

INGEVITY INVESTOR PRESENTATION

November 2022

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

Forward-looking statements: This presentation contains "forward-looking statements" within the meaning of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. Such statements generally include the words "will," "plans," "intends," "targets," "expects," "outlook," "believes," "anticipates" or similar expressions. Forward-looking statements may include, without limitation, the potential benefits of any acquisition or investment transaction, the anticipated timing of the closing of any announced acquisition, expected financial positions, expected financial positions, guidance, results of operations and cash flows; financing plans; business strategies and expectations; operating plans; impact of COVID-19; capital and other expenditures; competitive positions; growth opportunities for existing products; benefits from new technology and cost-reduction initiatives, plans and objectives; litigation related strategies and outcomes; markets for securities and expected future repurchases of shares, including statements about the manner, amount and timing of repurchases. Actual results could differ materially from the views expressed. Factors that could cause actual results to materially differ from those contained in the forward-looking statements, or that could cause other forward-looking statements to prove incorrect, include, without limitation, adverse effects from the COVID-19 pandemic; adverse effects from general global economic, geopolitical and financial conditions beyond our control, including inflation and war in Ukraine; risks related to our international sales and operations; adverse conditions in the automotive market; competition from substitute products, new technologies and new or emerging competitors; worldwide air quality standards; a decrease in government infrastructure spending; adverse conditions in cyclical end markets; the limited supply of or lack of access to sufficient crude tall oil and other raw materials; integration of future acquisitions; 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; and losses due to lawsuits arising out of environmental damage or personal injuries associated with chemical or other manufacturing processes, and the other factors detailed from time to time in the reports we file with the SEC, including those described in Part I, Item 1A. Risk Factors in our 2021 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 Company Overview
2 Financial Highlights
3 Strategic Growth and Innovation



1 COMPANY OVERVIEW

INGEVITY AT A GLANCE

A leading global provider of products and technologies that purify, protect and enhance the world around us.



OUR COMPANY*

EMPLOYEES GLOBALLY
2,050

MANUFACTURING SITES **14**

LOCATIONS
31

7
TECHNICAL CENTERS

WE DO BUSINESS IN
75
COUNTRIES

OUR BUSINESS YTD

NET REVENUE
$1.285
BILLION

ADJ. EBITDA MARGIN [1]
29.4%

$5.42
DILUTED ADJUSTED EPS [1]

PERFORMANCE MATERIALS REVENUE
$416
MILLION

PERFORMANCE CHEMICALS REVENUE
$869
MILLION

OUR ESG JOURNEY

ECOVADIS GOLD RATING
97th
PERCENTILE

RENEWABLE ENERGY WAS
8.5%
OF TOTAL ENERGY USAGE

77.6%
OF OUR REVENUE CAME FROM SUSTAINABLE PRODUCTS

$1.7 MILLION
CONTRIBUTED TO OUR COMMUNITIES VIA INGEVICARES

TRAINING COMPLETED BY EMPLOYEES IN OUR LEARNING MANAGEMENT SYSTEM
13
HOURS PER EMPLOYEE

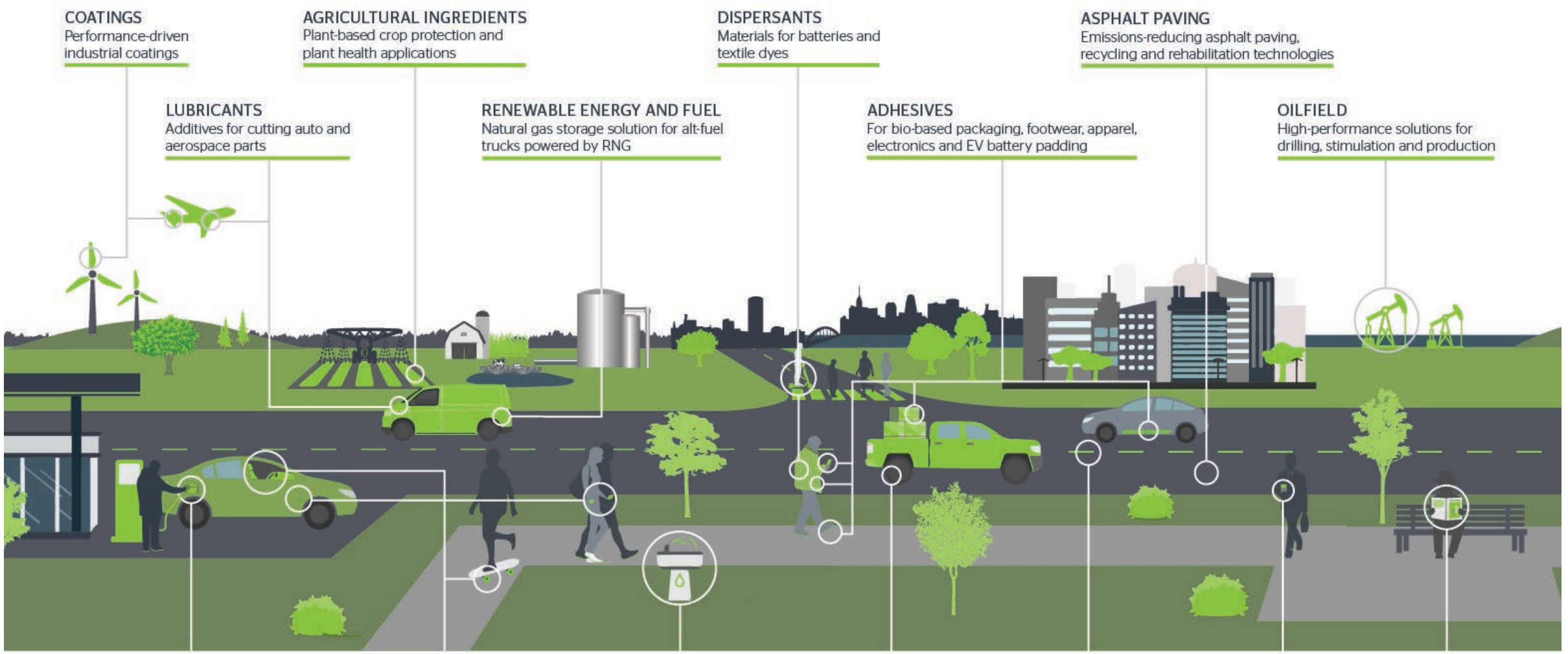
TIER 1 & TIER 2 PROCESS SAFETY INCIDENTS
50% DECREASE VS 2020

23%
OF WOMEN EMPLOYED IN STEM ROLES

1: See page 105 of our 2021 Annual Report and Form 10-K for definitions and reconciliations of these non-GAAP financial measures.
*Our company statistics updated in October 2022 to reflect acquisition of Ozark Materials

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WE ARE PURIFYING, PROTECTING AND ENHANCING EVERYDAY LIFE



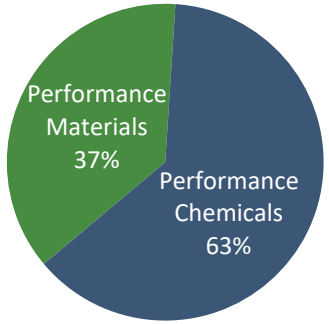
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WE CREATE HIGH VALUE-ADDED PRODUCTS LARGELY FROM RENEWABLE RAW MATERIALS

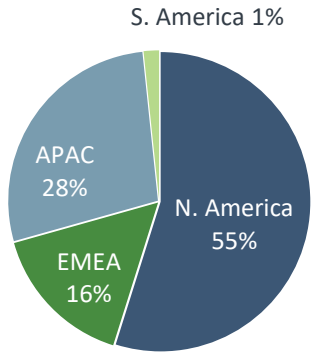
We operate in 2 reporting segments:

- **Performance Chemicals**, comprised of sustainably-sourced specialty chemicals and engineered polymers
- **Performance Materials**, primarily high-performance activated carbon made from hardwood sawdust

2021 revenues by segment



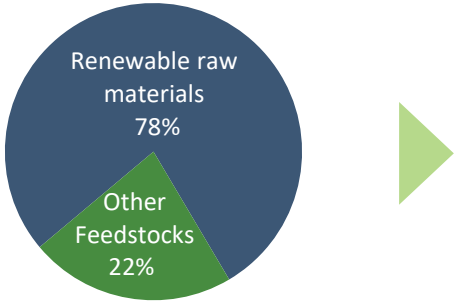
2021 revenues by geography

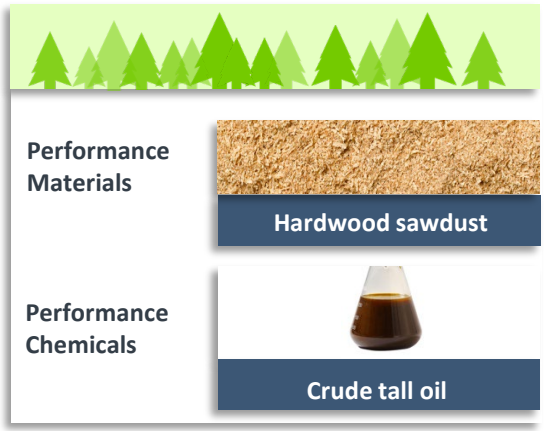


2021 financials

2021 Revenues	$1,391.5M
2021 Adj. EBITDA (1)	$422.2M
Diluted Adj. EPS (1)	$5.23
Free cash flow (1)	$189.2M
Capex	$103.8M

Over 75% of 2021 revenue came from renewable raw materials





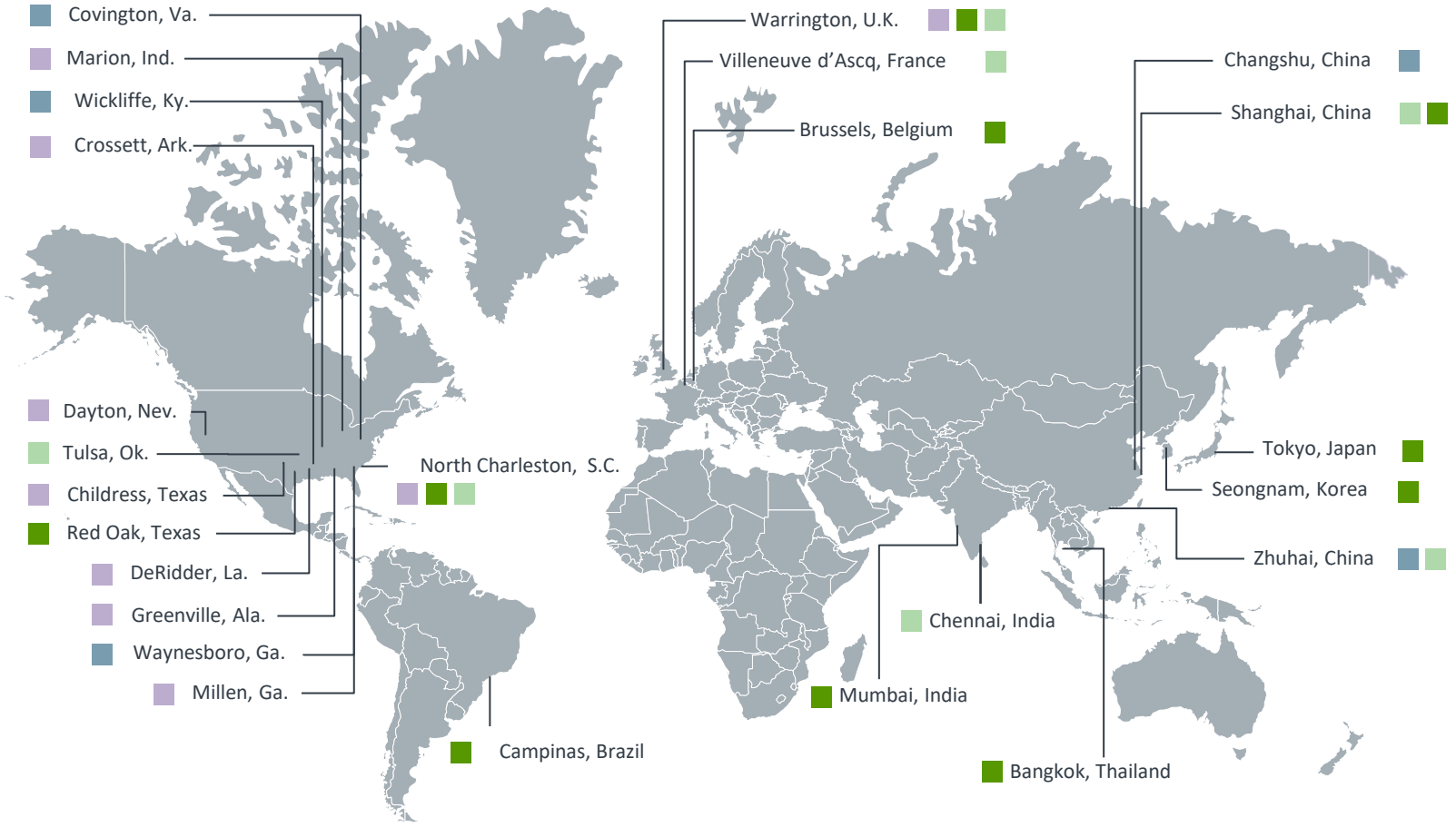
Source: Company filings
(1) Please see appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures and reconciliations to the nearest GAAP financial measures.

OUR TWO BUSINESS SEGMENTS

	Performance Materials	Performance Chemicals		
	Carbon Technologies	**Pavement Technologies**	**Industrial Specialties**	**Engineered Polymers**
				
2022 YTD Sales	$415.7 million	$194.0 million	$489.9 million	$185.1 million
2022 YTD Segment EBITDA	$194.7 million	$183.6 million		
Applications	▪ Automotive ▪ Process purification	▪ Pavement preservation ▪ Recycling ▪ Evotherm® warm mix asphalt technologies	▪ Well-service additives ▪ Production and downstream chemicals ▪ Adhesives ▪ Agricultural chemicals ▪ Lubricants ▪ Inks ▪ Intermediates	▪ Coatings ▪ Resins ▪ Elastomers ▪ Adhesives ▪ Bioplastics
Select Competitors	CABOT, kuraray	Nouryon, ARKEMA	KRATON, DRT, lamberti chemical specialties	DAICEL, BASF
Select Customers	BorgWarner, Aisan, KAYSER AUTOMOTIVE SYSTEMS	ERGON	FlintGroup, arboris, HALLIBURTON, ENNIS-FLINT	(1)

1) *Not disclosed due to NDAs and confidentiality.*

OUR GLOBAL PRESENCE



Headquartered in North Charleston, South Carolina and operates manufacturing and technical facilities in the United States, Europe, and Asia

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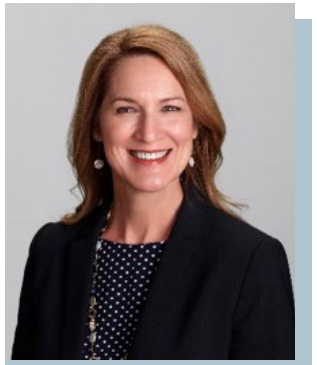
DEEP BENCH OF TALENT LED BY AN EXPERIENCED AND PROVEN LEADERSHIP TEAM



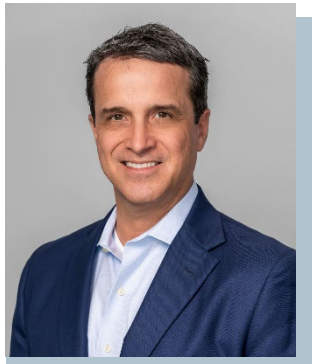
John Fortson
President and Chief Executive Officer



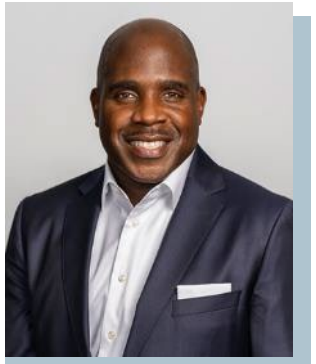
Mary Dean Hall
EVP, Chief Financial Officer and Treasurer



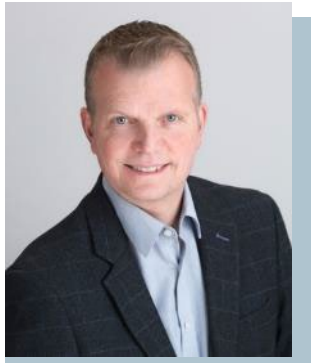
Stacy Cozad
EVP, General Counsel and Secretary



Ed Woodcock
EVP and President, Performance Materials



Rich White
SVP Perf. Chemicals, and President, Industrial Specialties and Pavement Tech



Steve Hulme
SVP, Perf. Chemicals, and President, Engineered Polymers



Erik Ripple
Chief Growth and Innovation Officer



Christine Stunyo
Chief Human Resources Officer

2 FINANCIAL HIGHLIGHTS

THIRD QUARTER (Q3) CONSOLIDATED FINANCIAL PERFORMANCE

Q3 financials

$ in millions except percentage and EPS	Q3 2022	Q3 2021	vs PY Δ%
Net sales	**$482.0**	**$376.8**	**27.9%**
Adjusted gross profit[1]	$192.1	$158.7	
Adjusted gross margin[1] % net sales	39.9%	42.1%	***(220) bps***
Total SG&A excl. D&A[1] [2]	$52.1	$39.6	
% net sales	*10.8%*	*10.5%*	***(30) bps***
Adjusted other (income) expense, net[1]	$2.0	$(0.4)	
% net sales	*(0.4)%*	*0.1%*	***(50) bps***
Adjusted EBITDA[1]	$138.2	$119.5	**15.6%**
% margin[1]	***28.7%***	***31.7%***	***(300) bps***
Diluted adjusted EPS[1]	$2.09	$1.62	**29.0%**

Performance highlights

Record sales up 27.9% reflecting price increases in all businesses, particularly in Performance Chemicals, and improved automotive volumes

- Increased pricing across Performance Chemicals which has offset inflationary costs
- Higher volumes in Pavement Technologies reflected a strong paving season
- Increased volumes in Performance Materials as automotive supply chains improve

Adjusted gross profit [1] up 21.0% on increased sales; Adjusted gross margin [1] pressured by continued elevated input costs in both segments

Adjusted EBITDA [1] up 15.6% due to strong revenue growth; Adjusted EBITDA margin [1] down primarily due to gross margin pressure

Record diluted adjusted EPS [1] up 29% to $2.09

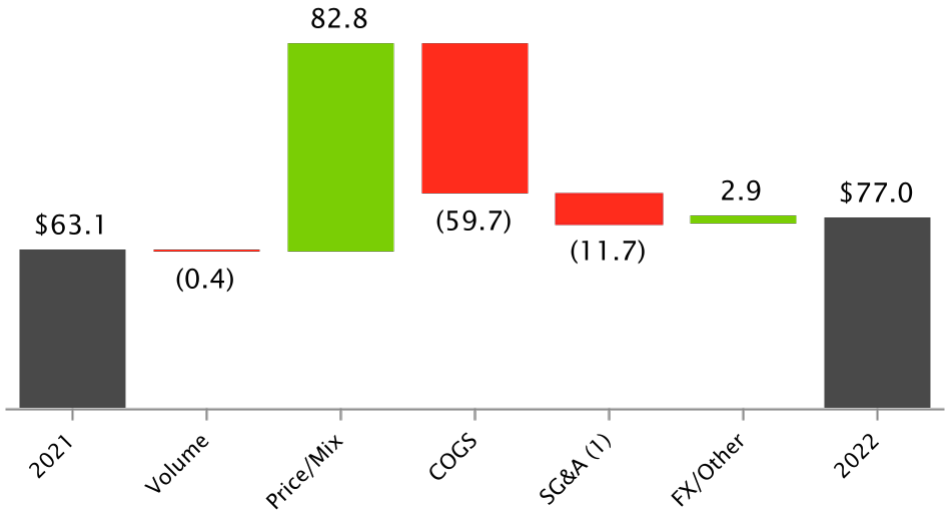
(1) Please see appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures and reconciliations to the nearest GAAP financial measures.

(2) SG&A includes research and technical expenses

PERFORMANCE CHEMICALS

$ IN MILLIONS	Q3 2022	Q3 2021	▲ $ VS. PRIOR YEAR	▲ % VS. PRIOR YEAR
Net Sales	**337.1**	**258.7**	**78.4**	**30.3%**
Engineered Polymers	69.5	52.9	16.6	31.4%
Industrial Specialties	179.3	132.6	46.7	35.2%
Pavement Technologies	88.3	73.2	15.1	20.6%
Segment EBITDA	**77.0**	**63.1**	**13.9**	**22.0%**
Segment EBITDA Margin	**22.8%**	**24.4%**		**(160) bps**

Q3 Segment EBITDA



Performance highlights

Sales of $337.1 million up 30.3% due to price increases and stronger volumes in derivatized products

- **ENGINEERED POLYMERS:** Record sales up over 30% due to a combination of price increases which offset inflation and continued volume growth in strategic markets
- **INDUSTRIAL SPECIALTIES*:*** Record sales up over 35% driven by price and volume increases in derivatized products
- **PAVEMENT TECHNOLOGIES:** Record sales up over 20% led by double-digit volume growth primarily due to a strong paving season and increased technology adoption

Segment EBITDA of $77.0 million up 22.0%; segment EBITDA margin of 22.8%

- SG&A cost increases reflect increased growth spending and higher labor-related costs

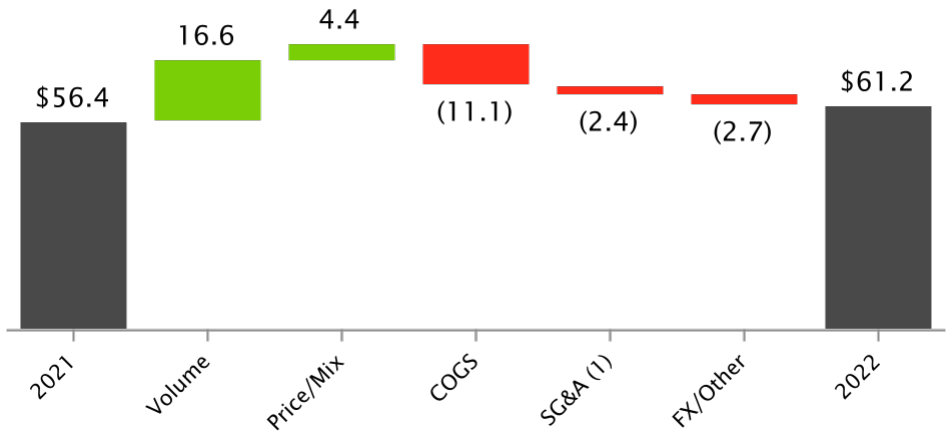
Ozark Materials: Transaction closed on October 3rd, 2022, and sales will be reported in Pavement Technologies

(1) SG&A includes research and technical expenses

PERFORMANCE MATERIALS

$ IN MILLIONS	Q3 2022	Q3 2021	▲ $ VS. PRIOR YEAR	▲ % VS. PRIOR YEAR
Net Sales	**144.9**	**118.1**	**26.8**	**22.7%**
Segment EBITDA	**61.2**	**56.4**	**4.8**	**8.5%**
Segment EBITDA Margin	**42.2%**	**47.8%**		**(560) bps**

Q3 Segment EBITDA



Performance highlights

Sales of $144.9 million up 22.7% on improved global auto production and price increases, primarily in process purification

- Sales of our automotive activated carbon products rebounded as improved auto parts availability led to increased global automotive production
  - Sales volumes across Asia-Pacific improved from Q2 China COVID-related shutdowns
  - Continued strong growth from Brazil's Proconve 7 implementation

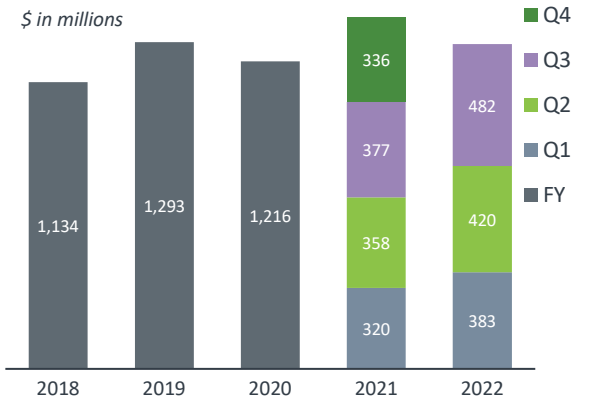
Segment EBITDA of $61.2 million up 8.5%; segment EBITDA margin of 42.2% negatively impacted by inflationary costs in raw materials and energy

- Input costs increased significantly during the quarter, outpacing the ability to respond with adjusted customer pricing, which primarily impacted automotive products where prices are typically set annually, early in the year

(1) SG&A includes research and technical expenses

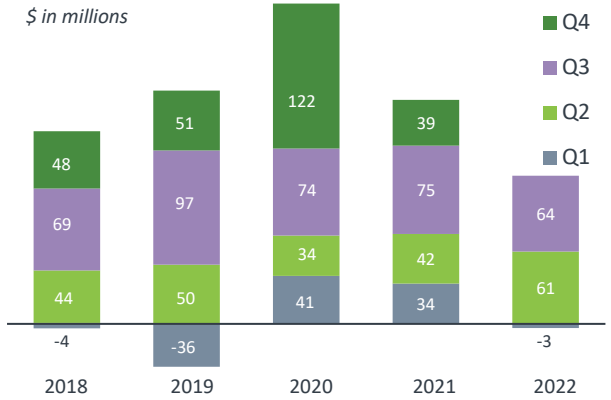
Q3 2022 FINANCIAL METRICS AND HIGHLIGHTS

Net Sales



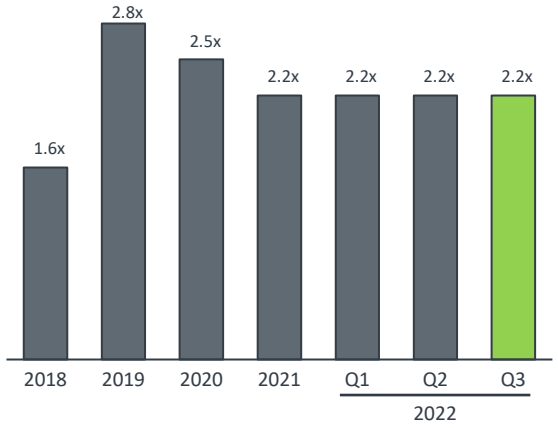
- Record sales up 27.9% vs. prior year
- Sales into higher value end-markets enables pricing leverage
- 83% of products sold into high value markets vs. 66% in 2016

Free cash flow (1)



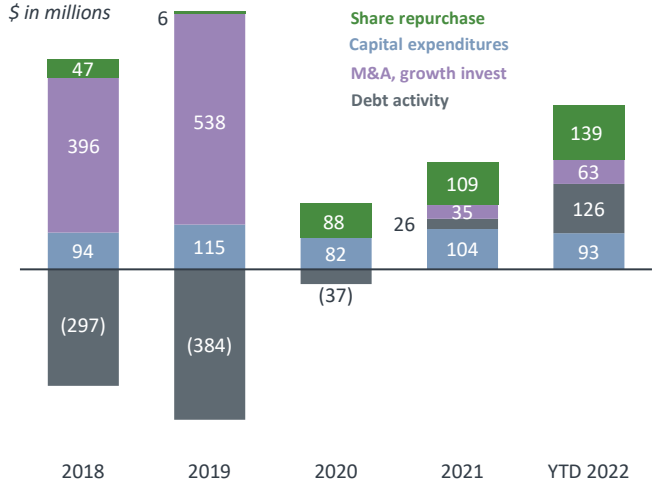
- FCF of $64.0 million slightly lower than prior year due to increased capital spending on growth initiatives

Net Debt Ratio (1)



- Net debt of 2.2x remains well within 2.0-2.5x guidance, and includes the $60M Nexeon investment made during Q3
- Closed on Ozark acquisition in October; leverage expected to increase in Q4 before returning to target range within the next 12 months

Capital allocation



- Q3 share repurchases totaling $49.3 million and $139.2 million year to date
- M&A : Ozark ($325 million) was financed with revolver borrowings and cash on hand

(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.

RAISING 2022 GUIDANCE

FY Guidance

Financial metric	FY Guidance
Revenue	$1,650 - $1,700
Adj. EBITDA [1]	$460 - $475
Capital expenditures	$130 – $150
Free cash flow [1]	≥$160
Net debt ratio [1] [2]	2.5 – 3.0x

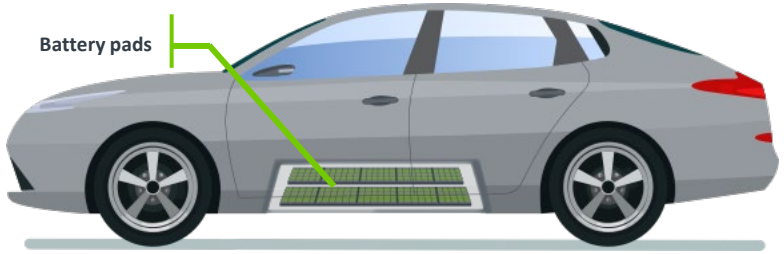
- Headwinds:
  - High inflationary input costs remain, especially on raw materials and energy
  - Recession?
- Tailwinds:
  - Continuing automotive production gains in Q4
  - Higher percent of sales to high performance products

(1) Please see appendix for Ingevity's use of non-GAAP financial measures, definitions of those financial measures and reconciliations to the nearest GAAP financial measures.
(2) Higher at year-end 2022 as a result of Ozark acquisition; expect ratio to be back within 2.0 – 2.5x by end of 2023

3 | STRATEGIC GROWTH AND INNOVATION

CAPA POLYOLS PROTECT AND IMPROVE THE WORKING LIFE OF ELECTRIC VEHICLE BATTERIES





Challenge

EV battery packs must be kept stable during use and continuous motion and charging cause battery cell size to change significantly.

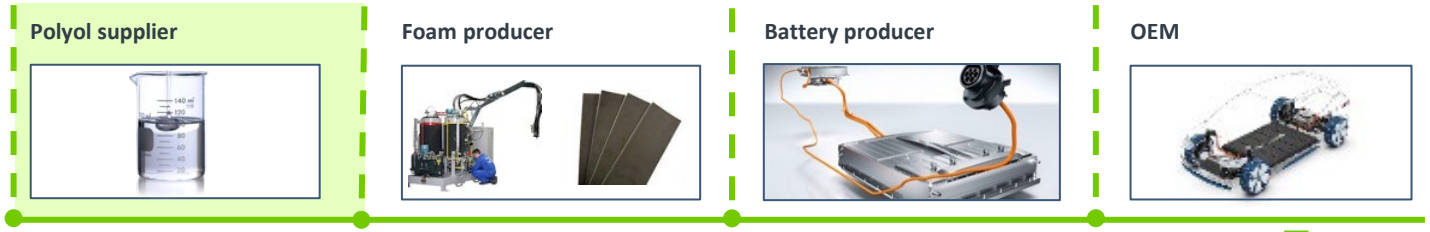
This necessitates foam cushioning to hold the stacks in place, avoid battery failure and keep passengers safe.

Capa benefits

- More durable padding protects batteries longer
- Eliminates need for other expensive additives

Polyols production capacity expansion completed in September 2022 allowing for 40% more production capacity

Value chain



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ENABLING BIODEGRADABLE PLASTIC OPTIONS IS A DRIVING FORCE FOR OUR CAPA TECHNOLOGIES





CAPA Advantage: Plastic utensils and packaging that are fully biodegradable

Challenge

Demand continues to increase for plasticware that can compost rather than pollute, while providing the same convenience and performance as traditional plastics.

Capa benefits

- **Enables home and industrial composting**
  - 100% (1) biodegradable after 40 days
  - Competitors achieve less than 50%
  - Fully biodegradable in marine environment within 28 days
- **Creates more durable, greener products**
  - Over 500% (2) increase in flexibility
  - Over 300% (3) increased impact resistance in biopolymers like PLA

Value chain

Thermoplastic supplier



Compounder



Converter



OEM



1 EN 43132: percent biodegradation according to European standard outlined in EN 13432
2 Research Institute for Applied Mechanics, Kyushu University, Japan: tensile strength of bioabsorbable PLA/PCL blend measured in MPa
3 Ingevity: fracture of absorbed energy measured in kJ/m2

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OZARK MATERIALS
Strategic Rationale



Transaction Strengthens Existing Pavement and Adhesives Businesses and Serves as Platform for Further Growth and Expansion

Pavement ⟵ Road Markings ⟶ Adhesives



OZARK MATERIALS, LLC

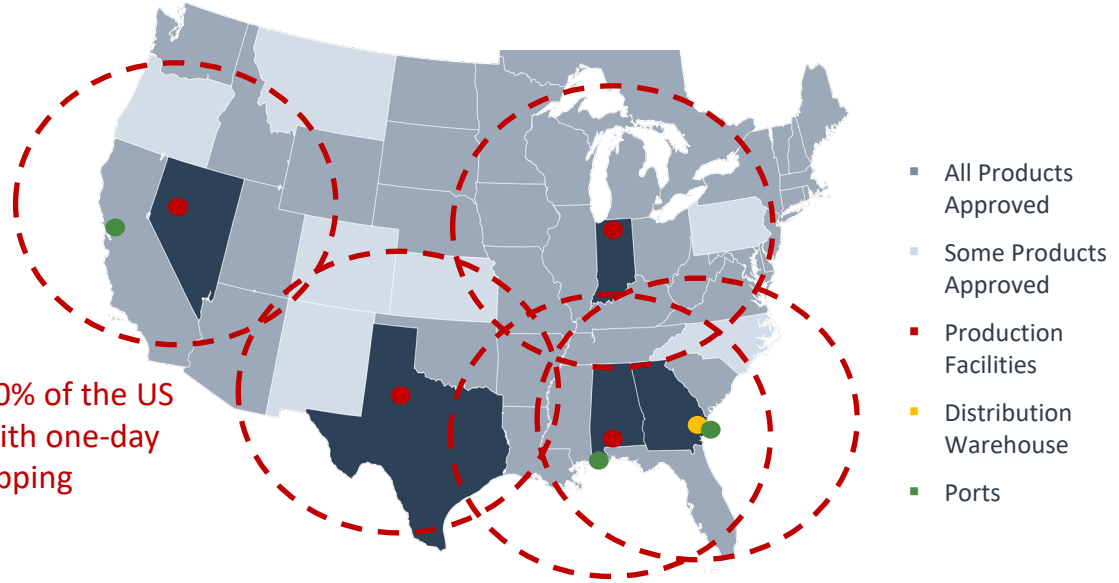
OZARK MATERIALS
Business Profile

Business Description

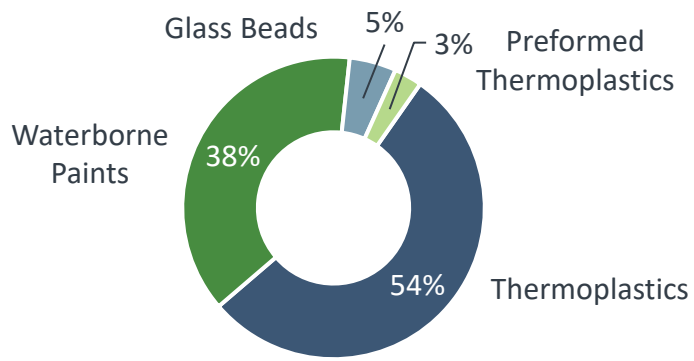
- Leading manufacturer of pavement marking materials
  - Headquartered in Greenville, AL
- Specialize in waterborne traffic paints, thermoplastic pavement markings, preformed thermoplastics and glass beads
- Strategically located facilities across the United States
- Diverse customer base including contractors and government agencies
- Ozark Logistics
  - Fleet of over 70 trucks servicing both Ozark Materials and 3rd party customers
- More than 200 employees
- Has experienced significant growth and is expected to generate revenues of ~$150 million and EBITDA margins of ~20% in 2023(1)

OZARK MATERIALS, LLC

Strategically Located Production Facilities(2)



Business Mix(3)

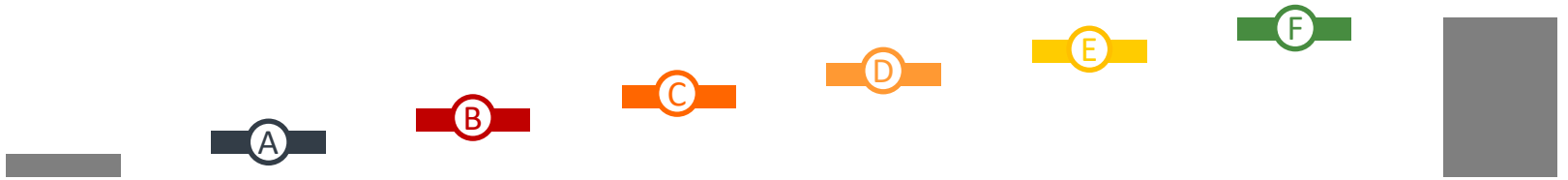


(1) Ingevity estimate
(2) Circles represent a 600-mile radius in which Ozark could service with one-day shipping
(3) Based off 2021A sales

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OZARK MATERIALS
Unique Fit with Growth Opportunities

Multitude of Factors Expected to Drive Continued Growth and Expansion of Business



A — Increased Government Spending on Infrastructure

B — Outlet for Ingevity Rosin

C — New Product Development

D — Geographic & Customer Expansion

E — Leverage Ingevity Pavement Sales Force to Accelerate Growth

F — Various Margin Expansion Opportunities

- Procurement efficiencies, logistics savings, insurance savings, etc.

Note: Above chart not to scale and is illustrative in nature

KEY EMERGING TECHNOLOGY TRENDS ARE FUELING GROWTH IN INDUSTRIAL SPECIALTIES



Alternative fatty acids (AFA)

Industry challenge

- ESG goals and government regulations shifting formulations to bio-based products
- Customers highly value expanded portfolio of high-performing bio-based formulations
- Increasing demand for oleo-based fatty acids is putting pressure on the pricing and availability of raw materials

Our technology strategy / progress

- Identifying specialty products and markets in addition to our traditional TOFA markets
- Developing partnerships with key fatty acid suppliers for consistent feedstock
- Optimizing refinery network to produce new products from expanded oleo-based raw material sources
- Made first sales of AFA and derivatives in 2021



Biofuels

- GHG reduction push for transportation fuels driving biofuels investment in U.S. and Europe
- Demand and prices for fats, oils, residues rising; increases expected for renewable diesel
- Significant hydro-treated vegetable oil capacity from new biorefineries or traditional refinery conversions announced

- Obtained qualification at select customers and further testing with others
- Received International Sustainability and Carbon Certification (ISCC) approval for N. Charleston plant; DeRidder, Crossett in process

SIGNIFICANT RUNWAY FOR OUR AUTOMOTIVE ACTIVATED CARBON PRODUCTS

Global emissions regulations will continue to become increasingly stringent, driving higher content per vehicle of Ingevity's products as more advanced technologies will be required

Global emissions standard tiers



TIER 1
0.5-1.3L
<$5 NGVT content
1-day / 2-day parking

~40% [1] of vehicles run on '70s technology



TIER 2
2.0-3.0L
$8-14 NGVT content
Multi-day parking
Running loss
Refueling control (ORVR)



TIER 3
2.0-3.0L + Scrubber(s) Air Intake Fuel Capture
$15-40 [2] NGVT content
Near zero

Potential for new regulations by country and region [3,4]

	Region	2017-2021	2022	2023	2024	2025	2026	2027	2028
ENACTED Regulatory requirement	**United States** (17.5 mm vehicles)	Tier 3							
	South Korea [5] (1.8 mm vehicles)	Tier 3							
	Japan (4.1 mm vehicles)	Tier 1							
	Brazil (1.7 mm vehicles)		Tier 2 Multi Day	Tier 2 + ORVR					
POTENTIAL Ingevity management estimate	**China** (21.0 mm vehicles)	Tier 2						Tier 3	
	Europe (9.1 mm vehicles)	Tier 1					Tier 2		
	India (1.6 mm vehicles)	Tier 1						Tier 2	

1| Dec. 2020 IHS Rivalry scenario; 2| Depends on fuel tank and purge; 3| Ingevity management estimates; 4| Ward's Automotive; 5| Modified Tier 3 without ORVR



NEXEON INVESTMENT

Investment in Nexeon opens activated carbon pathway into battery electric vehicle market with joint development arrangement

nexeon®

- Global leader in development of next generation silicon-based anode materials
- Advancing silicon/carbon technology to improve battery performance
- Large patent portfolio
- Headquartered in the UK

ingevity

- Supplying sustainable activated carbon to support joint development
- Decades of auto industry expertise
- Significant scalability with consistent quality
- Invested $60 million; Board seat

APPENDIX

Non-GAAP Financial Measures

Ingevity has presented certain financial measures, defined below, which have not been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and has provided a reconciliation to the most directly comparable financial measure calculated in accordance with GAAP. These financial measures are not meant to be considered in isolation or as a substitute for the most directly comparable financial measure calculated in accordance with GAAP. The Company believes these non-GAAP measures provide investors, potential investors, securities analysts and others with useful information to evaluate the performance of the business, because such measures, when viewed together with our financial results computed in accordance with GAAP, provide a more complete understanding of the factors and trends affecting our historical financial performance and projected future results. Ingevity uses the following non-GAAP measures:

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

Diluted adjusted earnings (loss) per share is defined as net income (loss) per diluted share plus restructuring and other (income) charges, net, acquisition and other related costs, debt refinancing fees, litigation verdict charges, pension and postretirement settlement and curtailment (income) charges and the income tax expense (benefit) on those items, less the tax provision (benefit) from certain discrete tax items, in each case on a per share basis.

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

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

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

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

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

Core SG&A is defined as selling, general, and administrative costs less depreciation and amortization.

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

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

Net Debt is defined as the sum of notes payable, short-term debt, current maturities of long-term debt and long-term debt less the sum of cash and cash equivalents, restricted cash associated with our New Market Tax Credit financing arrangement, and restricted investment.

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

Ingevity also uses the above financial measures as the primary measures of profitability used by managers of the business. In addition, Ingevity believes Adjusted EBITDA and Adjusted EBITDA Margin are useful measures because they exclude the effects of financing and investment activities as well as non-operating activities. None of the above non-GAAP financial measures are intended to replace the presentation of financial results in accordance with GAAP and investors should consider the limitations associated with these non-GAAP measures, including the potential lack of comparability of these measures from one company to another. Reconciliations of these non-GAAP financial measures are set forth within the following pages.

A reconciliation of net income to adjusted EBITDA as projected for 2022 is not provided. Ingevity does not forecast net income as it cannot, without unreasonable effort, estimate or predict with certainty various components of net income. These components, net of tax, include further restructuring and other income (charges), net; additional acquisition and other-related costs; litigation verdict charges; additional pension and postretirement settlement and curtailment (income) charges; and revisions due to legislative tax rate changes. Additionally, discrete tax items could drive variability in our projected effective tax rate. All of these components could significantly impact such financial measures. Further, in the future, other items with similar characteristics to those currently included in adjusted EBITDA, that have a similar impact on comparability of periods, and which are not known at this time, may exist and impact adjusted EBITDA. A reconciliation of our GAAP effective tax rate to adjusted tax rate as projected for 2022 is not provided due to the same reasons as listed under the net income to adjusted EBITDA as projected for 2022 detailed above. A reconciliation of our total debt to net income ratio to our net debt ratio as projected for 2022 is not provided as we do not forecast net income as noted above.

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

In millions, except per data (unaudited)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net income (loss) (GAAP)	$ 75.4	$ (4.2)	$ 196.0	$ 88.8
Restructuring and other (income) charges [1]	3.3	4.1	10.6	12.3
Acquisition and other related costs [2]	1.9	0.2	1.9	0.9
Debt refinancing fees [3]	—	—	5.1	—
Litigation verdict charge [4]	—	85.0	—	85.0
Tax effect on items above	(1.2)	(20.7)	(4.1)	(22.7)
Certain discrete tax provision (benefit) [5]	—	—	0.4	14.3
Adjusted earnings (loss) (Non-GAAP)	$ 79.4	$ 64.4	$ 209.9	$ 178.6
Diluted earnings (loss) per common share (GAAP)	$ 1.98	$ (0.11)	$ 5.06	$ 2.21
Restructuring and other (income) charges	0.09	0.10	0.27	0.30
Acquisition and other related costs	0.05	0.01	0.05	0.02
Debt refinancing fees	—	—	0.13	—
Litigation verdict charge	—	2.14	—	2.11
Tax effect on items above	(0.03)	(0.52)	(0.10)	(0.56)
Certain discrete tax provision (benefit)	—	—	0.01	0.36
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 2.09	$ 1.62	$ 5.42	$ 4.44
Weighted average common shares outstanding – Diluted [6]	38.1	39.8	38.7	40.2

(1) Income (charges) for all periods presented relate to restructuring activity and costs associated with the business transformation initiative. For the three and six months ended September 30, 2022, charges of $1.1 million and $3.7 million relate to the Performance Materials segment and charges of $2.2 million and $6.9 million relate to the Performance Chemicals segment, respectively. For the three and six months ended September 30, 2021, charges of $1.1 million and $4.5 million relate to the Performance Materials segment and charges of $3.0 million and $7.8 million relate to the Performance Chemicals segment, respectively.

(2) For the three and nine months ended September 30, 2022, all acquisition costs relate to the integration of the Ozark Materials business into our Performance Chemicals segment. For the three and nine months ended September 30, 2021, charges of zero and $0.2 million relate to the acquisition of a strategic investment in the Performance Materials segment, respectively, and charges of $0.2 million and $0.7 million relate to the integration of Perstorp Holding AB's caprolactone business into our Performance Chemicals segment, respectively.

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

(4) For the three and nine months ended September 30, 2021, litigation verdict charge relates to the Performance Materials segment.

(5) Represents certain discrete tax items such as excess tax benefits on stock compensation and impacts of legislative tax rate changes. Management believes excluding these discrete tax items assists investors, potential investors, securities analysts, and others in understanding the tax provision and the effective tax rate related to continuing operating results thereby providing useful supplemental information about operational performance.

(6) For the three months ended September 30, 2021, all potentially dilutive common shares were included in the calculation of diluted earnings (loss) per share as we had adjusted earnings for the period.

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)

In millions, except per share data (unaudited)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2020	2021	2020
Net income (loss) (GAAP)	$ 29.3	$ 46.0	$ 118.1	$ 181.4
Restructuring and other (income) charges [1]	3.9	5.2	16.2	18.5
Acquisition and other related costs [2]	(0.3)	0.1	0.6	1.8
Pension and post retirement settlement and curtailment charges (income) [3]	—	0.1	—	0.1
Litigation verdict charges [4]	—	—	85.0	—
Tax effect on items above	(1.1)	(1.0)	(23.8)	(4.4)
Certain discrete tax provision (benefit) [5]	(0.9)	4.7	13.4	5.2
Adjusted earnings (loss) (Non-GAAP)	$ 30.9	$ 55.1	$ 209.5	$ 202.6
Diluted earnings (loss) per common share (GAAP)	$ 0.74	$ 1.11	$ 2.95	$ 4.37
Restructuring and other (income) charges	0.10	0.12	0.40	0.45
Acquisition and other related costs	(0.01)	—	0.01	0.04
Pension and postretirement settlement and curtailment charges (income)	—	—	—	—
Litigation verdict charges	—	—	2.12	—
Tax effect on items above	(0.03)	(0.02)	(0.59)	(0.10)
Certain discrete tax provision (benefit)	(0.02)	0.12	0.34	0.12
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 0.78	$ 1.33	$ 5.23	$ 4.88
Weighted average common shares outstanding - Diluted	39.6	41.4	40.1	41.5

(1) Income (charges) for all periods presented relate to restructuring activity and costs associated with the business transformation initiative. For the three and twelve months ended December 31, 2021, charges of $1.5 million and $6.0 million relate to the Performance Materials segment and charges of $2.4 million and $10.2 million relate to the Performance Chemicals segment, respectively. For the three and twelve months ended December 31, 2020, charges of $2.0 million and $7.4 million relate to the Performance Materials segment and charges of $3.2 million and $11.1 million relate to the Performance Chemicals segment, respectively.

(2) For the three and twelve months ended December 31, 2021, charges of zero and $0.2 million relate to the acquisition of a strategic investment in the Performance Materials segment and charges(income) of $(0.3) million and $0.4 million relate to the integration of the Perstorp Capa business into our Performance Chemicals segment, respectively. For the three and twelve months ended December 31, 2020, all charges relate to the integration of the Perstorp Capa business into our Performance Chemicals segment.

(3) For the three and twelve months ended December 31, 2020, all charges relate to the Performance Materials segment.

(4) For the twelve months ended December 31, 2021, litigation verdict charges relates to the Performance Materials segment.

(5) Represents certain discrete tax items such as excess tax benefits on stock compensation and impacts of legislative tax rate changes. Management believes excluding these discrete tax items assists investors, potential investors, securities analysts, and others in understanding the tax provision and the effective tax rate related to continuing operating results thereby providing useful supplemental information about operational performance.

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

In millions, except percentages (unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net income (loss) (GAAP)	$ 75.4	$ (4.2)	$ 196.0	$ 88.8
Provision (benefit) for income taxes	20.4	(4.8)	53.9	37.7
Interest expense, net	11.5	11.6	37.3	36.2
Depreciation and amortization	25.7	27.6	78.6	81.7
Restructuring and other (income) charges, net	3.3	4.1	10.6	12.3
Acquisition and other related costs	1.9	0.2	1.9	0.9
Litigation verdict charge	—	85.0	—	85.0
Adjusted EBITDA (Non-GAAP)	$ 138.2	$ 119.5	$ 378.3	$ 342.6
Net sales	$ 482.0	$ 376.8	$ 1,284.7	$ 1,055.5
Net income (loss) margin	15.6%	(1.1)%	15.3%	8.4%
Adjusted EBITDA margin	28.7%	31.7%	29.4%	32.5%

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

In millions, except percentages (unaudited)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2020	2021	2020
Net income (loss) (GAAP)	$ 29.3	$ 46.0	$ 118.1	$ 181.4
Provision (benefit) for income taxes	7.0	20.4	44.7	53.7
Interest expense, net	11.5	12.4	47.7	42.2
Depreciation and amortization	28.2	26.7	109.9	100.2
Restructuring and other (income) charges, net	3.9	5.2	16.2	18.5
Acquisition and other related costs	(0.3)	0.1	0.6	1.8
Litigation verdict charges	—	—	85.0	—
Pension and postretirement settlement and curtailment charges (income), net	—	0.1	—	0.1
Adjusted EBITDA (Non-GAAP)	$ 79.6	$ 110.9	$ 422.2	$ 397.9
Net sales	$ 336.0	$ 325.6	$ 1,391.5	$ 1,216.1
Net income (loss) margin	8.7%	14.1%	8.5%	14.9%
Adjusted EBITDA margin	23.7%	34.1%	30.3%	32.7%

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

In millions (unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Cash Flow from Operations	$ 100.1	$ 100.1	$ 214.9	$ 217.0
Less: Capital Expenditures	36.1	25.5	93.3	66.4
Free Cash Flow	$ 64.0	$ 74.6	$ 121.6	$ 150.6

In millions (unaudited)	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2021	2020	2021	2020
Cash Flow from Operations	$ 76.0	$ 153.3	$ 293.0	$ 352.4
Less: Capital Expenditures	37.4	31.1	103.8	82.1
Free Cash Flow	$ 38.6	$ 122.2	$ 189.2	$ 270.3

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

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

	2022	
In millions (unaudited)	Q1	Q2
Cash Flow from Operations	$ 24.3	$ 90.5
Less: Capital Expenditures	27.6	29.6
Free Cash Flow	$ (3.3)	$ 60.9

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Reconciliation of Gross Profit (GAAP) to Adjusted Gross Profit (Non-GAAP) and SGA (GAAP) to Total SG&A excl. D&A (Non-GAAP)

In millions, except percentages (unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Gross Profit (GAAP)	$ 176.3	$ 141.8	$ 464.7	$ 407.8
Plus:				
Depreciation and amortization	15.8	16.9	48.1	49.3
Adjusted Gross profit (Non-GAAP)	$ 192.1	$ 158.7	$ 512.8	$ 457.1
SG&A (GAAP)	$ 54.2	$ 43.5	$ 142.9	$ 131.0
Research and technical expenses (GAAP)	7.6	6.8	23.1	19.3
Total SG&A (GAAP)	$ 61.8	$ 50.3	$ 166.0	$ 150.3
Less:				
Depreciation and amortization	9.7	10.7	29.9	32.4
Total SG&A excluding D&A (Non-GAAP)	$ 52.1	$ 39.6	$ 136.1	$ 117.9

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

In millions, except percentages (unaudited)	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Other (income) expense, net (GAAP)	2.0	84.6	(1.0)	81.6
Less:				
Litigation verdict accrual [(1)]	—	85.0	—	85.0
Adjusted Other (income) expense, net (Non-GAAP)	$ 2.0	$ (0.4)	$ (1.0)	$ (3.4)

(1) For the three and nine months ended September 30, 2021, litigation verdict accrual relates to the Performance Materials segment.

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

In millions, except ratios (unaudited)	September 30, 2022
Notes payable and current maturities of long-term debt	$ 0.9
Long-term debt including finance lease obligations	1,153.2
Debt issuance costs	6.7
Total Debt	$ 1,160.8
Less:	
Cash and cash equivalents [1]	72.6
Restricted investment	77.5
Net Debt	$ 1,010.7

Net Debt Ratio (Non GAAP)	
Adjusted EBITDA [2]	
Twelve months ended December 31, 2021	422.2
Nine months ended September 30, 2021	(342.6)
Nine months ended September 30, 2022	378.3
Adjusted EBITDA - last twelve months (LTM) as of September 30, 2022	457.9
Net debt ratio (Non GAAP)	2.2x

(1) Includes $0.3 million of Restricted Cash related to the New Market Tax Credit arrangement for the three months ended September 30, 2022.

(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.

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Calculation of Historical Net Debt Ratio (Non-GAAP)

In millions, except ratios (unaudited)	December 31, 2018	December 31, 2019	December 31, 2020	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1	2022 Q2
Net Debt [1]	$ 610.2	$ 1,121.0	$ 974.8	$ 982.6	$ 981.8	$ 940.2	$ 928.7	$ 976.1	$ 975.4
Adjusted EBITDA[2]	320.5	396.9	397.9	411.1	461.6	453.5	422.2	435.8	439.2
Pine Chemical Pro Forma [3]	4.8	—	—	—	—	—	—	—	—
Caprolactone Pro Forma [3]	61.1	5.5	—	—	—	—	—	—	—
LTM Pro Forma Adjusted EBITDA	$ 386.4	$ 402.4	$ 397.9	$ 411.1	$ 461.6	$ 453.5	$ 422.2	$ 435.8	$ 439.2
Net Debt Ratio	1.6x	2.8x	2.5x	2.4x	2.1x	2.1x	2.2x	2.2x	2.2x

(1) Represents total debt including capital lease obligation, excluding deferred financing fees, less cash and cash equivalents less restricted investment for each period included above. See the Company's Form 10-K and 10-Q for each period for more information. This does not include any pro forma adjustment for acquisition related debt.

(2) Represents net income (loss) plus provision for income taxes, interest expense, depreciation and amortization, restructuring and other (income) charges, acquisition and other related costs, litigation verdict accrual and pension and postretirement settlement and curtailment (income) charges for each period included above. See the Company's Form 10-K and 10-Q for each period for more information.

(3) Pro forma amounts include historical results of the Pine Chemical Business and Caprolactone Business, prior to the acquisition dates of March 8, 2018 and February 13, 2019, respectively. These amounts also include adjustments as if the acquisitions had occurred on January 1st of the year preceding the acquisition date. The pro forma amounts do not include adjustments for expenses related to integration activities, cost savings, or synergies that have been or may have been realized had we acquired the businesses on January 1st of the year preceding the acquisition date. Details associated with the pro forma results for both acquisitions are included within the Management Discussion and Analysis section of the Company's Form 10-K for each respective period.