



FOURTH QUARTER AND FULL YEAR 2024 EARNINGS PRESENTATION

February 19, 2025



Use of non-GAAP financial measures: This presentation includes certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided within the Appendix to this presentation. Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided. The company does not attempt to provide reconciliations of forward-looking non-GAAP guidance to the comparable GAAP measure because the impact and timing of the factors underlying the guidance assumptions are inherently uncertain and difficult to predict and are unavailable without unreasonable efforts. In addition, Ingevity believes such reconciliations would imply a degree of certainty that could be confusing to investors.

Forward-looking statements: This presentation contains “forward looking statements” within the meaning of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements generally include the words “will,” “plans,” “intends,” “targets,” “expects,” “outlook,” “guidance,” “believes,” “anticipates” or similar expressions. Forward looking statements may include, without limitation, anticipated timing, results, charges and costs of any current or future repositioning of our Performance Chemicals segment, including the announced review of strategic alternatives for the Industrial Specialties product line and North Charleston, South Carolina crude tall oil refinery, the oleo-based product refining transition, closure of our plants in Crossett, Arkansas and DeRidder, Louisiana; leadership transitions within our organization; the potential benefits of any acquisition or investment transaction, expected financial positions, guidance, results of operations and cash flows; financing plans; business strategies and expectations; operating plans; capital and other expenditures; competitive positions; growth opportunities for existing products; benefits from new technology and cost reduction initiatives, plans and objectives; litigation-related strategies and outcomes; and markets for securities. Actual results could differ materially from the views expressed. Factors that could cause actual results to materially differ from those contained in the forward looking statements, or that could cause other forward looking statements to prove incorrect, include, without limitation, charges, costs or actions, including adverse legal or regulatory actions, resulting from, or in connection with, the current or future repositioning of our Performance Chemicals segment, including the announced review of strategic alternatives for the Industrial Specialties product line and North Charleston, South Carolina crude tall oil refinery, the oleo-based product refining transition, closure of our plants in Crossett, Arkansas and DeRidder, Louisiana; losses due to resale of crude tall oil at less than we paid for it; leadership transitions within our organization; adverse effects from general global economic, geopolitical and financial conditions beyond our control, including inflation and the Russia Ukraine war and conflict in the middle east; risks related to our international sales and operations; adverse conditions in the automotive market; competition from substitute products, new technologies and new or emerging competitors; worldwide air quality standards; a decrease in government infrastructure spending; adverse conditions in cyclical end markets; the limited supply of or lack of access to sufficient raw materials, or any material increase in the cost to acquire such raw materials; issues with or integration of future acquisitions and other investments; the provision of services by third parties at several facilities; supply chain disruptions; natural disasters and extreme weather events; or other unanticipated problems such as labor difficulties (including work stoppages), equipment failure or unscheduled maintenance and repair; attracting and retaining key personnel; dependence on certain large customers; legal actions associated with our intellectual property rights; protection of our intellectual property and other proprietary information; information technology security breaches and other disruptions; complications with designing or implementing our new enterprise resource planning system; government policies and regulations, including, but not limited to, those affecting the environment, climate change, tax policies, tariffs and the chemicals industry; losses due to lawsuits arising out of environmental damage or personal injuries associated with chemical or other manufacturing processes; and the other factors detailed from time to time in the reports we file with the Securities and Exchange Commission (the “SEC”), including those described in Part I, Item 1A. Risk Factors in our most recent Annual Report on Form 10 K as well as in our other filings with the SEC. These forward looking statements speak only to management’s beliefs as of the date of this presentation. Ingevity assumes no obligation to provide any revisions to, or update, any projections and forward looking statements contained in this presentation.

AGENDA

- 1 | Full Year Accomplishments
- 2 | Consolidated Financial Results
- 3 | Segment Performance
- 4 | Guidance
- 5 | Q&A

FULL YEAR HIGHLIGHTS

Announced a CEO transition in October, with Luis Fernandez-Moreno named as interim CEO; search for permanent CEO in process

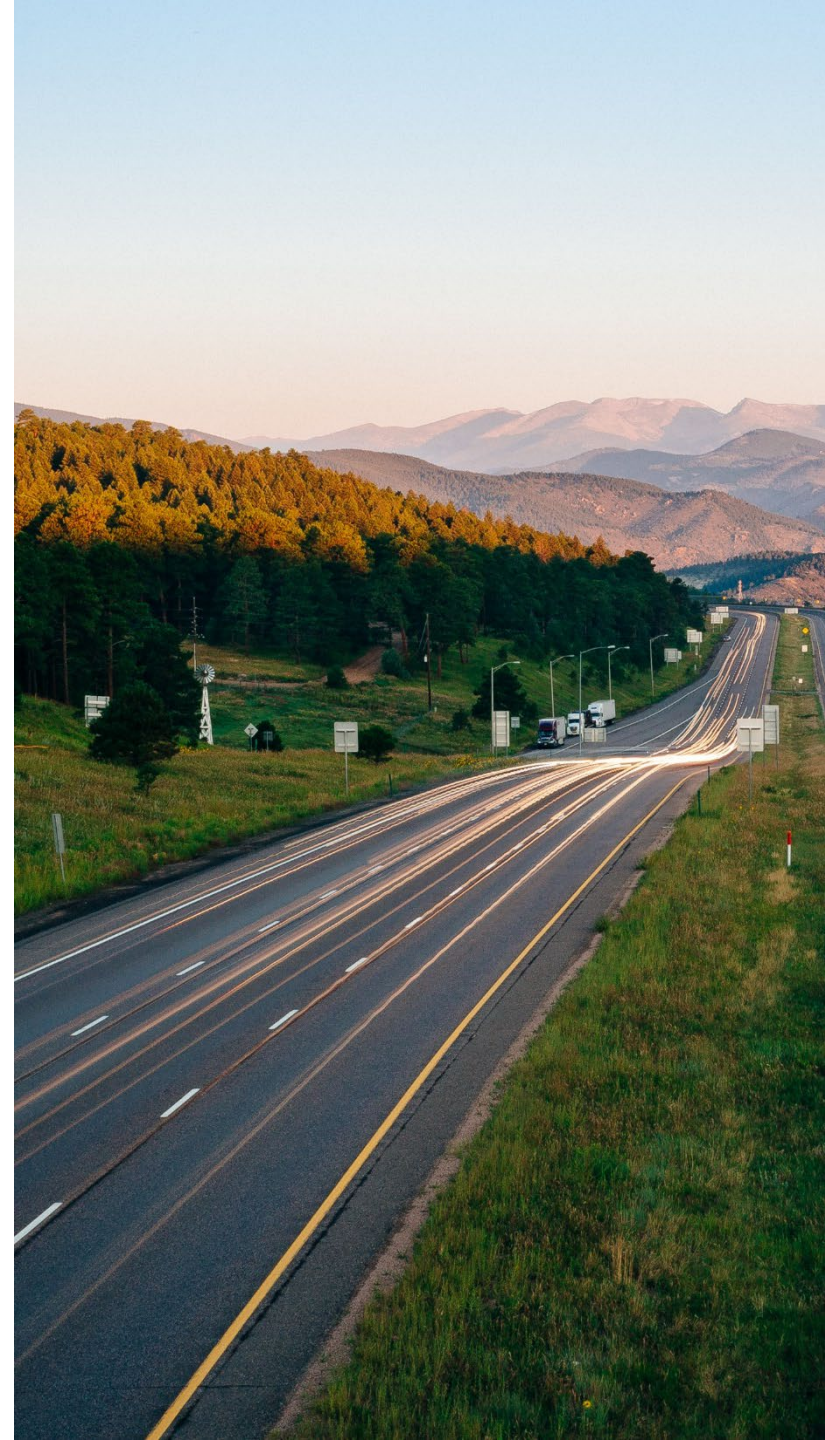
Performance Materials posted record revenue and EBITDA as volume outpaced global auto production growth, driven by positive auto mix due to consumer preferences, and higher prices

Advanced Polymer Technologies increased volume despite a weak global industrial demand environment, but increases were more than offset by unfavorable mix and price concessions implemented in certain markets

Aggressive repositioning actions yielded positive results for Performance Chemicals (PC) and the company

- Realized ~\$84 million in company-wide savings
- PC EBITDA margins improved significantly in second half of the year

Announced plans to explore strategic alternatives for the Industrial Specialties product line and North Charleston, SC crude tall oil (CTO) refinery operations as part of the continuing review of our business portfolio



FOURTH QUARTER (Q4) AND FULL YEAR (FY) CONSOLIDATED FINANCIAL PERFORMANCE

FY GAAP net loss of \$430.3 million includes pre-tax charges of \$338.9 million primarily related to aggressive repositioning actions for Performance Chemicals and a goodwill impairment of \$349.1 million

Q4 and FY Financials

\$ in millions except percentage and EPS	Q4 2024	Q4 2023	vs PY Δ%	FY 2024	FY 2023	vs PY Δ%
Net sales	\$298.8	\$371.7	(19.6)%	\$1,406.4	\$1,692.1	(16.9)%
Adjusted gross profit ⁽¹⁾ % margin ⁽¹⁾	\$117.1 39.2%	\$76.5 20.6%	53.1% 1,860	\$520.8 37.0%	\$540.0 31.9%	(3.6)% 510
Adjusted SG&A ⁽¹⁾ % net sales ⁽¹⁾	\$36.5 12.2%	\$36.8 9.9%	(0.8)% (230)	\$152.4 10.8%	\$161.0 9.5%	(5.3)% (130)
Adjusted other (income) expense, net ⁽¹⁾	\$---	\$(2.4)		\$5.7	\$1.9	
Adjusted EBITDA ⁽¹⁾ % margin ⁽¹⁾	\$80.6 27.0%	\$42.1 11.3%	91.4% 1,570	\$362.7 25.8%	\$377.1 22.3%	(3.8)% 350
Diluted adjusted EPS ⁽¹⁾	\$0.95	(\$0.20)		\$3.51	\$3.53	

Performance Highlights

Q4

- Sales increases in Performance Materials and Advanced Polymer Technologies were more than offset by the repositioning actions in Performance Chemicals which resulted in the exit of lower-margin end markets
- Adjusted EBITDA was up 91% reflecting the benefits of repositioning actions; in addition, Q4 2023 Adjusted EBITDA was negatively affected by a \$19.7 million non-cash inventory charge related to those repositioning actions

FY

- Performance Materials reported record sales, but this increase was more than offset by lower sales primarily in the Industrial Specialties product line due to repositioning actions. Road Technologies product line reported lower sales primarily due to adverse weather conditions and Advanced Polymer Technologies sales were lower due to adverse mix and price concessions
- Adjusted EBITDA declined 4%, Adjusted EBITDA margin improved 350 bps as our mix of higher margin businesses represent a greater share of company sales

(1) This is a non-GAAP financial measure; please see the appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures, and reconciliations to the nearest GAAP financial measures.

FY 2024 FINANCIAL METRICS AND HIGHLIGHTS

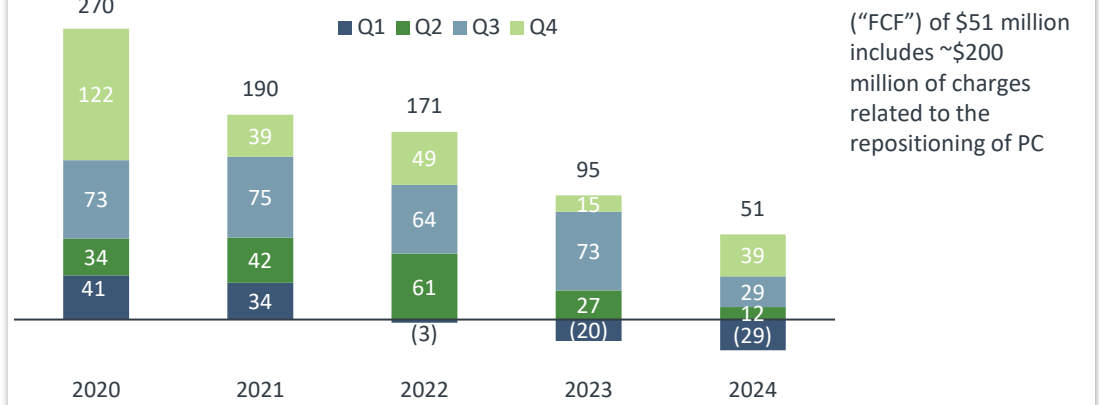
Net Sales

\$ in millions

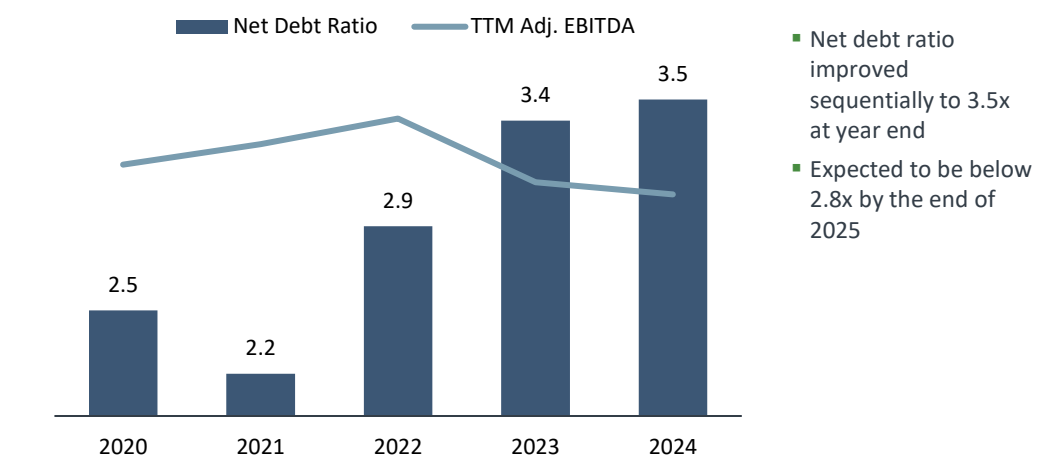


Free Cash Flow⁽¹⁾

\$ in millions

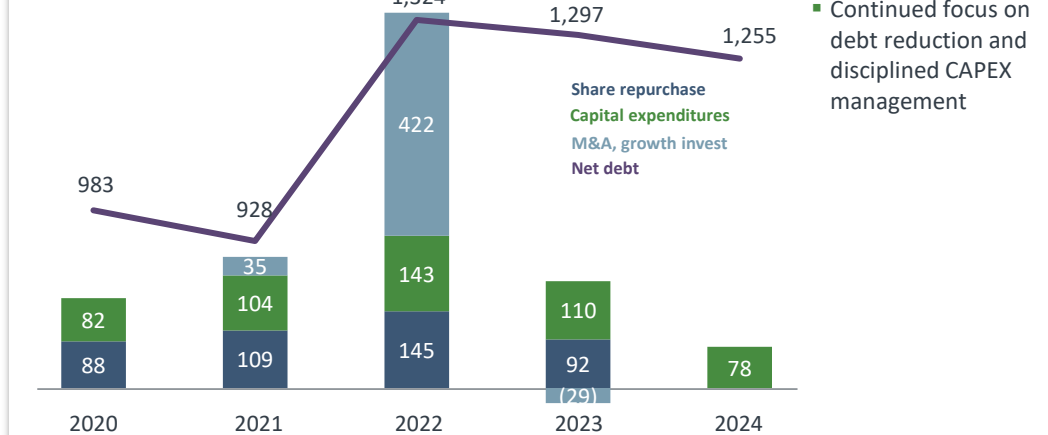


Net Debt Ratio⁽¹⁾ and Trailing Twelve Months (TTM) Adj. EBITDA⁽¹⁾



Capital Allocation

\$ in millions

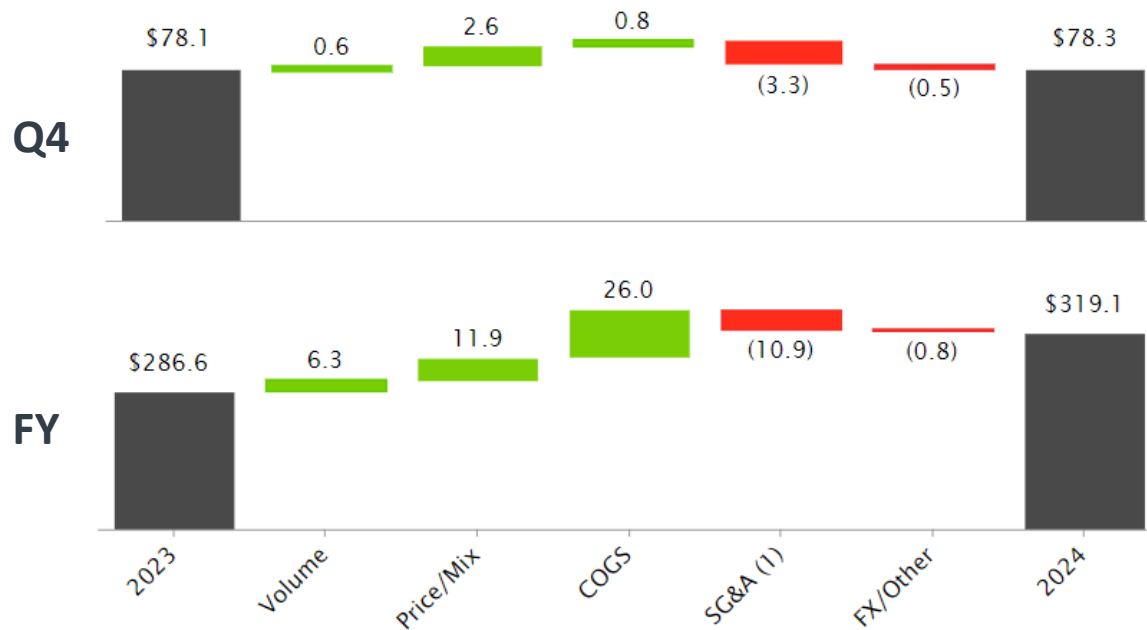


(1) Please see appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures and reconciliations to the nearest GAAP financial measures.

PERFORMANCE MATERIALS

\$ IN MILLIONS	Q4 2024	▲% VS. PRIOR YEAR PERIOD	FULL YEAR 2024	▲% VS. PRIOR YEAR
Net Sales	156.2	2.2%	609.6	4.0%
Segment EBITDA	78.3	0.3%	319.1	11.3%
Segment EBITDA Margin	50.1%	(100) bps	52.3%	340 bps

Segment EBITDA



Performance Highlights

Q4

Q4 sales increased 2% driven by volume growth in North America and China

Segment EBITDA flat to prior year quarter while segment EBITDA margin was down as lower energy spend resulting from operational improvements was offset by lower plant utilization versus last year

FY

Sales were up 4% to a record level due to higher volumes, improved price and mix, partially offset by a negative foreign exchange impact

Segment EBITDA of \$319.1 million and segment EBITDA margin of 52.3% were record highs driven by investments in operational improvements that resulted in lower energy spend and improved yields



ADVANCED POLYMER TECHNOLOGIES

\$ IN MILLIONS	Q4 2024	▲% VS. PRIOR YEAR PERIOD	FULL YEAR 2024	▲% VS. PRIOR YEAR
Net Sales	43.9	3.5%	188.6	(7.5)%
Segment EBITDA	6.1	(22.8)%	35.2	(20.9)%
Segment EBITDA Margin	13.9%	(470) bps	18.7%	(310) bps

Segment EBITDA



Performance Highlights

Q4

Q4 sales were up 4% due to higher volume in all regions, partially offset by lower prices and foreign exchange impacts

Segment EBITDA reflected primarily unfavorable price and mix, and higher energy costs

FY

FY sales were down 8% as higher volumes were offset by adverse mix and price concessions implemented in certain markets to maintain share

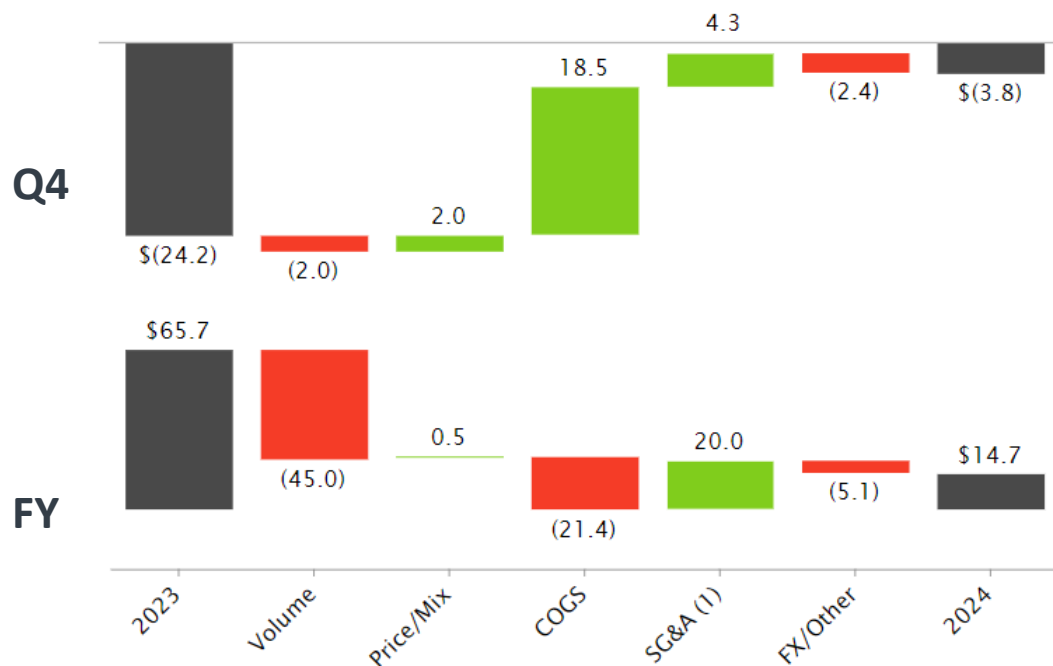
Segment EBITDA margins were lower as adverse product mix and pricing concessions more than offset lower input costs



PERFORMANCE CHEMICALS

\$ IN MILLIONS	Q4 2024	▲ % VS. PRIOR YEAR PERIOD	FULL YEAR 2024	▲ % VS. PRIOR YEAR
Net Sales	98.7	(44.1)%	608.2	(32.6)%
Industrial Specialties	50.2	(59.2)%	265.9	(50.0)%
Road Technologies	48.5	(9.2)%	342.3	(7.4)%
Segment EBITDA	(3.8)	84.3%	14.7	(77.6)%
Segment EBITDA Margin	(3.9)%	980 bps	2.4%	(490) bps

Segment EBITDA



Performance Highlights

Q4

- **ROAD TECHNOLOGIES:** Sales decreased 9% as mild weather in Q4 2023 extended the paving season as compared to this year
- **INDUSTRIAL SPECIALTIES:** Sales were down 59% reflecting the exit of certain lower-margin end markets as a result of repositioning efforts

Segment EBITDA was negative \$3.8 million, an improvement of \$20.4 million as repositioning actions resulted in lower costs

FY

- **ROAD TECHNOLOGIES:** Sales decreased 7% due primarily to adverse weather conditions
- **INDUSTRIAL SPECIALTIES:** Sales were down 50% primarily reflecting the exit of certain lower-margin end markets as a result of repositioning efforts

Segment EBITDA was down due to higher CTO costs and lower volumes, partially offset by cost savings initiatives

Repositioning Update

- Finalized CTO resales losses in 2024 of \$52.7 million⁽²⁾
- Repositioning charges to date: \$244.8 million of non-cash charges; \$67.0 million cash charges, of which \$54.5 million were paid
- CTO contract termination payment of \$100.0 million⁽²⁾
- ~\$84 million of company-wide cash savings realized during the year

(1) SG&A includes research and technical expenses

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

2025 GUIDANCE AND OUTLOOK

FY Guidance

Financial Metric	FY Guidance
Revenue	\$1.3 – \$1.4 billion
Adj. EBITDA ⁽¹⁾	\$400 – \$415 million
Capital Expenditures	\$50 – \$70 million
Free Cash Flow ⁽¹⁾	\$220 - \$260 million
Net Debt Ratio ⁽¹⁾	Below 2.8X

FY Guidance Considerations

- Performance Materials EBITDA margins ~50%; improved price expected to be largely offset by increased innovation spend
- Advanced Polymer Technologies EBITDA margins ~20% reflecting pricing strategy and mix upgrade
- Performance Chemicals generates EBITDA margins in the mid-to-high single digits; Industrial Specialties 2025 revenue of \$160 - \$200 million
- Incremental repositioning savings of ~\$10-25 million
- Free cash flow reflects:
 - ~\$150 million of CTO related charges in 2024 that will not repeat in 2025
 - \$20-25 million of repositioning cash charges in 2025 vs. \$55 million in 2024
 - ~\$50 million of working capital benefit in 2024 that we do not expect to repeat in 2025
- Does not include any potential impact from the exploration of strategic alternatives for the Industrial Specialties product line and North Charleston CTO refinery announced previously, and possible impacts from tariffs or foreign exchange

Opportunities:

- Global industrial demand improves
- Performance Materials grows sales at a rate higher than global auto production
- Execution of strategic initiatives leads to improved earnings and cash flow

Challenges:

- High-cost CTO consumed more slowly than expected
- Global automotive production softens
- Increased competition in APT drives prices and/or volumes lower
- Uncertainty regarding foreign exchange and tariffs

(1) This is a non-GAAP financial measure; please see the appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures, and reconciliations to the nearest GAAP financial measures.



FOR MORE INFORMATION

Investors

John Nypaver, Jr.

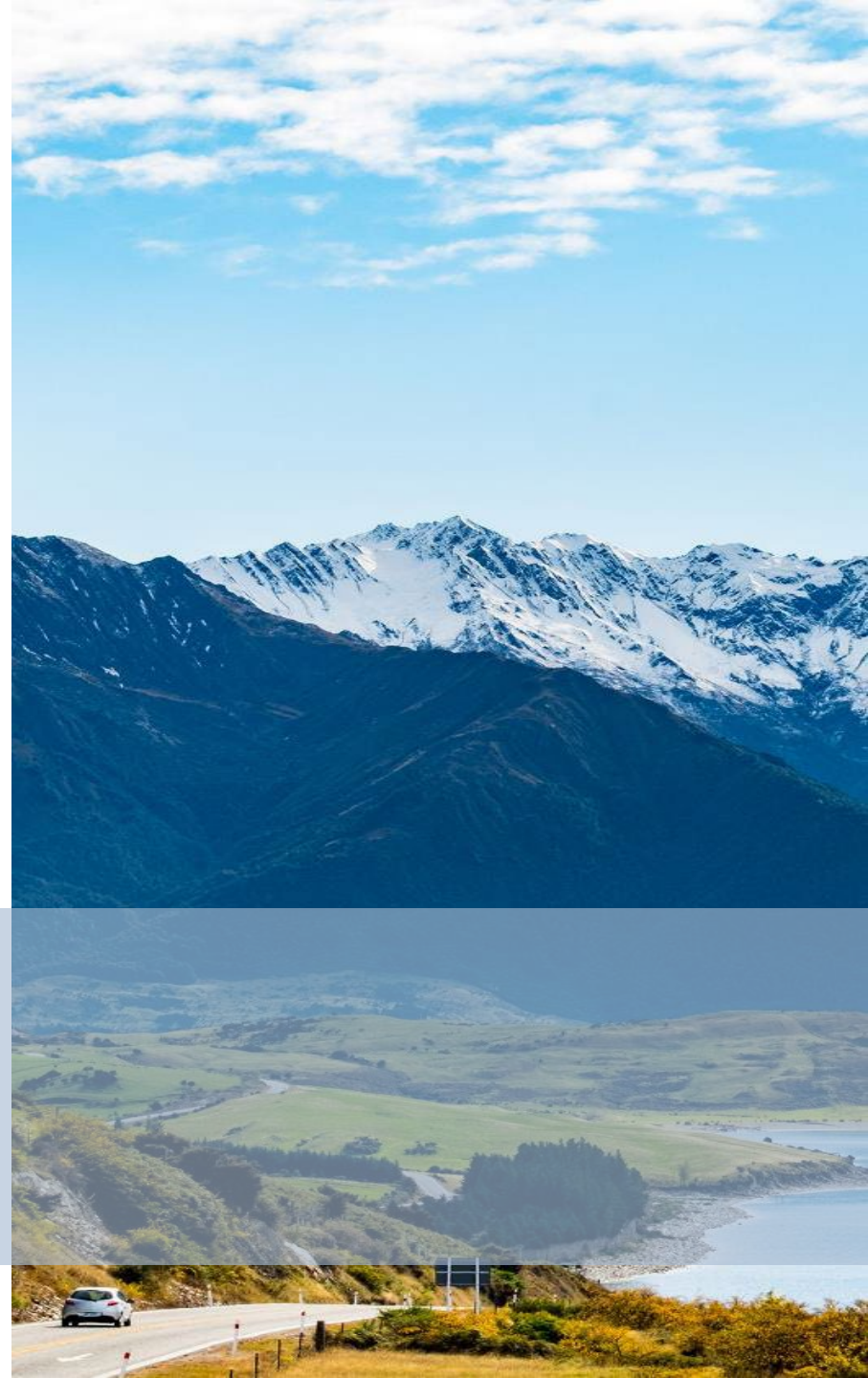
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Thank you for your interest in Ingevity.



APPENDIX

Non-GAAP Financial Measures

Ingevity has presented certain financial measures, defined below, which have not been prepared in accordance with U.S. generally accepted accounting principles (“GAAP”) and has provided a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP on the following pages. These financial measures are not meant to be considered in isolation nor as a substitute for the most directly comparable financial measure calculated in accordance with GAAP. Investors should consider the limitations associated with these non-GAAP measures, including the potential lack of comparability of these measures from one company to another.

We believe these non-GAAP financial measures provide management as well as investors, potential investors, securities analysts, and others with useful information to evaluate the performance of the business, because such measures, when viewed together with our financial results computed in accordance with GAAP, provide a more complete understanding of the factors and trends affecting our historical financial performance, liquidity measures, and projected future results.

Ingevity uses the following non-GAAP measures:

Adjusted earnings (loss) is defined as net income (loss) plus restructuring and other (income) charges, net, goodwill impairment, acquisition and other-related (income) costs, pension and postretirement settlement and curtailment (income) charges, loss on CTO resales, (gain) loss on strategic investments, debt refinancing fees, litigation verdict charges, CTO supply contract termination charges, and the income tax expense (benefit) on those items, less the provision (benefit) from certain discrete tax items.

Adjusted EBITDA is defined as net income (loss) plus interest expense, net, provision (benefit) for income taxes, depreciation, amortization, restructuring and other (income) charges, net, goodwill impairment, 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.

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

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

Adjusted Gross Profit is defined as gross profit plus depreciation and amortization, inventory fair value step-up amortization resulting from purchase accounting on acquisitions, and pension and postretirement settlement and curtailment (income) charges.

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

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

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

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

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

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

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

Diluted adjusted earnings (loss) per share is defined as Diluted earnings (loss) per common share plus restructuring and other (income) charges, net, per share, goodwill impairment per share, acquisition and other-related (income) costs per share, pension and postretirement settlement and curtailment (income) charges per share, loss on CTO resales per share, CTO supply contract termination charges per share, (gain) loss on strategic investments per share, debt refinancing fees per share, litigation verdict charge per share, and the income tax expense (benefit) per share on those items, less the provision (benefit) from certain discrete tax items per share.

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

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

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

Ingevity's management also uses the above financial measures as the primary measures of profitability and liquidity of the business. In addition, Ingevity believes Adjusted EBITDA and Adjusted EBITDA Margin are useful measures because they exclude the effects of financing and investment activities as well as non-operating activities.

A reconciliation of net income to adjusted EBITDA as projected for 2024 is not provided. Ingevity does not forecast net income as it cannot, without unreasonable effort, estimate or predict with certainty various components of net income. These components, net of tax, include further restructuring and other income (charges), net; additional acquisition and other-related (income) costs; additional pension and postretirement settlement and curtailment (income) charges; and revisions due to legislative tax rate changes. Additionally, discrete tax items could drive variability in our projected effective tax rate. All of these components could significantly impact such financial measures. Further, in the future, other items with similar characteristics to those currently included in adjusted EBITDA, that have a similar impact on the comparability of periods, and which are not known at this time, may exist and impact adjusted EBITDA.

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

<i>In millions, except per data (unaudited)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Net income (loss) (GAAP)	\$ 16.6	\$ (116.8)	\$ (430.3)	\$ (5.4)
Restructuring and other (income) charges, net ⁽¹⁾	23.4	120.8	186.2	170.2
Goodwill impairment charge ⁽²⁾	—	—	349.1	—
Acquisition and other-related costs ⁽³⁾	0.3	(0.1)	0.3	4.5
Loss on CTO resales ⁽⁴⁾	1.9	22.0	52.7	22.0
CTO supply contract termination charges ⁽⁵⁾	—	—	100.0	—
(Gain) loss on sale of strategic investment ⁽⁶⁾	—	—	11.4	(19.3)
Pension and postretirement settlement and curtailment income (charges), net ⁽⁷⁾	0.2	—	0.2	—
Tax effect on items above ⁽⁸⁾	(7.7)	(33.6)	(165.7)	(41.8)
Certain discrete tax provision (benefit) ⁽⁹⁾	—	0.5	24.4	(0.6)
Adjusted earnings (loss) (Non-GAAP)	\$ 34.7	\$ (7.2)	\$ 128.3	\$ 129.6
Diluted earnings (loss) per common share (GAAP)	\$ 0.46	\$ (3.23)	\$ (11.85)	\$ (0.15)
Restructuring and other (income) charges	0.64	3.34	5.12	4.64
Goodwill impairment charge	—	—	9.62	—
Acquisition and other-related costs	0.01	—	0.01	0.12
Loss on CTO resales	0.05	0.61	1.45	0.60
CTO supply contract termination charges	—	—	2.75	—
(Gain) loss on sale of strategic investment	—	—	0.31	(0.52)
Pension and postretirement settlement and curtailment income (charges), net	0.01	—	0.01	—
Tax effect on items above	(0.22)	(0.93)	(4.58)	(1.14)
Certain discrete tax provision (benefit)	—	0.01	0.67	(0.02)
Diluted adjusted earnings (loss) per share (Non-GAAP)	\$ 0.95	\$ (0.20)	\$ 3.51	\$ 3.53
Weighted average common shares outstanding - Diluted ⁽¹⁰⁾	36.6	36.2	36.5	36.7

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

(2) During the second quarter of 2024, 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.

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

(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, the purchases under the CTO supply contract ended effective June 30, 2024. The CTO resale activity described above ended in 2024 and no excess CTO volumes were on hand at December 31, 2024.

For three and twelve months ended December 31, 2024, charges relates to the Performance Chemicals reportable segment.

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

(5) As consideration for the termination of the CTO supply contract, we made a cash payment in the amount of \$100.0 million in 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. Updates will be provided in the subsequent filing of the Company's Form 10-K for 2024.

For the three and twelve months ended December 31, 2024, charges relate to the Performance Chemicals reportable segment.

(6) We exclude gains and losses from sales of 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.

<i>In millions</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Performance Materials	\$ —	\$ —	\$ (0.1)	\$ (19.3)
Performance Chemicals	—	—	9.3	—
Advanced Polymer Technologies	—	—	2.2	—
(Gain) loss on sale of strategic investment	\$ —	\$ —	\$ 11.4	\$ (19.3)

(7) Our pension and postretirement settlement and curtailment charges (income) are related to the acceleration of prior service costs, as a result of a reduction in the number of participants within the Union Hourly defined benefit pension plan. These are excluded from our segment results because we consider these costs to be outside our operational performance. We continue to include the service cost, amortization of prior service cost, interest costs, expected return on plan assets, and amortized actual gains and losses in our segment EBITDA.

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

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

(10) The weighted average number of shares outstanding used in diluted adjusted earnings per share computation (Non-GAAP) includes an average of 0.2 million diluted shares for the twelve months ended December 31, 2024 and 2023, respectively. This number of shares differs from the weighted average number of shares outstanding used in diluted loss per share computations (GAAP) as we had a net loss for each of those periods, respectively.

Restructuring and other (income) charges

<i>In millions</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Work force reductions and other	\$ 2.3	\$ 0.9	\$ 2.3	\$ 12.5
Performance Chemicals' repositioning	14.8	113.1	172.7	113.1
Restructuring charges ⁽¹⁾	\$ 17.1	\$ 114.0	\$ 175.0	\$ 125.6
Alternative feedstock transition	—	3.7	—	22.1
North Charleston plant transition	6.3	2.1	11.2	14.8
Business transformation costs	—	1.0	—	7.7
Other (income) charges, net ⁽¹⁾	\$ 6.3	\$ 6.8	\$ 11.2	\$ 44.6
Restructuring and other (income) charges, net ⁽²⁾⁽³⁾	\$ 23.4	\$ 120.8	\$ 186.2	\$ 170.2

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

(2) For information on our Workforce reductions and other, Performance Chemicals' repositioning, Alternative feedstock transition, North Charleston plant transition, and the Business transformation costs please refer to Note 11, Restructuring and Other (Income) Charges, net, in the Notes to the Condensed Consolidated Financial Statements included in the Company's Form 10-Q for the quarter ended September 30, 2024, filed on October 30, 2024. Updates will be provided in the subsequent filing of the Company's Form 10-K for 2024.

(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 December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Performance Materials	\$ 0.2	\$ 1.6	\$ 0.9	\$ 9.0
Performance Chemicals	23.1	104.8	185.1	144.5
Advanced Polymer Technologies	0.1	14.4	0.2	16.7
Restructuring and other (income) charges, net	\$ 23.4	\$ 120.8	\$ 186.2	\$ 170.2

Acquisition and other-related (income) charges

<i>In millions</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Legal and professional service fees	\$ 0.3	\$ (0.2)	\$ 0.3	\$ 3.6
Acquisition-related (income) costs	\$ 0.3	\$ (0.2)	\$ 0.3	\$ 3.6
Inventory fair value step-up amortization ⁽¹⁾	—	0.1	—	0.9
Acquisition and other-related (income) charges ⁽²⁾	<u>\$ 0.3</u>	<u>\$ (0.1)</u>	<u>\$ 0.3</u>	<u>\$ 4.5</u>

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

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

<i>In millions</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Performance Materials	\$ —	\$ —	\$ —	\$ —
Performance Chemicals	0.3	(0.1)	0.3	4.5
Advanced Polymer Technologies	—	—	—	—
Acquisition and other-related (income) costs	<u>\$ 0.3</u>	<u>\$ (0.1)</u>	<u>\$ 0.3</u>	<u>\$ 4.5</u>

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

We revised our December 31, 2023 non-GAAP Adjusted earnings (loss) calculation to remove previous adjustments of \$19.7 million related to inventory lower of cost or market charges associated with the Company's Performance Chemicals repositioning. This change was made to address a request from the Securities and Exchange Commission to revise future filings to no longer exclude these adjustments from non-GAAP performance measures. The following table presents the three and twelve months ended December 31, 2023 as previously reported and as revised.

<i>In millions, except per data (unaudited)</i>	Three Months Ended December 31, 2023		Twelve Months Ended December 31, 2023	
	As previously reported	As revised	As previously reported	As revised
Net income (loss) (GAAP)	\$ (116.8)	\$ (116.8)	\$ (5.4)	\$ (5.4)
Restructuring and other (income) charges ⁽¹⁾	140.5	120.8	189.9	170.2
Acquisition and other-related (income) charges ⁽¹⁾	(0.1)	(0.1)	4.5	4.5
Loss on CTO Resales ⁽¹⁾	22.0	22.0	22.0	22.0
Gain on sale of strategic investment ⁽¹⁾	—	—	(19.3)	(19.3)
Tax effect on items above ⁽¹⁾	(38.3)	(33.6)	(46.4)	(41.8)
Certain discrete tax provision (benefit) ⁽¹⁾	0.5	0.5	(0.6)	(0.6)
Adjusted earnings (loss) (Non-GAAP)	\$ 7.8	\$ (7.2)	\$ 144.7	\$ 129.6
Diluted earnings (loss) per common share (GAAP)	\$ (3.23)	\$ (3.23)	\$ (0.15)	\$ (0.15)
Restructuring and other (income) charges	3.86	3.34	5.17	4.64
Acquisition and other related costs	—	—	0.12	0.12
Loss on CTO Resales	0.61	0.61	0.60	0.60
Gain on sale of strategic investment	—	—	(0.52)	(0.52)
Tax effect on items above	(1.04)	(0.93)	(1.26)	(1.14)
Certain discrete tax provision (benefit)	0.01	0.01	(0.02)	(0.02)
Diluted adjusted earnings (loss) per share (Non-GAAP)	\$ 0.21	\$ (0.20)	\$ 3.94	\$ 3.53
Weighted average common shares outstanding - Diluted	36.4	36.2	36.7	36.7

(1) For more information on these charges, refer to the Reconciliation of Net Income (Loss) (GAAP) and Diluted Earnings (Loss) Per Share (GAAP) to Adjusted Earnings (Loss) (Non-GAAP) and Diluted Adjusted Earnings (Loss) Per Share (Non-GAAP) included in the Company's Form 8-K for the year ended December 31, 2023, filed on February 21, 2024.

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

<i>In millions, except percentages (unaudited)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Net income (loss) (GAAP)	\$ 16.6	\$ (116.8)	\$ (430.3)	\$ (5.4)
Interest expense, net	20.8	22.7	90.1	87.0
Provision (benefit) for income taxes	(7.8)	(37.2)	(105.3)	(4.7)
Depreciation and amortization	25.2	30.7	108.3	122.8
Restructuring and other (income) charges, net ⁽¹⁾	23.4	120.8	186.2	170.2
Goodwill impairment charge ⁽¹⁾	—	—	349.1	—
Acquisition and other related costs ⁽¹⁾	0.3	(0.1)	0.3	4.5
Loss on CTO Resales ⁽¹⁾	1.9	22.0	52.7	22.0
CTO supply contract termination charges ⁽¹⁾	—	—	100.0	—
Gain on sale of strategic investment ⁽¹⁾	—	—	11.4	(19.3)
Pension and postretirement settlement and curtailment charges (income), net ⁽¹⁾	0.2	—	0.2	—
Adjusted EBITDA (Non-GAAP)	<u>\$ 80.6</u>	<u>\$ 42.1</u>	<u>\$ 362.7</u>	<u>\$ 377.1</u>
Net sales	\$ 298.8	\$ 371.7	\$ 1,406.4	\$ 1,692.1
Net income (loss) margin (GAAP)	5.6 %	(31.4)%	(30.6)%	(0.3)%
Adjusted EBITDA margin (Non-GAAP)	27.0 %	11.3 %	25.8 %	22.3 %

(1) For more information on these charges, refer to the Reconciliation of Adjusted Earnings table on the slide titled Reconciliation of Net Income (Loss) (GAAP) and Diluted Earnings (Loss) Per Share (GAAP) to Adjusted Earnings (Loss) (Non-GAAP) and Diluted Adjusted Earnings (Loss) per share (Non-GAAP).

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

We revised our December 31, 2023 non-GAAP Adjusted EBITDA calculation to remove previous adjustments of \$19.7 million related to inventory lower of cost or market charges associated with the Company's Performance Chemicals repositioning. This change was made to address a request from the Securities and Exchange Commission to revise future filings to no longer exclude these adjustments from non-GAAP performance measures. The following table presents the three and twelve months ended December 31, 2023 as previously reported and as revised.

<i>In millions, except percentages (unaudited)</i>	Three Months Ended December 31, 2023		Twelve Months Ended December 31, 2023	
	As previously reported	As revised	As previously reported	As revised
Net income (loss) (GAAP)	\$ (116.8)	\$ (116.8)	\$ (5.4)	\$ (5.4)
Interest expense, net	(37.2)	(37.2)	(4.7)	(4.7)
Provision (benefit) for income taxes	22.7	22.7	87.0	87.0
Depreciation and amortization	30.7	30.7	122.8	122.8
Restructuring and other (income) charges, net ⁽¹⁾	140.5	120.8	189.9	170.2
Acquisition and other related costs ⁽¹⁾	(0.1)	(0.1)	4.5	4.5
Loss on CTO Resales ⁽¹⁾	22.0	22.0	22.0	22.0
Gain on sale of strategic investment ⁽¹⁾	—	—	(19.3)	(19.3)
Adjusted EBITDA (Non-GAAP)	<u>\$ 61.8</u>	<u>\$ 42.1</u>	<u>\$ 396.8</u>	<u>\$ 377.1</u>
Net sales	\$ 371.7	\$ 371.7	\$ 1,692.1	\$ 1,692.1
Net income (loss) margin (GAAP)	(31.4)%	(31.4)%	(0.3)%	(0.3)%
Adjusted EBITDA margin (Non-GAAP)	16.6 %	11.3 %	23.5 %	22.3 %

(1) For more information on these charges, refer to the Reconciliation of Adjusted Earnings included in the Company's Form 8-K for the year ended December 31, 2023, filed on February 21, 2024.

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

<i>In millions, except percentages (unaudited)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Gross Profit (GAAP)	\$ 101.9	\$ 59.5	\$ 454.7	\$ 471.9
Plus:				
Depreciation and amortization	15.0	16.9	65.9	67.2
Inventory fair value step-up amortization	—	0.1	—	0.9
Pension and postretirement settlement and curtailment charges (income), net	0.2	—	0.2	—
Adjusted gross profit (Non-GAAP)	<u>\$ 117.1</u>	<u>\$ 76.5</u>	<u>\$ 520.8</u>	<u>\$ 540.0</u>
Net Sales	\$ 298.8	\$ 371.7	\$ 1,406.4	\$ 1,692.1
Gross margin (GAAP)	34.1 %	16.0 %	32.3 %	27.9 %
Adjusted Gross margin (Non-GAAP)	39.2 %	20.6 %	37.0 %	31.9 %

SGA (GAAP) to Adjusted SG&A (Non-GAAP)

<i>In millions, except percentages (unaudited)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
SG&A (GAAP)	\$ 39.4	\$ 43.4	\$ 166.7	\$ 183.7
Research and technical expenses (GAAP)	7.3	7.2	28.1	31.8
Total SG&A (GAAP)	46.7	50.6	194.8	215.5
Less:				
Depreciation and amortization	10.2	13.8	42.4	54.5
Adjusted SG&A (Non-GAAP)	\$ 36.5	\$ 36.8	\$ 152.4	\$ 161.0
Net Sales	\$ 298.8	\$ 371.7	\$ 1,406.4	\$ 1,692.1
SG&A as a percent of Net sales	13.2 %	11.7 %	11.9 %	10.9 %
Adjusted SG&A as a percent of Net sales (Non-GAAP)	12.2 %	9.9 %	10.8 %	9.5 %

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

<i>In millions, except percentages (unaudited)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Other (income) expense, net (GAAP)	\$ 1.9	\$ 19.6	\$ 169.8	\$ 5.7
Less:				
Gain on sale of strategic investment	—	—	11.4	(19.3)
Loss on CTO resales	1.9	22.0	52.7	22.0
CTO supply contract termination charges	—	—	100.0	—
Depreciation and amortization	—	—	—	1.1
Other (income) expense, net (Non-GAAP)	\$ —	\$ (2.4)	\$ 5.7	\$ 1.9
Net Sales	\$ 298.8	\$ 371.7	\$ 1,406.4	\$ 1,692.1
OIE as a percent of Net sales (GAAP)	0.6 %	5.3 %	12.1 %	0.3 %
Adjusted OIE as a percent of Net sales (Non-GAAP)	— %	(0.6)%	0.4 %	0.1 %

Restructuring and Repositioning Charges

<i>In millions</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Restructuring and other (income) charges, net ⁽¹⁾	\$ 23.4	\$ 120.8	\$ 186.2	\$ 170.2
Goodwill impairment charges ⁽²⁾	—	—	349.1	—
Loss on CTO resales ⁽¹⁾	1.9	22.0	52.7	22.0
CTO supply contract termination charges ⁽¹⁾	—	—	100.0	—
Restructuring and repositioning charges	\$ 25.3	\$ 142.8	\$ 688.0	\$ 192.2

(1) For more information on these charges please refer to Note 11, Restructuring and Other (Income) Charges, net, in the Notes to the Condensed Consolidated Financial Statements included in the Company's Form 10-Q for the quarter ended September 30, 2024, filed on October 30, 2024. Updates will be provided in the subsequent filing of the Company's Form 10-K for 2024.

(2) For more information on these charges please refer to Note 7, Goodwill and Other Intangible Assets, net in the Notes to the Condensed Consolidated Financial Statements included in the Company's Form 10-Q for the quarter ended September 30, 2024, filed on October 30, 2024. Updates will be provided in the subsequent filing of the Company's Form 10-K for 2024.

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

<i>In millions (unaudited)</i>	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Cash Flow from Operations (GAAP)	\$ 64.5	\$ 44.4	\$ 128.6	\$ 205.1
Less: Capital Expenditures (GAAP)	24.9	29.2	77.6	109.8
Free Cash Flow (Non-GAAP)	\$ 39.6	\$ 15.2	\$ 51.0	\$ 95.3

<i>In millions (unaudited)</i>	Twelve Months Ended December 31,							
	2020				2021			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash Flow from Operations (GAAP)	\$ 60.2	\$ 48.9	\$ 90.0	\$ 153.3	\$ 51.1	\$ 65.8	\$ 100.1	\$ 76.0
Less: Capital Expenditures (GAAP)	19.5	15.0	16.5	31.1	17.0	23.9	25.5	37.4
Free Cash Flow (Non-GAAP)	\$ 40.7	\$ 33.9	\$ 73.5	\$ 122.2	\$ 34.1	\$ 41.9	\$ 74.6	\$ 38.6

<i>In millions (unaudited)</i>	Twelve Months Ended December 31,							
	2022				2023			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Cash Flow from Operations (GAAP)	\$ 24.3	\$ 90.5	\$ 100.1	\$ 98.2	\$ 5.3	\$ 48.4	\$ 107.0	\$ 44.4
Less: Capital Expenditures (GAAP)	27.6	29.6	36.1	49.2	25.4	21.7	33.5	29.2
Free Cash Flow (Non-GAAP)	\$ (3.3)	\$ 60.9	\$ 64.0	\$ 49.0	\$ (20.1)	\$ 26.7	\$ 73.5	\$ 15.2

<i>In millions (unaudited)</i>	Twelve Months Ended December 31,			
	2024			
	Q1	Q2	Q3	Q4
Cash Flow from Operations (GAAP)	\$ (12.1)	\$ 29.7	\$ 46.5	\$ 64.5
Less: Capital Expenditures (GAAP)	16.6	18.1	18.0	24.9
Free Cash Flow (Non-GAAP)	\$ (28.7)	\$ 11.6	\$ 28.5	\$ 39.6

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

<i>In millions, except ratios (unaudited)</i>	December 31, 2024	December 31, 2023
Notes payable and current maturities of long-term debt	\$ 61.3	\$ 84.4
Long-term debt including finance lease obligations	1,339.7	1,382.8
Debt issuance costs	4.2	5.3
Total Debt	\$ 1,405.2	\$ 1,472.5
Less:		
Cash and cash equivalents ⁽¹⁾	68.2	96.1
Restricted investment ⁽²⁾	81.8	79.3
Net Debt	<u>\$ 1,255.2</u>	<u>\$ 1,297.1</u>
Net Debt Ratio (Non GAAP)		
Adjusted EBITDA (Non-GAAP) ⁽³⁾		
Adjusted EBITDA - trailing twelve months (TTM) as of December 31	\$ 362.7	\$ 377.1
Net debt ratio (Non-GAAP)	3.5x	3.4x

(1) Includes \$0.2 million and \$0.2 million of Restricted Cash related to the New Market Tax Credit arrangement for the years ended December 31, 2024 and 2023, respectively.

(2) Excludes \$0.2 million and \$0.2 million of allowance for credit losses on held-to-maturity debt securities for the years ended December 31, 2024 and 2023, respectively.

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

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

We revised our December 31, 2023 non-GAAP Net debt ratio calculation to remove the previous adjustment of \$19.7 million from the three months ended December 31, 2023, from the last twelve months Adjusted EBITDA related to inventory lower of cost or market charges associated with the Company's Performance Chemicals repositioning. This change was made to address a request from the Securities and Exchange Commission to revise future filings to no longer exclude these adjustments from non-GAAP performance measures. The following table presents the period ended December 31, 2023 as previously reported and as revised.

<i>In millions, except ratios (unaudited)</i>	December 31, 2023	
	As previously reported	As revised
Notes payable and current maturities of long-term debt	\$ 84.4	\$ 84.4
Long-term debt including finance lease obligations	1,382.8	1,382.8
Debt issuance costs	5.3	5.3
Total Debt	1,472.5	1,472.5
Less:		
Cash and cash equivalents ⁽¹⁾	96.1	96.1
Restricted investment ⁽²⁾	79.3	79.3
Net Debt	\$ 1,297.1	\$ 1,297.1
Net Debt Ratio (Non GAAP)		
Adjusted EBITDA (Non-GAAP) ⁽³⁾		
Adjusted EBITDA - trailing twelve months (TTM) as of December 31, 2023	\$ 396.8	\$ 377.1
Net debt ratio (Non GAAP)	3.3x	3.4x

(1) Includes \$0.2 million of Restricted Cash related to the New Market Tax Credit arrangement for the year ended December 31, 2023.

(2) Excludes \$0.2 million allowance for credit losses on held-to-maturity debt securities for the year ended December 31, 2023.

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

Calculation of Historical Net Debt Ratio (Non-GAAP)

<i>In millions, except ratios (unaudited)</i>	December 31,			
	2020	2021	2022	2023
Net Debt (Non-GAAP) ⁽¹⁾	\$ 982.7	\$ 928.2	\$ 1,324.3	\$ 1,297.1
Adjusted EBITDA ⁽²⁾	397.9	422.2	452.6	377.1
TTM Adjusted EBITDA (Non-GAAP)	\$ 397.9	\$ 422.2	\$ 452.6	\$ 377.1
Net Debt Ratio (Non-GAAP)	2.5x	2.2x	2.9x	3.4x

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

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