4	9.4
Growth and cost improvement	16.5	26.5
Total capital expenditures	\$ 52.7	\$ 80.6

Cash flows provided by (used in) financing activities

Cash provided by financing activities in the nine months ended September 30, 2024, was \$27.4 million and was primarily driven by borrowings on our revolving credit facility and other borrowings of \$150.5 million, partially offset by payments on our revolving credit facility of \$119.3 million.

Cash used in financing activities in the nine months ended September 30, 2023 was \$93.4 million and was primarily driven by payments on our revolving credit facility and other borrowings of \$240.1 million, and the repurchase of common stock of \$92.1 million, partially offset by borrowings on our revolving credit facility of \$239.5 million.

New Accounting Guidance

Refer to Note 2 for a full description of recent accounting pronouncements including the respective expected dates of adoption and expected effects on our Condensed Consolidated Financial Statements.

Critical Accounting Policies and Estimates

Our Condensed Consolidated Financial Statements are prepared in conformity with GAAP. The preparation of our financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. We have described our accounting policies in Note 2 to our consolidated financial statements included in our 2023 Annual Report. We have reviewed these accounting policies, identifying those that we believe to be critical to the preparation and understanding of our financial statements. Critical accounting policies are central to our presentation of results of operations and financial condition and require management to make estimates and judgments on certain matters. We base our estimates and judgments on historical experience, current conditions and other reasonable factors. For a description of our critical accounting policies and estimates, refer to Part II, Item 7, Critical Accounting Policies and Estimates in our 2023 Annual Report. Our critical accounting policies have not substantially changed from those described in the 2023 Annual Report.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Foreign currency exchange rate risk

We have foreign-based operations, primarily in Europe, South America and Asia, which accounted for approximately 23 percent of our net sales in the first nine months of 2024. We have designated the local currency as the functional currency of our significant operations outside of the U.S. The primary currencies for which we have exchange rate exposure are the U.S. dollar versus the euro, the Japanese yen, the pound sterling, and the Chinese renminbi. In addition, certain of our domestic operations have sales to foreign customers. In the conduct of our foreign operations, we also make inter-company sales. All of this exposes us to the effect of changes in foreign currency exchange rates. Our earnings are therefore subject to change due to fluctuations in foreign currency exchange rates when the earnings in foreign currencies are translated into U.S. dollars. In some cases, to minimize the effects of such fluctuations, we use foreign exchange forward contracts to hedge firm and highly anticipated foreign currency cash flows. Our largest exposures are to the Chinese renminbi and the euro. A hypothetical 10 percent adverse change, excluding the impact of any hedging instruments, in the average Chinese renminbi and euro to U.S. dollar exchange rates during the nine months ended September 30, 2024, would have decreased our net sales and income before income taxes by approximately \$12.1 million or one percent, and \$4.5 million or one percent, respectively. Comparatively, a hypothetical 10 percent adverse change, excluding the impact of any hedging instruments, in the average Chinese renminbi and euro to U.S. dollar exchange rates during the nine months ended September 30, 2023, would have decreased our net sales and income before income taxes by approximately \$13.2 million or one percent, and \$3.9 million or one percent, respectively.

Interest rate risk

During the three months ended September 30, 2024, we entered into a floating-to-fixed interest rate swap with a notional amount of \$200.0 million to manage the variability of cash flows in the interest rate payments associated with our existing SOFR-based interest payments, effectively converting \$200.0 million of our floating rate debt to a fixed rate. In accordance with the terms of this instrument, we receive floating rate interest payments based upon one-month U.S. dollar SOFR and in return are obligated to pay interest at a fixed rate of 3.84 percent until August 2026. The fair value of the interest rate swap was an asset (liability) of \$(1.7) million and zero at September 30, 2024 and December 31, 2023, respectively.

As of September 30, 2024, approximately \$651.6 million of our borrowings, adjusted for our \$200.0 million floating-to-fixed interest rate swap, included a variable interest rate component. The weighted average interest rate associated with our variable interest rate borrowings, was 6.67 percent for the period ended September 30, 2024.

A hypothetical 100 basis point increase in the variable interest rate component of our borrowings for the nine months ended September 30, 2024, would have increased our annual interest expense by approximately \$6.5 million or 8 percent. Comparatively, a 100 basis point increase in the variable interest rate component of our borrowings for the nine months ended September 30, 2023, would have increased our interest expense by approximately \$8.3 million or ten percent.

Commodity price risk

A portion of our manufacturing costs includes purchased raw materials, which are commodities whose prices fluctuate as market supply and demand fundamentals change. Accordingly, product margins and the level of our profitability tend to fluctuate with the changes in these commodity prices.

Crude oil price risk

Our results of operations are directly affected by the cost of our raw materials, particularly CTO, which, excluding CTO resales, represented 13 percent and 24 percent of our condensed consolidated cost of sales for the nine months ended September 30, 2024 and September 30, 2023, respectively. Raw material CTO spend was approximately \$12 million and \$123 million, excluding CTO resales, during the three and nine months ended September 30, 2024, respectively. Comparatively, total raw material CTO spend was approximately \$81 million and \$221 million during the three and nine months ended September 30, 2023, respectively. Pricing for CTO is driven by the limited supply of the product and competing demands for its use, both of which drive pressure on its price. Our gross profit and margins have been and could continue to be adversely affected by increases in the cost of CTO if we are unable to pass the increases on to our customers. Based on average pricing during the three and nine months ended September 30, 2024, a hypothetical unhedged, unfavorable 10 percent increase in the market price for CTO would have increased our spend by approximately \$1.2 million and \$12.3 million, respectively, which we may not have been able to pass on to our customers. Comparatively, based on average pricing during the three and nine months ended September 30, 2023, a hypothetical unhedged, unfavorable 10 percent increase in the market price for CTO would have increased our spend by approximately \$8.1 million and \$22.1 million, respectively.

Other market risks

Information about our other remaining market risks for the period ended September 30, 2024, does not differ materially from that discussed under Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk of our 2023 Annual Report.

ITEM 4. CONTROLS AND PROCEDURES

a) Evaluation of Disclosure Controls and Procedures

Ingevity maintains a system of disclosure controls and procedures designed to give reasonable assurance that information required to be disclosed in Ingevity's reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. These controls and procedures also give reasonable assurance that information required to be disclosed in such reports is accumulated and communicated to management to allow timely decisions regarding required disclosures.

As of September 30, 2024, Ingevity's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), together with management, conducted an evaluation of the effectiveness of Ingevity's disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act. Based on that evaluation, the CEO and CFO concluded that these disclosure controls and procedures are effective at the reasonable assurance level.

b) Changes in Internal Control over Financial Reporting

There have been no changes in Ingevity's internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) of the Exchange Act) during the quarter ended September 30, 2024 that materially affected, or are reasonably likely to materially affect, Ingevity's internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Information regarding certain of these matters is set forth below and in Note 13 – Commitments and Contingencies within the Condensed Consolidated Financial Statements.

ITEM 1A. RISK FACTORS

Part I, Item 1A, Risk Factors of our 2023 Annual Report sets forth information relating to important risks and uncertainties that could materially adversely affect the Company's business, financial condition and operating results. Except as set forth below, there have been no material changes in Ingevity's risk factors disclosed in Part I, Item 1A, Risk Factors of our 2023 Annual Report for the quarter ended September 30, 2024.

The repositioning of our Performance Chemicals business will negatively impact the company's net sales and may otherwise adversely affect our financial condition and results of operations during this transition period.

On November 1, 2023 and July 31, 2024, we announced a number of strategic actions designed to further reposition our Performance Chemicals reportable segment to improve the profitability and reduce the cyclicity of the company as a whole. These initiatives—including the closure of our plants in DeRidder, Louisiana and Crossett, Arkansas—will focus on reducing exposure to lower margin end-use markets of our industrial specialties product line, such as adhesives, publication inks, and oilfield, approximately 45 percent of our industrial specialties product line historical annualized net sales.

We expect to incur aggregate charges of approximately \$350 million associated with the Performance Chemicals' repositioning, consisting of approximately \$250 million in asset-related charges, approximately \$25 million in severance and other employee-related costs, and approximately \$75 million in other restructuring costs, including decommissioning, dismantling and removal charges, and CTO supply contract termination costs. The company expects approximately \$250 million of the total charges to be non-cash. The charges the company currently expects to incur in connection with these actions, and the timing thereof, are subject to a number of assumptions and risks, and the actual results may differ materially. The company may also incur other material charges not currently contemplated due to events that may occur as a result of, or in connection with, these actions.

These actions have, and may continue to, adversely affect the company's financial condition and results of operations.

There may be negative impacts to our business arising out of the closure of our manufacturing facility in Crossett, Arkansas.

On July 31, 2024, we announced our plan to close our manufacturing facility in Crossett, Arkansas (the "Crossett Facility"). The anticipated timing, charges, and costs of the closure of the Crossett Facility could materially differ from our estimates if the plant closure results in adverse legal or regulatory actions, if personnel required to effect the shutdown become unavailable, or we are affected by other factors not currently contemplated.

Adverse weather conditions may impact the demand for some of our products in our road technologies product line and could negatively affect our financial condition and results of operations.

Our road technologies business is seasonal in nature, with roughly 70 to 75 percent of revenue generated between April and September each year. Adverse weather conditions, which directly affect the ability to engage in paving and/or road marking activity, have had, and going forward may have, an adverse effect on sales in the road technologies product line if such conditions result in lower customer demand due to a shortened season.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table summarizes information with respect to the purchase of our common stock during the three months ended September 30, 2024.

Period	Publicly Announced Program ⁽¹⁾			
	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet be Purchased Under the Plans or Programs ⁽¹⁾
July 1-31, 2024	—	\$ —	—	\$ 353,384,633
August 1-31, 2024	—	\$ —	—	\$ 353,384,633
September 1-30, 2024	—	\$ —	—	\$ 353,384,633
Total	—	—	—	—

(1) On July 25, 2022, our Board of Directors authorized the repurchase of up to \$500.0 million of our common stock, and rescinded the prior outstanding repurchase authorization with respect to the shares that remained unused under the prior authorization. Shares under the 2022 Authorization may be purchased through open market or privately negotiated transactions at the discretion of management based on its evaluation of market prevailing conditions and other factors, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

On October 2, 2024, in connection with the resignation of John C. Fortson from the Board of Directors of the Company (the "Board"), the Board approved a decrease in the size of the Board from nine members to eight members, effective as of such date.

ITEM 6. EXHIBITS

Exhibit No.	Description of Exhibit
<u>3.2*</u>	Ingevity Corporation Fourth Amended and Restated Bylaws, effective October 22, 2024 (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K, as filed with the U.S. Securities and Exchange Commission on October 25, 2024).
<u>10.1+†</u>	Form of 2024 Performance-Based Restricted Stock Unit Award under the Ingevity Corporation 2016 Omnibus Incentive Plan – U.S. Employees.
<u>10.2+†</u>	Form of 2024 Performance-Based Restricted Stock Unit Award under the Ingevity Corporation 2016 Omnibus Incentive Plan – U.K. Employees.
<u>10.3*+†</u>	Amended and Restated Severance and Change of Control Agreement between Ingevity Corporation and John C. Fortson dated February 17, 2022 (incorporated by reference to Exhibit 10.50 to the Company's Annual Report on Form 10-K, as filed with the U.S. Securities and Exchange Commission on February 24, 2022).
<u>31.1</u>	Rule 13a-14(a)/15d-14(a) Certification of the Company's Principal Executive Officer.
<u>31.2</u>	Rule 13a-14(a)/15d-14(a) Certification of the Company's Principal Financial Officer.
<u>32.1</u>	Section 1350 Certification of the Company's Principal Executive Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.
<u>32.2</u>	Section 1350 Certification of the Company's Principal Financial Officer. The information contained in this Exhibit shall not be deemed filed with the Securities and Exchange Commission nor incorporated by reference in any registration statement filed by the registrant under the Securities Act of 1933, as amended.
101	Inline XBRL Instance Document and Related Items - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
104	The cover page from the Company's Quarterly Report on Form 10-Q formatted in Inline XBRL (included in Exhibit 101).

* Incorporated by reference.

+ Management contract or compensatory plan or arrangement.

† Indicates that certain information has been omitted pursuant to Item 601(a)(5) of Regulation S-K.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

INGEVITY CORPORATION (Registrant)

By: /S/ MARY DEAN HALL

Mary Dean Hall
Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Duly Authorized Officer)

Date: October 30, 2024

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL. SUCH EXCLUDED INFORMATION IS DENOTED BY ASTERISKS IN BRACKETS [*****].

Ingevity Corporation
Form of Restricted Stock Unit Award for U.S. Employees (first used in 2024)
Restricted Stock Unit Awards
(Performance-Based)

Terms and Conditions

1. **Terms and Conditions:** This grant of performance-based Restricted Stock Units is made under the Ingevity Corporation 2016 Omnibus Incentive Plan, (the “Plan”), and is subject in all respects to the terms of the Plan. All terms of the Plan are hereby incorporated into these terms and conditions (the “Terms and Conditions”) by reference. In the event of a conflict between one or more provisions of these Terms and Conditions and one or more provisions of the Plan, the provisions of the Plan shall govern; provided that the terms of any individual written Agreement entered into by the Company and the Grantee approved by the Committee shall supersede these Terms and Conditions so long as consistent with the Plan. Each capitalized term not defined herein has the meaning assigned to such term in the Plan.
2. **Confirmation of Grant:** Effective as of _____ (the “Award Date”), Ingevity Corporation (the “Company”) granted the individual whose name is set forth in the notice of grant (the “Grantee”) performance-based Restricted Stock Units with respect to a specified number of shares of Common Stock as set forth in the Grantee’s notice of grant (the “PSUs”). By accepting the PSUs, the Grantee acknowledges and agrees that the PSUs are subject to these Terms and Conditions and the terms of the Plan.
3. **Stockholder Rights:**
 - a. The Grantee will not have any stockholder rights or privileges (including voting rights) with respect to the shares of Common Stock subject to the PSUs until such shares of Common Stock are actually issued and registered in the Grantee’s name in the Company’s books and records.
 - b. However, if the Company declares a cash dividend on its shares of Common Stock, on the payment date of the dividend, the Grantee shall be credited with dividend equivalents equal to the amount of such cash dividend per share of Common Stock multiplied by the number of shares of Common Stock subject to the PSUs. The dividend equivalents will be subject to the same terms regarding vesting and forfeiture as the PSUs and will be paid in cash at the time(s) that the corresponding shares of Common Stock associated with the PSUs are delivered (or forfeited at the time that the PSUs are forfeited). Such cash payment will be subject to withholding for applicable taxes.
4. **Automatic Forfeiture:** The PSUs will automatically be forfeited and all rights of the Grantee to the PSUs shall terminate under the following circumstances:
 - a. Employment of the Grantee is terminated for Cause.
 - b. The Grantee breaches any confidentiality, non-solicitation or non-competition covenant set forth on the attached Exhibit B or in any restrictive covenants agreement between the Grantee and the Company or an affiliate.
 - c. The Committee requires recoupment of the PSUs in accordance with any recoupment policy adopted or amended by the Company from time to time.
5. **Restrictive Covenants:** By accepting the PSUs, the Grantee agrees to comply with the confidentiality, non-solicitation and non-competition covenants set forth on the attached Exhibit B. If the Grantee has a written restrictive covenants agreement with the Company or an affiliate, the Grantee also agrees to continue to comply with the obligations under such restrictive covenants agreement as a condition of grant of the PSUs.
6. **Transferability:** The PSUs shall not be sold, transferred, assigned, pledged or otherwise encumbered or disposed.
7. **Determination of Earned PSUs:** Subject to the remainder of the terms and conditions of this Award, the Grantee shall (a) earn, and become eligible to become vested in, the PSUs based on the attainment of the performance goals set forth on the attached Exhibit A (the “Performance Goals”) during the period (the “Performance Period”), provided the Grantee continues to be employed by the Company through the date, following the end of the Performance Period, that the Committee certifies that the Performance Goals have been attained (such number of PSUs, if any, the “Earned PSUs”), and (b) on the Vesting Date (as defined below), become vested in the Earned PSUs. At the end of the Performance Period, the Committee shall determine whether and to what extent the Performance Goals have been met, shall certify attainment of the Performance Goals and shall authorize the settlement of PSU Awards consistent with the

achievement of the Performance Goals upon the Vesting Date, provided that the number of Earned PSUs certified by the Committee at the end of the Performance Period shall be subject to adjustment based on the TSR Modifier (as defined in the attached Exhibit A). In the event that the Performance Goals have not been met, the PSUs shall automatically be forfeited and all rights of the Grantee to the PSUs shall terminate. Except as otherwise provided below, if the Grantee terminates employment prior to the Vesting Date, the PSUs shall be cancelled and all rights of the Grantee to the PSU Award shall terminate.

8. **Vesting Date:** The Earned PSUs shall vest (if at all) upon the third anniversary of the Award Date (the “Vesting Date”), provided that, except as otherwise provided below, the Grantee continues to be employed by the Company through the Vesting Date. The settlement of the Earned PSUs shall take place as soon as practicable after the Vesting Date.
9. **Termination of Employment:** If, following the first anniversary of the Award Date and prior to the Vesting Date, (i) the Grantee’s employment is terminated by reason of death or Disability (as defined below), (ii) the Grantee’s employment is terminated by the Grantee, absent Cause or other circumstances outlined in (Section 4), upon or following the date the Grantee reaches Retirement Age (as defined below) or (iii) the Grantee’s employment is involuntarily terminated without Cause or other circumstances outlined in (Section 4), the Grantee shall vest in a pro rata portion of the Earned PSUs based on the achievement of the Performance Goals as certified by the Committee following the end of the Performance Period as adjusted by the TSR Modifier, if applicable. The pro rata portion of the Earned PSUs that vest shall be determined by multiplying the number of PSUs earned based on attainment of the Performance Goals as adjusted by the TSR Modifier, by a fraction, the numerator of which is the number of completed full months from the Award Date to the date of the Grantee’s termination of employment and the denominator of which is 36.

The vested PSUs shall be settled as described in Section 10 below. For purposes of this Award:

- a. “Retirement Age” means on or after age 55 (with 20 years of service) or [for non-grandfathered participants: age 65 (with 5 years of service)] [for grandfathered participants: age 65]; and
- b. “Disability” means permanently and totally disabled under the terms of the Company’s qualified retirement plans.
10. **Leave of Absence:** In the event that the Grantee is on an approved leave of absence, the Grantee’s PSUs shall continue to vest in accordance with these terms during his or her leave of absence, subject to the Committee’s discretion.
11. **Settlement:** The PSUs shall be settled by delivery of one share of Common Stock for each PSU earned based on the achievement of Performance Goals during the Performance Period, as adjusted by the TSR Modifier, if applicable. The PSUs shall be settled as soon as practicable after the Vesting Date. Notwithstanding the foregoing, to the extent that the PSUs are subject to Section 409A of the Internal Revenue Code, all such payments shall be made in compliance with the requirements of Section 409A of the Internal Revenue Code.
12. **Change of Control:** In the event of a Change in Control, Section 14 of the Plan shall apply and Section 14 of the Plan shall supersede in all respects Sections 8, 9, 10 and 11 of these Terms and Conditions.
13. **Tax Withholding:** The Grantee is solely responsible for the satisfaction of all taxes and penalties that may arise in connection with the PSUs. The Grantee may satisfy any tax withholding obligations arising upon settlement of the PSUs by (a) paying the cash necessary to satisfy the tax withholding by authorizing the Company to either deduct such amount from the Grantee’s brokerage account or withhold such amount through payroll, (b) authorizing the Company to withhold shares of Common Stock otherwise issuable as part of the PSUs, (c) tendering shares of Common Stock previously acquired to the Company, or (d) authorizing the Company to sell a portion of shares of Common Stock otherwise issuable in respect of the PSUs in an amount necessary to generate sufficient cash to satisfy the tax withholding obligation. A grantee may satisfy any tax withholding obligations arising upon the lapse of any risk of forfeiture (including FICA due upon such lapse) as provided in clause (a) above or withholding of the number of shares of Common Stock subject to the PSUs required to satisfy such tax withholding obligation. If the Company receives no instruction from the Grantee, the tax withholding obligation shall be satisfied by withholding shares of Common Stock otherwise issuable in respect of the Grantee’s PSUs. The Company may withhold shares up to the maximum applicable withholding tax rate for federal (including FICA) state, local and foreign tax liabilities. If shares of Common Stock are used to satisfy tax withholding, such shares shall be valued based on the Fair Market Value when the tax withholding is required to be made.
14. **No Right to Continued Employment.** The Grantee understands and agrees that these Terms and Conditions do not impact the right of the Company or any of its affiliates employing the Grantee to terminate or change the terms of the Grantee’s employment at any time for any reason, with or without cause. The Grantee understands and agrees that the Grantee’s employment with the Company or any of its affiliates is on an “at-will” basis.

15. **Captions.** Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of these Terms and Conditions.
 16. **Severability.** In the event that any provision in these Terms and Conditions shall be held invalid or unenforceable for any reason, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of these Terms and Conditions.
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Ingevity Corporation
Restricted Stock Unit Awards
(Performance-Based)

Exhibit A

Ingevity Corporation
Restricted Stock Unit Awards
(Performance-Based)

Exhibit B
Restrictive Covenants

By accepting the PSUs, the Grantee agrees to comply with the following terms:

Confidential Information

- (a) For purposes of these Terms and Conditions, the term “Confidential Information” shall mean information that the Company or any of its affiliates owns or possesses, that the Company or its affiliates have developed at significant expense and effort, that they use or that is potentially useful in the business of the Company or its affiliates, that the Company or its affiliates treat as proprietary, private or confidential, and that is not generally known to the public. Confidential information includes, but is not limited to, information that qualifies as a trade secret under applicable law. The Grantee acknowledges that the Grantee’s relationship with the Company is one of confidence and trust such that the Grantee has in the past been, and may in the future be, privy to Confidential Information of the Company or its affiliates.
- (b) The Grantee hereby covenants and agrees at all times during employment with the Company and its affiliates and thereafter to hold in strictest confidence, and not to use, any Confidential Information, except for the benefit of the Company, and not to disclose any Confidential Information to any person or entity without written authorization of the Company, except as otherwise required by law.

Non-Solicitation

- (a) The Grantee covenants and agrees that during the Grantee’s employment with the Company and its affiliates, and during the 12 month period following the Grantee’s termination of employment for any reason (the “Restricted Period”), the Grantee shall not, directly or indirectly, (i) solicit, hire or attempt to hire any employee of the Company or any of its affiliates as an employee, consultant or independent contractor of the Grantee or any other person or business entity for the purpose of providing services or products competitive with those offered by the Company or any of its affiliates, or (ii) solicit any employee, consultant or independent contractor of the Company or any of its affiliates to change or terminate his or her relationship with the Company or any of its affiliates for the purpose of providing services or products competitive with those offered by the Company or any of its affiliates, unless in each case, more than six months shall have elapsed between the last day of such person’s employment or service with the Company or any of its affiliates and the first date of such solicitation or hiring.
- (b) The Grantee covenants and agrees that during the Grantee’s employment with the Company and its affiliates and during the Restricted Period, the Grantee shall not, either directly or indirectly:
 - (i) solicit or do business with, or attempt to solicit or do business with, any customer with whom the Grantee had material contact, or about whom the Grantee received Confidential Information within 12 months prior to the Grantee’s date of termination for the purpose of providing such customer with services or products competitive with those offered by the Company or any of its affiliates during the Grantee’s employment with the Company or its affiliates, or
 - (ii) encourage any customer with whom the Grantee had material contact, or about whom the Grantee received Confidential Information within 12 months prior to the Grantee’s date of termination to reduce the level or amount of business such customer conducts with the Company or any of its affiliates.

Non-Competition

- (a) The Grantee covenants and agrees that during the Grantee’s employment with the Company and its affiliates and during the Restricted Period, the Grantee will not, without the Company’s express written consent, in any geographic area in which the Grantee had responsibility within the last two years prior to the Grantee’s termination of employment where the Company or its affiliates do business, directly or indirectly in the same or similar capacity to the services the Grantee performed for the Company;
 - (i) own, maintain, finance, operate, invest or engage in any business that competes with the businesses of the Company and its affiliates in which the Grantee was materially involved during the two years prior to the Grantee’s termination; or
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Ingevity Corporation
Restricted Stock Unit Awards
(Performance-Based)

- (ii) provide services, as an employee, consultant, independent contractor, agent or otherwise, to any business that competes with the Company and its affiliates in businesses in which the Grantee was materially involved during the two years prior to the Grantee's termination.
- (b) Notwithstanding the foregoing, the Grantee may invest in or have an interest in entities traded on any public market, provided that such interest does not exceed five percent of the voting control of such entity.

Other Acknowledgements and Agreements

- (a) The Grantee acknowledges and agrees that in the event the Grantee breaches any of the covenants or agreements contained in this Exhibit B:
 - (i) The Grantee shall forfeit the outstanding PSUs (including PSUs that have vested but not yet been settled), and the outstanding PSUs shall immediately terminate, and
 - (ii) The Company may in its discretion require the Grantee to return to the Company any cash or Shares received upon distribution of the PSUs. The Committee shall exercise the right of recoupment provided in this section (b) within one year after the Company's discovery of the Grantee's breach of the covenants or agreements contained in this Exhibit B. In addition, in the event of a breach or threatened breach of the restrictions in this Exhibit B, the Company shall be entitled to preliminary and permanent injunctive relief, in addition to any other remedies available to it, to prevent such breach or threatened breach.
- (b) If any portion of the covenants or agreements contained in this Exhibit B, or the application hereof, is construed to be invalid or unenforceable, the other portions of such covenants or agreements or the application thereof shall not be affected and shall be given full force and effect without regard to the invalid or unenforceable portions to the fullest extent possible. If any covenant or agreement in this Exhibit B is held to be unenforceable because of the duration thereof or the scope thereof, then the court making such determination shall have the power to reduce the duration and limit the scope thereof, and the covenant or agreement shall then be enforceable in its reduced form. The covenants and agreements contained in this Exhibit B shall survive the termination of the PSUs.

CERTAIN IDENTIFIED INFORMATION HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (i) NOT MATERIAL AND (ii) THE TYPE THAT THE COMPANY TREATS AS PRIVATE OR CONFIDENTIAL. SUCH EXCLUDED INFORMATION IS DENOTED BY ASTERISKS IN BRACKETS [*****].

Ingevity Corporation
Form of Restricted Stock Unit Award for U.K. Employees (first used in 2024)
Restricted Stock Unit Awards
(Performance-Based)

Terms and Conditions

1. **Terms and Conditions:** This grant of performance-based Restricted Stock Units is made under the Ingevity Corporation 2016 Omnibus Incentive Plan, (the “Plan”), and is subject in all respects to the terms of the Plan. All terms of the Plan are hereby incorporated into these terms and conditions (the “Terms and Conditions”) by reference. In the event of a conflict between one or more provisions of these Terms and Conditions and one or more provisions of the Plan, the provisions of the Plan shall govern; provided that the terms of any individual written Agreement entered into by the Company and the Grantee approved by the Committee shall supersede these Terms and Conditions so long as consistent with the Plan. Each capitalized term not defined herein has the meaning assigned to such term in the Plan.
2. **Confirmation of Grant:** Effective as of _____ (the “Award Date”), Ingevity Corporation (the “Company”) granted the individual whose name is set forth in the notice of grant (the “Grantee”) performance-based Restricted Stock Units with respect to a specified number of shares of Common Stock as set forth in the Grantee’s notice of grant (the “PSUs”). By accepting the PSUs, the Grantee acknowledges and agrees that the PSUs are subject to these Terms and Conditions and the terms of the Plan.
3. **Stockholder Rights:**
 - a. The Grantee will not have any stockholder rights or privileges (including voting rights) with respect to the shares of Common Stock subject to the PSUs until such shares of Common Stock are actually issued and registered in the Grantee’s name in the Company’s books and records.
 - b. However, if the Company declares a cash dividend on its shares of Common Stock, on the payment date of the dividend, the Grantee shall be credited with dividend equivalents equal to the amount of such cash dividend per share of Common Stock multiplied by the number of shares of Common Stock subject to the PSUs. The dividend equivalents will be subject to the same terms regarding vesting and forfeiture as the PSUs and will be paid in cash at the time(s) that the corresponding shares of Common Stock associated with the PSUs are delivered (or forfeited at the time that the PSUs are forfeited). Such cash payment will be subject to withholding for applicable taxes.
4. **Automatic Forfeiture:** The PSUs will automatically be forfeited and all rights of the Grantee to the PSUs shall terminate under the following circumstances:
 - a. Employment of the Grantee is terminated for Cause.
 - b. The Grantee breaches any confidentiality, non-solicitation or non-competition covenant set forth on the attached Exhibit B or in any restrictive covenants agreement between the Grantee and the Company or an affiliate.
 - c. The Committee requires recoupment of the PSUs in accordance with any recoupment policy adopted or amended by the Company from time to time.
5. **Restrictive Covenants:** By accepting the PSUs, the Grantee agrees to comply with the confidentiality, non-solicitation and non-competition covenants set forth on the attached Exhibit B. If the Grantee has a written restrictive covenants agreement with the Company or an affiliate, the Grantee also agrees to continue to comply with the obligations under such restrictive covenants agreement as a condition of grant of the PSUs.
6. **Transferability:** The PSUs shall not be sold, transferred, assigned, pledged or otherwise encumbered or disposed.
7. **Determination of Earned PSUs:** Subject to the remainder of the terms and conditions of this Award, the Grantee shall (a) earn, and become eligible to become vested in, the PSUs based on the attainment of the performance goals set forth on the attached Exhibit A (the “Performance Goals”) during the period (the “Performance Period”), provided the Grantee continues to be employed by the Company through the date, following the end of the Performance Period, that the Committee certifies that the Performance Goals have been attained (such number of PSUs, if any, the “Earned PSUs”), and (b) on the Vesting Date (as defined below), become vested in the Earned PSUs. At the end of the Performance Period, the Committee shall determine whether and to what extent the Performance Goals have been met, shall certify attainment of the Performance Goals and shall authorize the settlement of PSU Awards consistent with the

achievement of the Performance Goals upon the Vesting Date, provided that the number of Earned PSUs certified by the Committee at the end of the Performance Period shall be subject to adjustment based on the TSR Modifier (as defined in the attached Exhibit A). In the event that the Performance Goals have not been met, the PSUs shall automatically be forfeited and all rights of the Grantee to the PSUs shall terminate. Except as otherwise provided below, if the Grantee terminates employment prior to the Vesting Date, the PSUs shall be cancelled and all rights of the Grantee to the PSU Award shall terminate.

8. **Vesting Date:** The Earned PSUs shall vest (if at all) upon the third anniversary of the Award Date (the “Vesting Date”), provided that, except as otherwise provided below, the Grantee continues to be employed by the Company through the Vesting Date. The settlement of the Earned PSUs shall take place as soon as practicable after the Vesting Date.
9. **Termination of Employment:** If, following the first anniversary of the Award Date and prior to the Vesting Date, (i) the Grantee’s employment is terminated by reason of death or Disability (as defined below), (ii) the Grantee’s employment is terminated by the Grantee, absent Cause or other circumstances outlined in (Section 4), upon or following the date the Grantee reaches Retirement Age (as defined below) or (iii) the Grantee’s employment is involuntarily terminated without Cause or other circumstances outlined in (Section 4), the Grantee shall vest in a pro rata portion of the Earned PSUs based on the achievement of the Performance Goals as certified by the Committee following the end of the Performance Period as adjusted by the TSR Modifier, if applicable. The pro rata portion of the Earned PSUs that vest shall be determined by multiplying the number of PSUs earned based on attainment of the Performance Goals as adjusted by the TSR Modifier, by a fraction, the numerator of which is the number of completed full months from the Award Date to the date of the Grantee’s termination of employment and the denominator of which is 36.

The vested PSUs shall be settled as described in Section 11 below. For purposes of this Award, “Disability” means permanently and totally disabled as determined by the Company, in its discretion.

Further, for purposes of the PSUs, the Grantee will be deemed to have experienced a termination of employment as of the date the Grantee is no longer actively providing services to the Company or its affiliates (regardless of the reason for such termination of employment and whether or not later found to be invalid or in breach of labor laws in the jurisdiction where the Grantee is providing services or the terms of the Grantee’s employment or service agreement, if any), and unless otherwise expressly provided in these Terms and Conditions or determined by the Company, the Grantee’s right to vest in the PSUs under the Plan, if any, will terminate as of such date and will not be extended by any notice period (e.g., the Grantee’s period of service would not include any contractual notice period or any period of “garden leave” or similar period mandated under employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee’s employment agreement, if any). The Committee shall have the exclusive discretion to determine when the Grantee is no longer actively providing services for purposes of the PSUs.

10. **Leave of Absence:** In the event that the Grantee is on an approved leave of absence, the Grantee’s PSUs shall continue to vest in accordance with these terms during his or her leave of absence, subject to the Committee’s discretion.
11. **Settlement:** The PSUs shall be settled by delivery of one share of Common Stock for each PSU earned based on the achievement of Performance Goals during the Performance Period, as adjusted by the TSR Modifier, if applicable. The PSUs shall be settled as soon as practicable after the Vesting Date. Notwithstanding the foregoing, to the extent that the PSUs are subject to Section 409A of the Internal Revenue Code, all such payments shall be made in compliance with the requirements of Section 409A of the Internal Revenue Code.
12. **Change of Control:** In the event of a Change in Control, Section 14 of the Plan shall apply and Section 14 of the Plan shall supersede in all respects Sections 7, 8, 9 and 10 of these Terms and Conditions.
13. **No Right to Continued Employment.** The Grantee understands and agrees that nothing in these Terms and Conditions or the Plan shall confer upon the Grantee any right to continue as an employee or other service provider to the Company or its affiliates or shall interfere with or restrict in any way the rights of the Company or its affiliates to discharge or terminate the services of the Grantee at any time for any reason whatsoever, with or without cause.
14. **Nature of Grant.** In accepting the grant of the PSUs, the Grantee acknowledges, understands and agrees that:
 - a. the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time, to the extent permitted by the Plan;
 - b. the grant of the PSUs is exceptional, voluntary and occasional and does not create any contractual or other right to receive future grants of an award, or benefits in lieu of an award, even if PSUs have been granted in the past;

- c. all decisions with respect to future grants of PSUs or other grants, if any, will be at the sole discretion of the Company;
- d. the Grantee is voluntarily participating in the Plan;
- e. the PSUs and the shares of Common Stock subject to the PSUs, and the income from and value of same, are not intended to replace any pension rights or compensation;
- f. the PSUs and the shares of Common Stock subject to the PSUs, and the income from and value of same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;
- g. unless otherwise agreed with the Company in writing, the PSUs and the shares of Common Stock subject to the PSUs, and the income from and value of same, are not granted as consideration for, or in connection with, the service the Grantee may provide as a director of any affiliate of the Company;
- h. the future value of the underlying shares of Common Stock is unknown, indeterminable and cannot be predicted with certainty;
- i. no claim or entitlement to compensation or damages shall arise from forfeiture of the PSUs resulting from the Grantee's termination of employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where the Grantee is employed or the terms of the Grantee's employment or service agreement, if any); and
- j. neither the Company nor the Employer shall be liable for any foreign exchange rate fluctuation between the Grantee's local currency and the United States Dollar that may affect the value of the PSUs or of any amounts due to the Grantee pursuant to the settlement of PSUs or the subsequent sale of any shares of Common Stock acquired upon settlement.

15. Tax Obligations.

- a. The Grantee acknowledges that, regardless of any action taken by the Company or, if different, the affiliate employing or retaining the Grantee (the "Employer"), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to the Grantee's participation in the Plan and legally applicable to the Grantee ("Tax-Related Items") is and remains the Grantee's responsibility and may exceed the amount actually withheld by the Company or the Employer. The Grantee further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the PSUs, including, but not limited to, the grant, vesting or settlement of the PSUs, the subsequent sale of shares of Common Stock acquired upon settlement of the PSUs and the receipt of any dividends and/or dividend equivalents; and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the PSUs to reduce or eliminate the Grantee's liability for Tax-Related Items or achieve any particular tax result. Further, if the Grantee is subject to Tax-Related Items in more than one jurisdiction, the Grantee acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.
- b. Prior to any relevant taxable or tax withholding event, as applicable, the Grantee agrees to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, the Grantee authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items in the manner determined by the Company and/or the Employer from time to time, which may include: (i) withholding from the Grantee's wages or other cash compensation paid to the Grantee by the Company and/or the Employer; (ii) requiring the Grantee to remit the aggregate amount of such Tax-Related Items to the Company in full, in cash or by check, bank draft or money order payable to the order of the Company or the Employer; (iii) the Company and any brokerage firm determined acceptable to the Company to sell on the Participant's behalf a whole number of Shares from those Shares to be issued to the Participant as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy any applicable withholding obligations for Tax-Related Items; (iv) by a "net settlement" under which the Company reduces the number of shares of Common Stock issued on settlement of the PSUs by the number of shares of Common Stock with an aggregate fair market value that equals the amount of the Tax-Related Items associated with such settlement; or (v) any other method of withholding determined by the Company and permitted by applicable law; provided, however, that if the Grantee is a Section 16 officer of the Company under the Exchange Act, then any Tax-Related Items shall be withheld using alternative (iv) above (unless the

Committee (as constituted in accordance with Rule 16b-3 under the Exchange Act) shall establish an alternate method prior to the taxable or withholding event).

- c. Depending on the withholding method, the Company or the Employer may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding rates or other applicable withholding rates, including maximum applicable rates, in which case the Grantee may receive a refund of any over- withheld amount in cash and will have no entitlement to the equivalent number of shares of Common Stock. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, the Grantee is deemed to have been issued the full number of shares of Common Stock subject to the settled PSUs, notwithstanding that a number of the shares are held back solely for the purpose of paying the Tax-Related Items.
- d. The Grantee further agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Grantee's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to issue or deliver the shares of Common Stock or the proceeds of the sale of shares of Common Stock, if the Grantee fails to comply with the Grantee's obligations in connection with the Tax-Related Items.
- e. Without limitation to the foregoing, the Grantee agrees that the Grantee is liable for all Tax-Related Items and hereby covenants to pay all such Tax-Related Items as and when requested by the Company or, if different, the Employer or by Her Majesty's Revenue and Customs ("HMRC") (or any other tax authority or any other relevant authority). The Grantee also agrees to indemnify and keep indemnified the Company or the Employer against any Tax-Related Items that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Grantee's behalf. Notwithstanding the foregoing, if the Grantee is a director or executive officer of the Company (within the meaning of Section 13(k) of the Exchange Act), the terms of the immediately foregoing provision will not apply if the indemnification is viewed as a loan. In such case, if the amount of any income tax due is not collected from or paid by the Grantee within 90 days of the end of the U.K. tax year in which an event giving rise to the indemnification described above occurs, the amount of any uncollected income taxes may constitute a benefit to the Grantee on which additional income tax and National Insurance contributions ("NICs") may be payable. The Grantee will be responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying to the Company or the Employer, as applicable, any employee NICs due on this additional benefit, which the Company or the Employer may recover from the Grantee by any of the means referred to in this Section 14 of the Terms and Conditions.

16. Data Privacy. *In order to participate in the Plan, the Grantee will need to review the information provided in this Section.*

- a. **Collection and Usage.** *The Company collects, processes and uses personal data about the Grantee, including but not limited to, the Grantee's name, home address, email address and telephone number, date of birth, social insurance number, passport number or other identification number, salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of all PSUs or any other entitlement to shares awarded, canceled, exercised, vested, unvested or outstanding in the Grantee's favor, which the Company receives from the Grantee or the Employer ("Personal Data"). In order for the Grantee to participate in the Plan, the Company will collect Personal Data for purposes of allocating shares and implementing, administering and managing the Plan.*

The Grantee's Personal Data shall be processed in accordance with the Company's data privacy policies as may be amended from time to time. The Grantee should contact his or her local human resources representative for a copy of the current data privacy policies applicable to the Grantee.

- b. **Stock Plan Administration and Service Providers.** *The Company may transfer Personal Data to E*TRADE Financial Corporate Services, Inc. (the "Service Provider"), an independent service provider with operations, relevant to the Company, in the U.S., which is assisting the Company with the implementation, administration and management of the Plan. The Service Provider may open an account for the Grantee to receive and trade shares of Common Stock. The Grantee may be asked to acknowledge, or agree to, separate terms and data processing practices with the Service Provider, with such agreement being a condition to the ability to participate in the Plan.*
- c. **International Data Transfers.** *Personal Data will be transferred from the Grantees' country to the U.S., where the Company and its service providers are based. The Grantee understands and acknowledges that the U.S. might have enacted data privacy laws that are less protective or otherwise different from those applicable in the Grantee's country of residence.*

The onward transfer of Personal Data by the Company to the Service Provider will be based on applicable data protection laws in accordance with the Company's data privacy policies as may be amended from time to time. The Grantee should contact his or her local human resources representative for a copy of the current data privacy policies applicable to the Grantee.

- d. **Data Retention.** *The Company will use Personal Data only as long as necessary to implement, administer and manage the Grantee's participation in the Plan or as required to comply with legal or regulatory obligations, including, without limitation, under tax and securities laws. When the Company no longer needs Personal Data for any of the above purposes, the Company will cease to use Personal Data for this purpose. If the Company keeps Personal Data longer, it would be to satisfy legal or regulatory obligations.*
 - e. **Data Subject Rights.** *The Grantee understands that the Grantee may have a number of rights under data privacy laws in the Grantee's jurisdiction. Subject to the conditions set out in the applicable law and depending on where the Grantee is based, such rights may include the right to (i) request access to, or copies of, Personal Data processed by the Company, (ii) rectification of incorrect Personal Data, (iii) deletion of Personal Data, (iv) restrictions on the processing of Personal Data, (v) object to the processing of Personal Data for legitimate interests, (vi) portability of Personal Data, (vii) lodge complaints with competent authorities in the Grantee's jurisdiction, and/or to (viii) receive a list with the names and addresses of any potential recipients of Personal Data. To receive clarification regarding these rights or to settlement these rights, the Grantee can contact his or her local human resources representative.*
 - f. **Necessary Disclosure of Personal Data.** *The Grantee understands that providing the Company with Personal Data is necessary for the performance of the Grantee's participation in the Plan and that the Grantee's refusal to provide Personal Data would make it impossible for the Company to perform its contractual obligations and may affect the Grantee's ability to participate in the Plan.*
17. **No Advice Regarding Grant.** The Company is not providing any tax, legal, or financial advice, nor is the Company making any recommendations regarding the Grantee's participation in the Plan, or the Grantee's acquisition or sale of the underlying shares of Common Stock. The Grantee acknowledges, understands and agrees he or she should consult with his or her own personal tax, legal, and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.
 18. **Language.** If the Grantee has received these Terms and Conditions or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
 19. **Governing Law and Forum.** This Section supplements Section 22 of the Plan (Governing Law). The Grantee and the Company agree that all rights under these Terms and Conditions shall be construed with and governed by the laws of the State of Delaware, and that all claims arising hereunder shall be heard or determined in any state or federal court sitting in the State of Delaware and you and the Company agree to submit to the jurisdiction of such courts, to bring all such actions or proceedings in such courts and to waive any defense of inconvenient forum to such actions or proceedings. A final judgment in any action or proceeding so brought shall be conclusive and may be enforced in any manner provided by law.
 20. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on the Grantee's participation in the Plan, on the PSUs and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable to comply with local law or facilitate the administration of the Plan, and to require you to sign any agreements or undertakings that may be necessary to accomplish the foregoing.
 21. **Electronic Delivery and Acceptance.** The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan by electronic means. The Grantee hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through an on-line or electronic system established and maintained by the Company or a third party designated by the Company.
 22. **Insider Trading Restrictions/Market Abuse Laws.** The Grantee acknowledges that the Grantee may be subject to insider trading restrictions and/or market abuse laws based on the exchange on which the shares are listed and in applicable jurisdictions, including the United States, the Grantee's country and the Service Provider's country, which may affect the Grantee's ability to accept, acquire, sell or otherwise dispose of shares, rights to shares (e.g., PSUs) or rights links to the value of shares of Common Stock under the Plan during such times as the Grantee is considered to have "inside information" regarding the Company (as defined by the laws in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders the Grantee placed before the Grantee possessed inside information. Furthermore, the Grantee could be prohibited from (i) disclosing the inside information to any third party and (ii) "tipping" third parties or causing them otherwise to buy or sell securities (third

parties may include fellow employees). Any restrictions under these laws or regulations are separate from and in addition to any restrictions that may be imposed under any applicable Company insider trading policy. The Grantee acknowledges that it is his or her responsibility to comply with any applicable restrictions and that he or she should speak to his or her personal advisor on this matter.

23. **Exchange Control, Foreign Asset/Account and/or Tax Reporting Requirements.** The Grantee acknowledges that there may be certain exchange control, foreign asset/account and/or tax reporting requirements which may affect the Grantee's ability to acquire or hold shares of Common Stock or cash received from participating in the Plan (including the proceeds from the sale of shares of Common Stock and the receipt of any dividends or dividend equivalents) in a brokerage or bank account outside the Grantee's country. The Grantee may be required to report such accounts, assets or related transactions to the tax or other authorities in his or her country. The Grantee also may be required to repatriate sale proceeds or other funds received as a result of participating in the Plan to the Grantee's country within a certain time after receipt. The Grantee acknowledges that it is his or her responsibility to comply with such regulations and that he or she should speak to his or her personal advisor on this matter.
 24. **Captions.** Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of these Terms and Conditions.
 25. **Severability.** In the event that any provision in these Terms and Conditions shall be held invalid or unenforceable for any reason, such provision shall be severable from, and such invalidity or unenforceability shall not be construed to have any effect on, the remaining provisions of these Terms and Conditions.
 26. **Waiver.** The Grantee acknowledges that a waiver by the Company of breach of any provision of the Terms and Conditions shall not operate or be construed as a waiver of any other provision of the Terms and Conditions, or of any subsequent breach by the Grantee or any other grantee.
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Ingevity Corporation
Restricted Stock Unit Awards
(Performance-Based)

Exhibit A

Exhibit B

Restrictive Covenants

By accepting the PSUs, the Grantee agrees to comply with the following terms:

Confidential Information

- (a) For purposes of these Terms and Conditions, the term “Confidential Information” shall mean information that the Company or any of its affiliates owns or possesses, that the Company or its affiliates have developed at significant expense and effort, that they use or that is potentially useful in the business of the Company or its affiliates, that the Company or its affiliates treat as proprietary, private or confidential, and that is not generally known to the public. Confidential information includes, but is not limited to, information that qualifies as a trade secret under applicable law. The Grantee acknowledges that the Grantee’s relationship with the Company is one of confidence and trust such that the Grantee has in the past been, and may in the future be, privy to Confidential Information of the Company or its affiliates.
- (b) The Grantee hereby covenants and agrees at all times during employment with the Company and its affiliates and thereafter to hold in strictest confidence, and not to use, any Confidential Information, except for the benefit of the Company, and not to disclose any Confidential Information to any person or entity without written authorization of the Company, except as otherwise required by law.

Non-Solicitation

- (a) The Grantee covenants and agrees that during the Grantee’s employment with the Company and its affiliates, and during the 12-month period following the Grantee’s termination of employment for any reason (the “Restricted Period”), the Grantee shall not, directly or indirectly, (i) solicit, hire or attempt to hire any employee of the Company or any of its affiliates as an employee, consultant or independent contractor of the Grantee or any other person or business entity for the purpose of providing services or products competitive with those offered by the Company or any of its affiliates, or (ii) solicit any employee, consultant or independent contractor of the Company or any of its affiliates to change or terminate his or her relationship with the Company or any of its affiliates for the purpose of providing services or products competitive with those offered by the Company or any of its affiliates, unless in each case, more than six months shall have elapsed between the last day of such person’s employment or service with the Company or any of its affiliates and the first date of such solicitation or hiring.
- (b) The Grantee covenants and agrees that during the Grantee’s employment with the Company and its affiliates and during the Restricted Period, the Grantee shall not, either directly or indirectly:
 - (i) solicit or do business with, or attempt to solicit or do business with, any customer with whom the Grantee had material contact, or about whom the Grantee received Confidential Information within 12 months prior to the Grantee’s date of termination for the purpose of providing such customer with services or products competitive with those offered by the Company or any of its affiliates during the Grantee’s employment with the Company or its affiliates, or
 - (ii) encourage any customer with whom the Grantee had material contact, or about whom the Grantee received Confidential Information within 12 months prior to the Grantee’s date of termination to reduce the level or amount of business such customer conducts with the Company or any of its affiliates.

Non-Competition

- (a) The Grantee covenants and agrees that during the Grantee’s employment with the Company and its affiliates and during the Restricted Period, the Grantee will not, without the Company’s express written consent, in any geographic area in which the Grantee had responsibility within the last two years prior to the Grantee’s termination of employment where the Company or its affiliates do business, directly or indirectly in the same or similar capacity to the services the Grantee performed for the Company;
 - (i) own, maintain, finance, operate, invest or engage in any business that competes with the businesses of the Company and its affiliates in which the Grantee was materially involved during the two years prior to the Grantee’s termination; or
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Ingevity Corporation
Restricted Stock Unit Awards
(Performance-Based)

- (ii) provide services, as an employee, consultant, independent contractor, agent or otherwise, to any business that competes with the Company and its affiliates in businesses in which the Grantee was materially involved during the two years prior to the Grantee's termination.
- (b) Notwithstanding the foregoing, the Grantee may invest in or have an interest in entities traded on any public market, provided that such interest does not exceed five percent of the voting control of such entity.

Other Acknowledgements and Agreements

- (a) The Grantee acknowledges and agrees that in the event the Grantee breaches any of the covenants or agreements contained in this Exhibit B:
 - (i) The Grantee shall forfeit the outstanding PSUs (including PSUs that have vested but not yet been settled), and the outstanding PSUs shall immediately terminate, and
 - (ii) The Company may in its discretion require the Grantee to return to the Company any cash or Shares received upon distribution of the PSUs. The Committee shall exercise the right of recoupment provided in this section (b) within one year after the Company's discovery of the Grantee's breach of the covenants or agreements contained in this Exhibit B. In addition, in the event of a breach or threatened breach of the restrictions in this Exhibit B, the Company shall be entitled to preliminary and permanent injunctive relief, in addition to any other remedies available to it, to prevent such breach or threatened breach.
- (b) If any portion of the covenants or agreements contained in this Exhibit B, or the application hereof, is construed to be invalid or unenforceable, the other portions of such covenants or agreements or the application thereof shall not be affected and shall be given full force and effect without regard to the invalid or unenforceable portions to the fullest extent possible. If any covenant or agreement in this Exhibit B is held to be unenforceable because of the duration thereof or the scope thereof, then the court making such determination shall have the power to reduce the duration and limit the scope thereof, and the covenant or agreement shall then be enforceable in its reduced form. The covenants and agreements contained in this Exhibit B shall survive the termination of the PSUs.

1. I have reviewed this report on Form 10-Q of Ingevity Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2024

By: /S/ LUIS FERNANDEZ-MORENO
Luis Fernandez-Moreno
Interim President and Chief Executive Officer

CERTIFICATIONS

I, Mary Dean Hall, certify that:

1. I have reviewed this report on Form 10-Q of Ingevity Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2024

By: /S/ MARY DEAN HALL
Mary Dean Hall
Executive Vice President and Chief Financial Officer

**Certification of CEO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Luis Fernandez-Moreno, Interim President and Chief Executive Officer of Ingevity Corporation (“the Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, based on my knowledge that:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: October 30, 2024

/S/ LUIS FERNANDEZ-MORENO

Luis Fernandez-Moreno
Interim President and Chief Executive Officer

**Certification of CFO Pursuant to
18 U.S.C. Section 1350,
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Mary Dean Hall, Executive Vice President and Chief Financial Officer of Ingevity Corporation (“the Company”), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, based on my knowledge that:

1. the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2024 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: October 30, 2024

/S/ MARY DEAN HALL

Mary Dean Hall
Executive Vice President and Chief Financial Officer