

Ingevity Investor Presentation

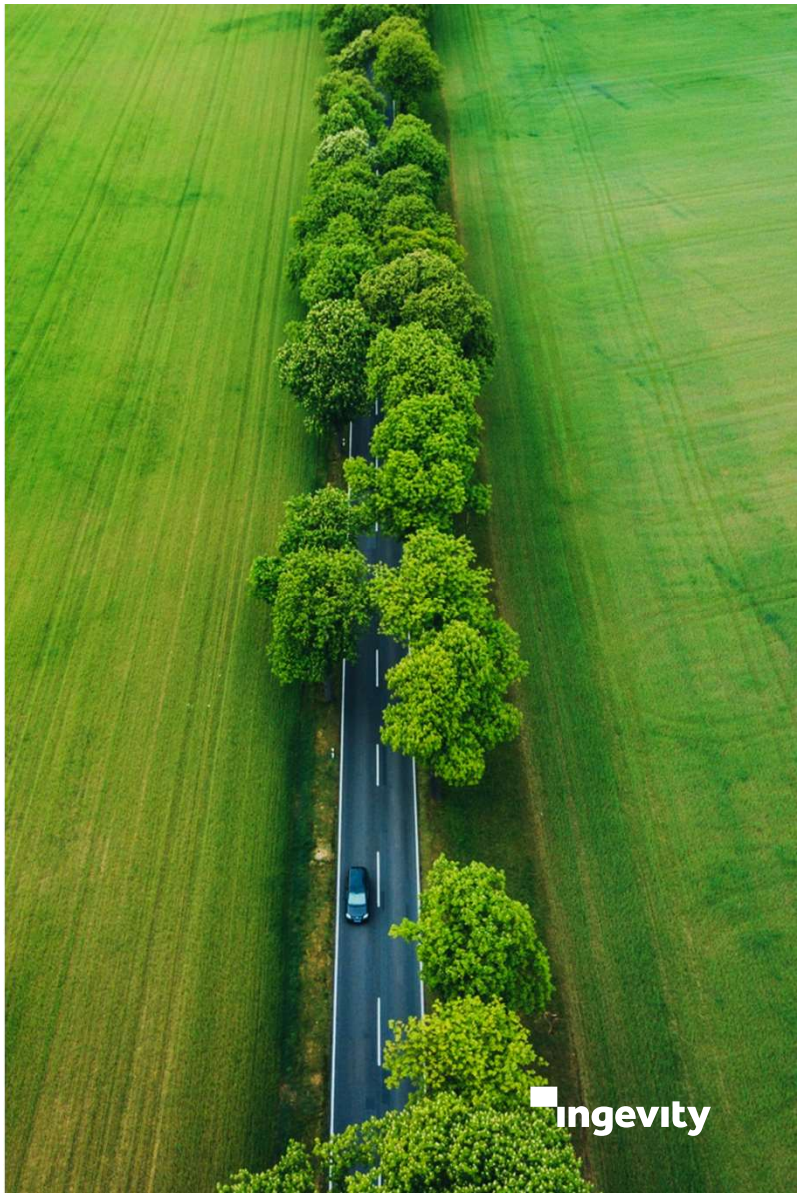
Use of non-GAAP financial measures: This presentation includes certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided within the Appendix to this presentation. Investors 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, 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 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; issues with or integration of future acquisitions and other investments; the provision of services by third parties at several facilities; adverse effects from the COVID-19 pandemic; supply chain disruptions; natural disasters and extreme weather events; or other unanticipated problems such as labor difficulties (including work stoppages), equipment failure or unscheduled maintenance and repair; attracting and retaining key personnel; dependence on certain large customers; legal actions associated with our intellectual property rights; protection of our intellectual property and other proprietary information; information technology security breaches and other disruptions; complications with designing or implementing our new enterprise resource planning system; government policies and regulations, including, but not limited to, those affecting the environment, climate change, tax policies, tariffs and the chemicals industry; and losses due to lawsuits arising out of environmental damage or personal injuries associated with chemical or other manufacturing processes, and the other factors detailed from time to time in the reports we file with the SEC, including those described in Part I, Item 1A. Risk Factors in our 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.

ingevity

Agenda

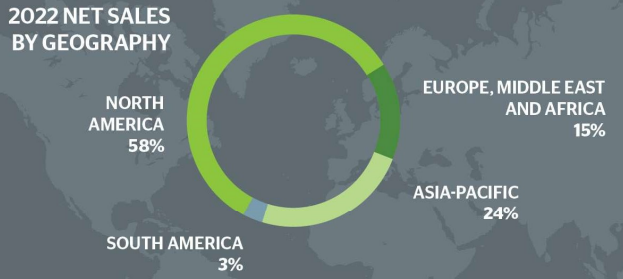
1. Company Overview
2. Accelerating on the Road to Growth
3. Performance Chemicals
4. Performance Materials
5. Advanced Polymer Technologies
6. Appendix





Company Overview

INGEVITY
AT A GLANCE



OUR BUSINESS IN 2022

NET REVENUE
$1.668 BILLION

ADJ. EBITDA MARGIN [1]
27.1%

$6.01 DILUTED ADJUSTED EPS [1]

PERFORMANCE MATERIALS REVENUE
$548.5 MILLION

PERFORMANCE CHEMICALS REVENUE[2]
$875.1 MILLION

ADVANCED POLYMER TECHNOLOGIES REVENUE[2]
$244.7 MILLION

OUR COMPANY

EMPLOYEES GLOBALLY
2,050

MANUFACTURING SITES **14**

LOCATIONS
31

7 TECHNICAL CENTERS

WE DO BUSINESS IN **75** COUNTRIES

PERFORMANCE MATERIALS

Carbon Technologies



APPLICATIONS
- Automotive
- Process purification

PERFORMANCE CHEMICALS

Industrial Specialties



APPLICATIONS
- Adhesives
- Agrochemicals
- Chemical intermediates
- Lubricants
- Oilfield technologies
- Paper sizing
- Printing inks
- Rubber

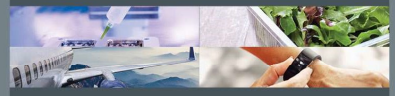
Pavement Technologies



APPLICATIONS
- Pavement marking
- Pavement preservation
- Recycling
- Evotherm® warm mix asphalt technologies

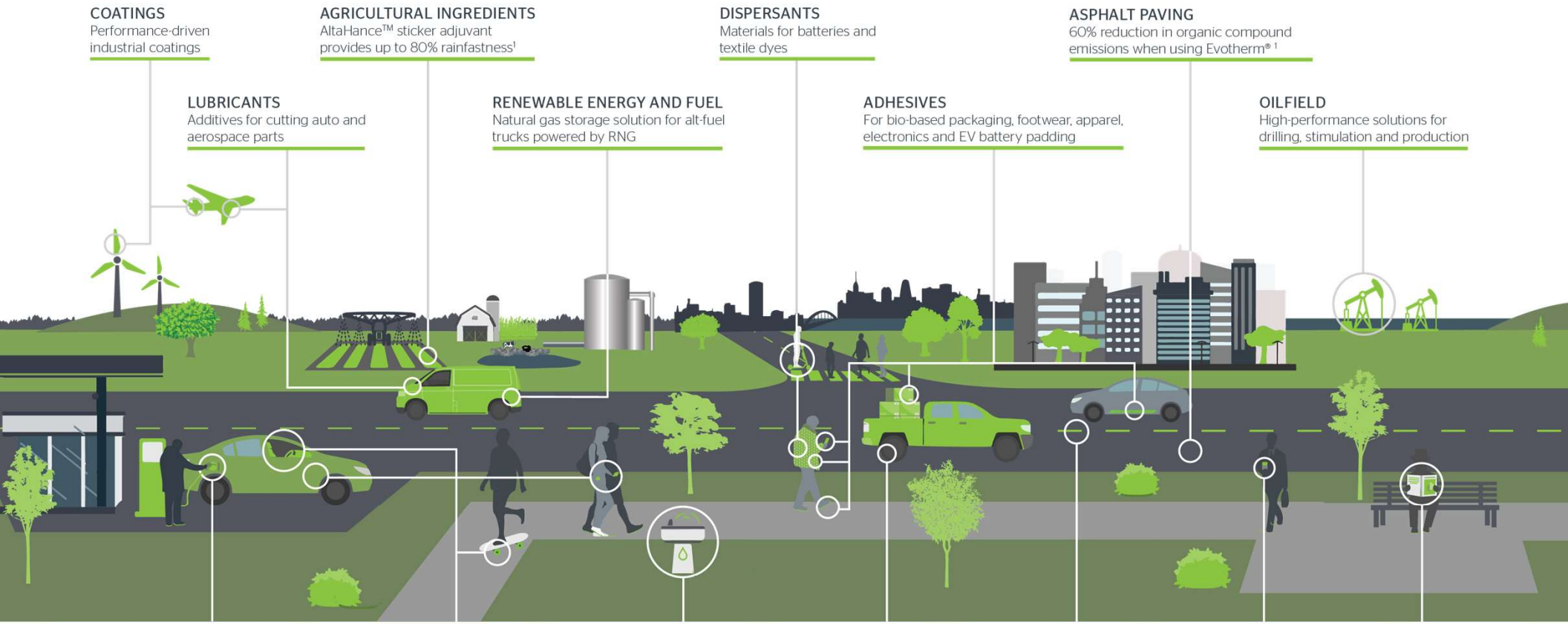
ADVANCED POLYMER TECHNOLOGIES

Caprolactone Technologies



APPLICATIONS
- Coatings
- Resins
- Elastomers
- Adhesives
- Bioplastics

1. 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. Advanced Polymer Technologies was reported within our Performance Chemicals segment for 2022. The total revenue for Performance Chemicals in 2022 was $1.12 billion. See our current report on Form 8-K filed with the U.S. Securities and Exchange Commission on March 24, 2023 for additional information.



COATINGS
Performance-driven industrial coatings

LUBRICANTS
Additives for cutting auto and aerospace parts

AGRICULTURAL INGREDIENTS
AltaHance™ sticker adjuvant provides up to 80% rainfastness[1]

RENEWABLE ENERGY AND FUEL
Natural gas storage solution for alt-fuel trucks powered by RNG

DISPERSANTS
Materials for batteries and textile dyes

ADHESIVES
For bio-based packaging, footwear, apparel, electronics and EV battery padding

ASPHALT PAVING
60% reduction in organic compound emissions when using Evotherm® [1]

OILFIELD
High-performance solutions for drilling, stimulation and production

AUTOMOTIVE EMISSION CAPTURE
8 million gallons of gasoline saved globally by our activated carbon products **every day**[1]

POLYURETHANE MATERIALS
Durable auto protection, wearable apparel and wheel technology

PROCESS PURIFICATION
Wood-based food, chemical and water purification solutions

RUBBER
Renewably sourced synthetic rubber materials

SAFETY ROAD STRIPING
WestRez® resins used in modern road markings increase driver safety

BIOPLASTICS
Capa® caprolactone thermoplastics are certified fully biodegradable in home and industrial composting and marine environments

INKS
Bio-based resins for printing inks

1: Based on management estimate

ingevity

SUSTAINABILITY
FAST FACTS 2022

UN GLOBAL COMPACT

GOLD 2022 ecovadis Sustainability Rating

EcoVadis Gold Sustainability Rating

$1.8 MILLION donated to our communities via IngeviCares and our employees

America's Most Responsible Companies 2023 Newsweek statista

Renewable energy was **8.4%** of total energy usage

Employee volunteer hours **3,700**

91.8% products, by revenue, that support or align with UNSDGs

Best Places to Work in South Carolina 2022 WINNER

Percentage of renewable raw materials used to manufacture our products **77.4%**

8 MILLION gallons of gasoline saved globally by our activated carbon products every day[1]

60% reduction in organic compound emissions when using Evotherm®[2]

EIGHT biodegradation certifications for Capa® polycaprolactone products in multiple environments



1: Management estimate based on novel and externally published methodologies
2: Management estimate based on Ingevity sales data

Deep Bench of Talent Led by an Experienced and Proven Leadership Team



John Fortson
President and Chief Executive Officer



Mary Dean Hall
EVP and Chief Financial Officer



Ed Woodcock
EVP and President, Performance Materials



Rich White
SVP and President, Performance Chemicals



Steve Hulme
SVP and President, Advanced Polymer Technologies



Stacy Cozad
EVP, General Counsel and Secretary



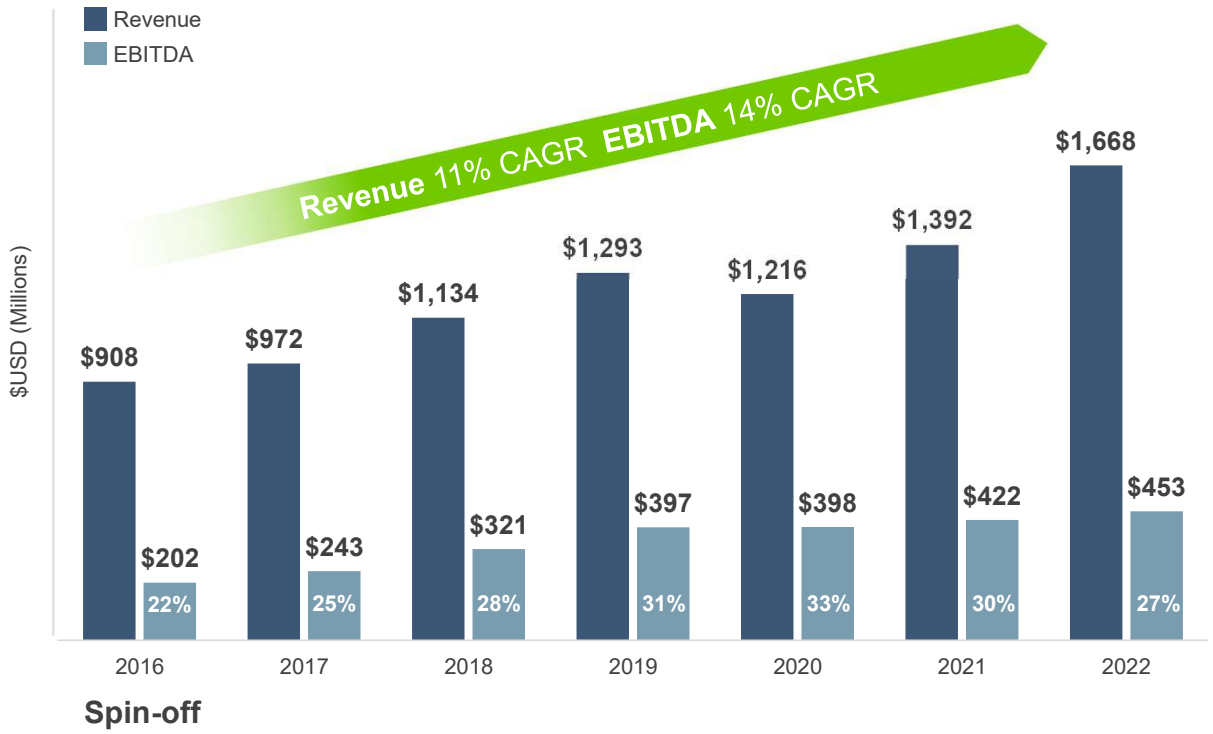
Christine Stunyo
Chief Human Resources Officer

ingevity


ingevity
Accelerating
on the Road
to Growth

Historical Financial Performance

We have nearly doubled the size of the company since the spin



In the seven years since the spin:

- Nearly doubled revenue
- More than doubled EBITDA
- Consistently maintained top quartile EBITDA margins
- Averaged $180 million of free cash flow per year
- Repurchased over six million shares

Our Path Forward

Achieving breakthrough growth and profitability

Transition
1-2 Years

Transition feedstock base to open new end markets

Leverage sustainability trends

Accelerate
2-5 Years

Globalize solutions

Expand into battery technology markets

Advance sustainability initiatives

Leverage application know-how

Deploy capital to expand capacity

Next Gen Ingevity
5+ Years

Deliver extraordinary financial performance

Commercialize battery technology

Build leading positions in new end markets

Outpacing Industry Growth With Our Unique Capabilities

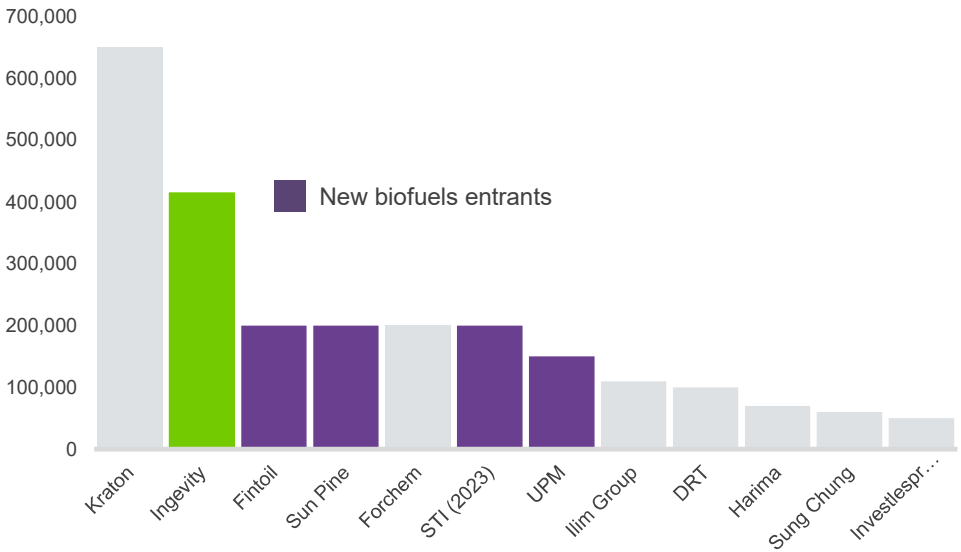
		Macro Trend	Ingevity's Unique Position	Product/Market Opportunities	Expected '22-'29 Growth Rate + Profitability
Performance Chemicals	**Alternative Fatty Acids (AFAs)**	Increasing demand for oleo-based products	80+ year history of refining pine oils Flexible fixed assets to process other oleo-based oils	Legacy markets: adhesives, oilfield, ag chemicals New markets: home & personal care, cosmetics, animal feed & nutrition	10-14% Revenue growth ~20% margins
Performance Materials	**Activated Carbon**	Stricter auto emission standards Transition to EVs including hybrids	Innovation leader to meet stricter automotive emission standards	Stricter emission regulations in Europe and China Hybrids require activated carbon	5-9% Revenue growth Mid to upper 40% margins
Advanced Polymer Tech	**Advanced Polymer Technologies (APT) Revenue and Margin Growth**	Increasing preference for sustainable and biodegradable products	Extends product life in use Facilitates biodegradability at end of product life	Bioplastics Footwear and Apparel Automotive/ Electric Vehicle	10-15% Revenue growth Mid to upper 20% margins

ingevity

Biofuels Impact on CTO

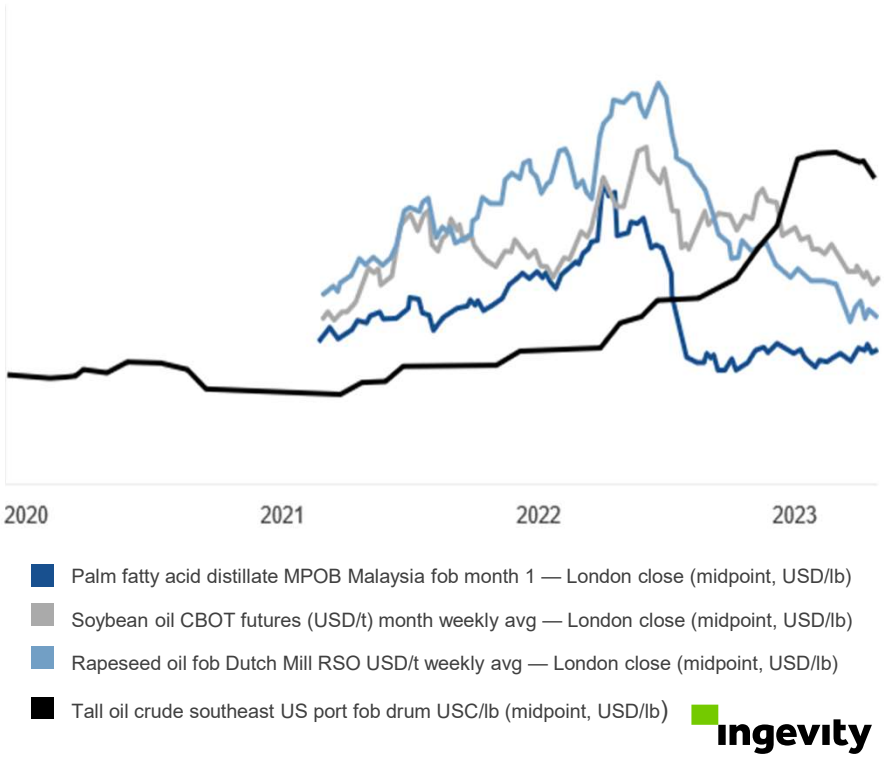
Biofuels entrants are constraining available supply and driving unprecedented upward pricing pressure

Global CTO Processing Capacity in Tons[1]



- Global CTO processing capacity projected to hit 2.5M tons in 2024 compared to an available estimated supply of 2.2M tons
- Russia-Ukraine conflict reduces Europe's CTO supply by 20%

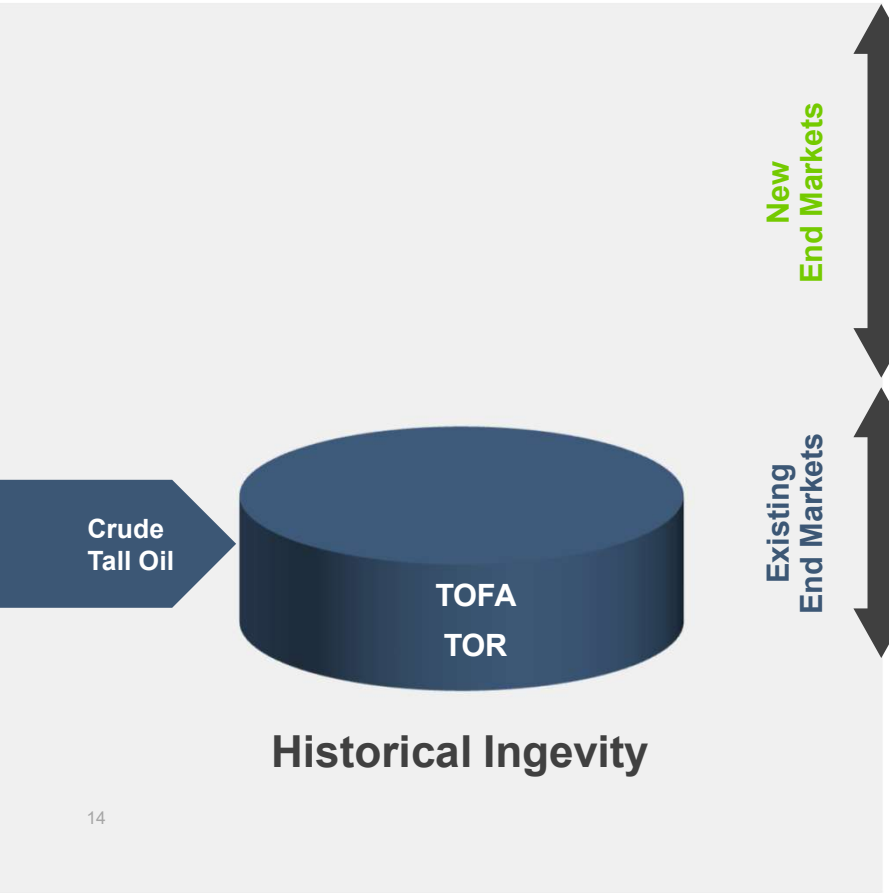
Oleochemical Feedstock Pricing[2]



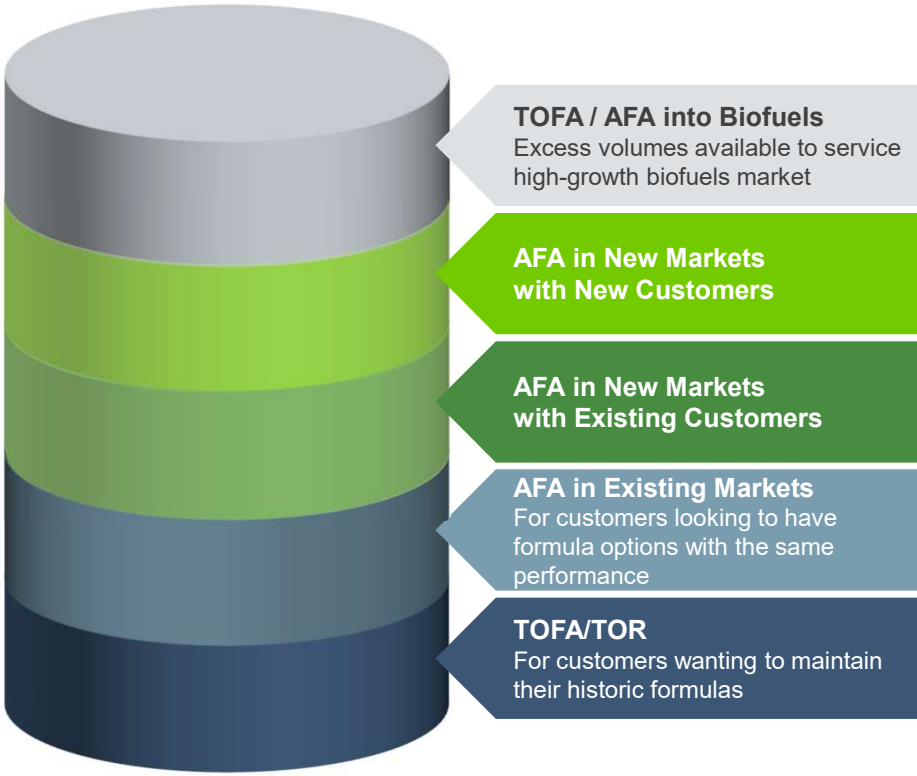
1. Management estimates
2. Management estimates based on Argus Media data

Innovating Into New End Markets

Diversifying our raw materials creates new end market opportunities



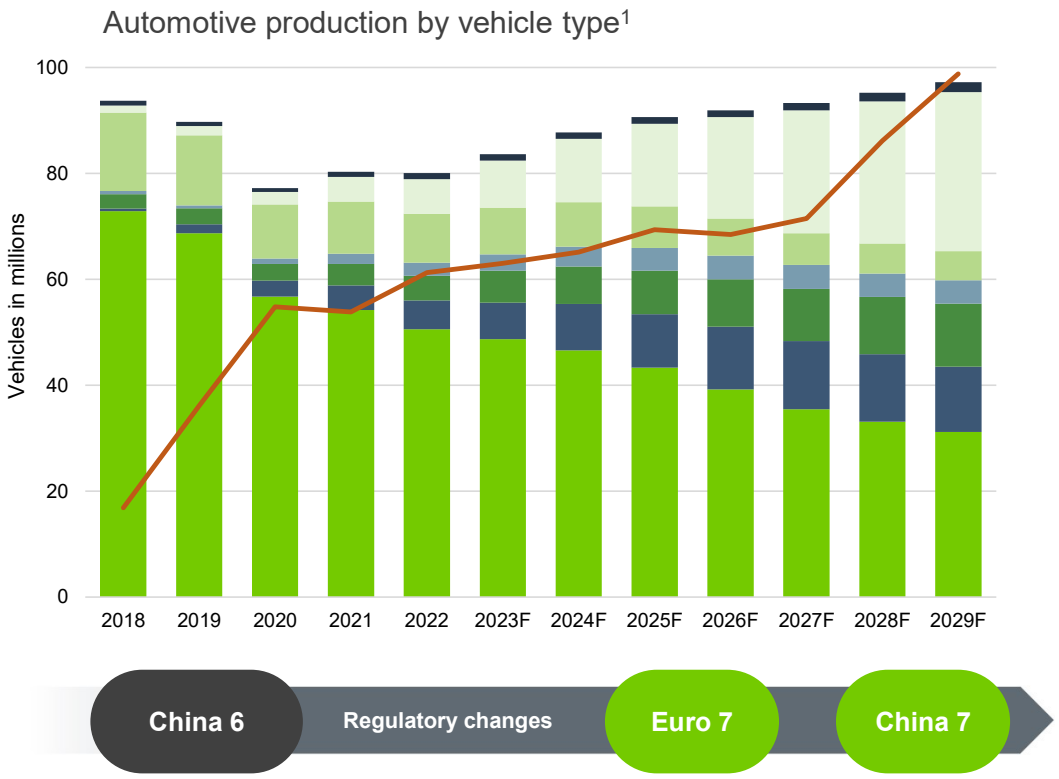
Historical Ingevity

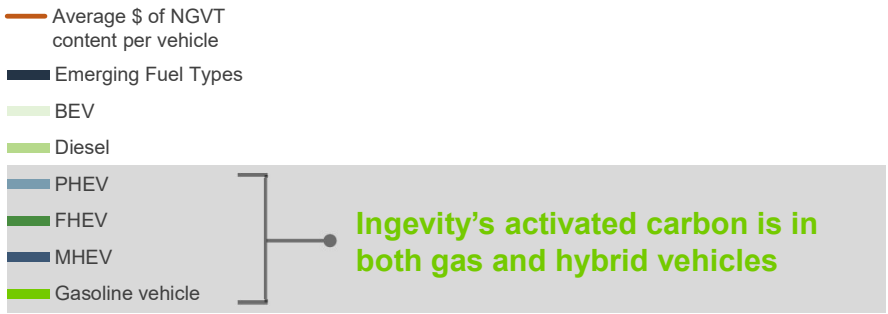


Future State Ingevity

ingevity

Expected Carbon Growth as a Result of Stricter Regulatory Trends Outpaces BEV Adoption Rates





Improved vapor regulations = **DOUBLING** of Ingevity content

Number of BEVs produced would have to be two times gas + hybrid production to offset growth from stricter emission requirements

1. Based off IHS/S&P Global Dec '22 estimates

Advanced Polymer Technologies Revenue and Margin Growth Accelerators

Gaining market share through new economy growth markets

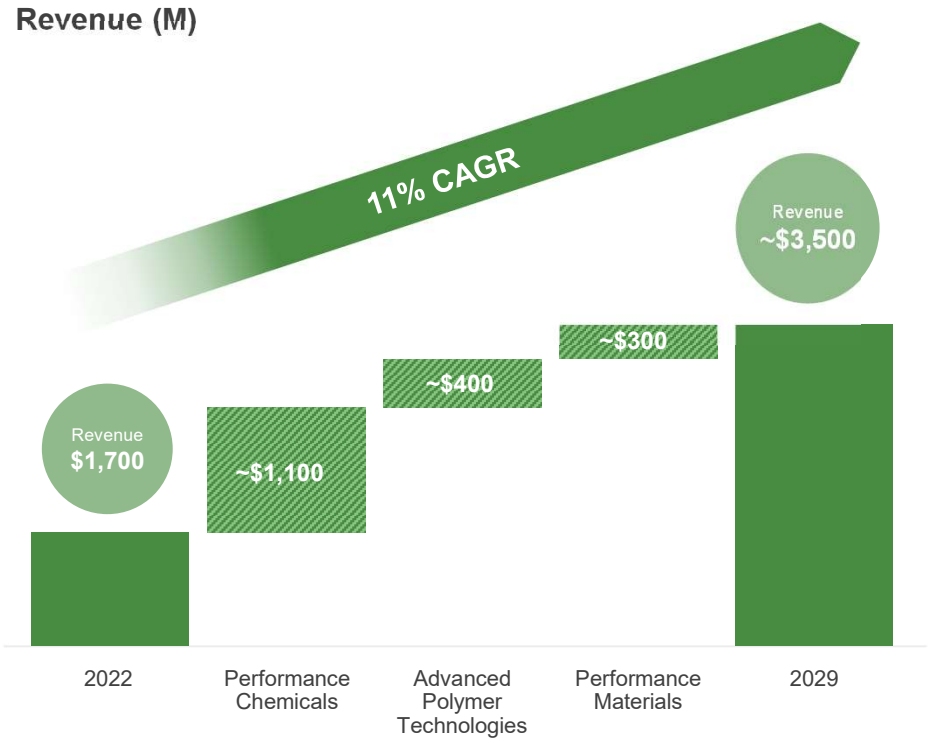
Macro Trends Drive Growth in Key End Markets

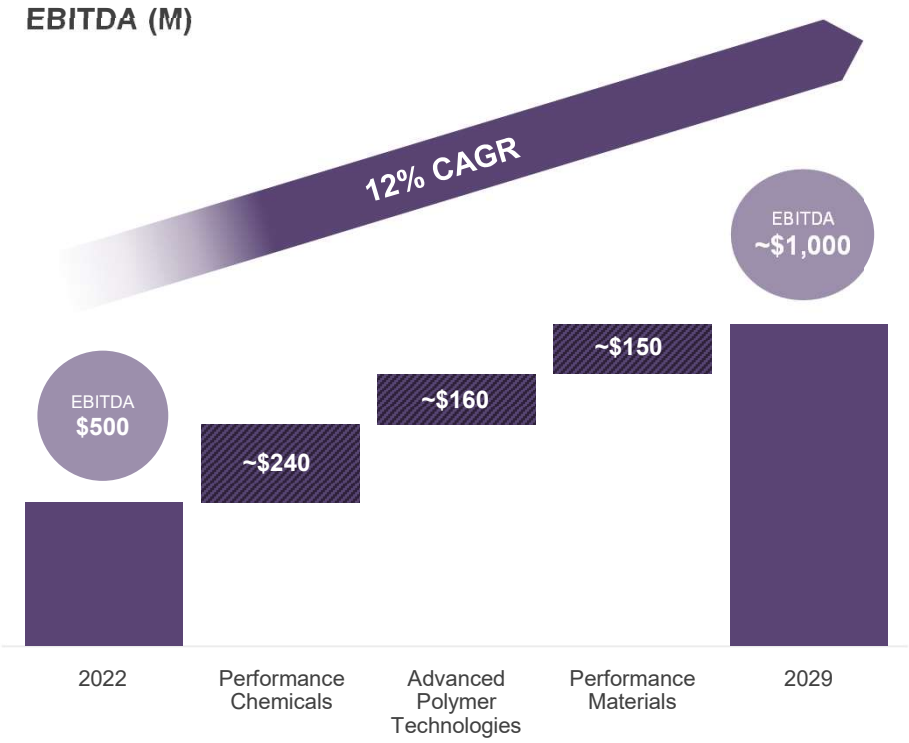
Bioplastics & Adhesives in Packaging	Automotive and Transportation	Footwear and Apparel
		
Growing revenue **20-30%**	Growing revenue **10-12%**	Growing revenue **10-15%**

Growing Profitability to Mid-Upper 20% EBITDA Margins by 2029

ingevity

Plan to Double Revenue and EBITDA Over Next Seven Years



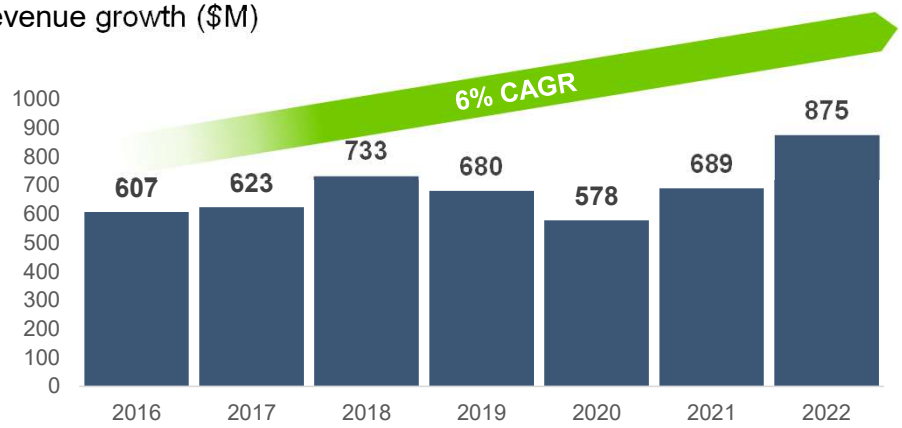


ingevity

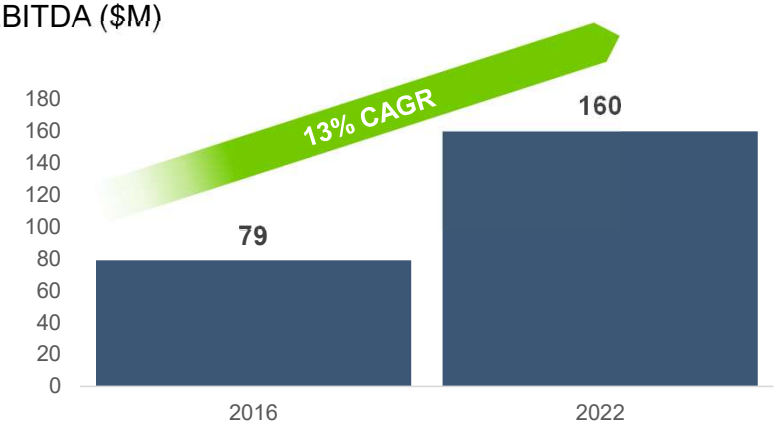

ingevity
Performance
Chemicals

Performance Chemicals Business Overview

Revenue growth ($M)

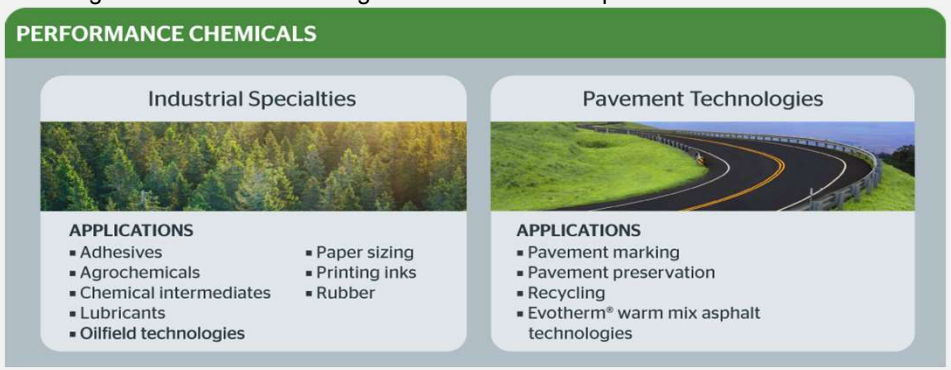


EBITDA ($M)

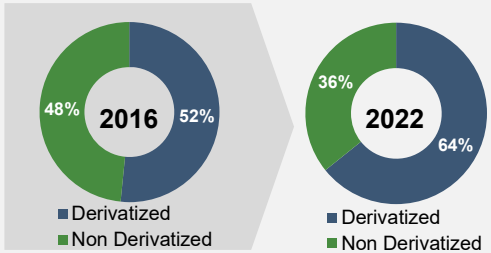


Revenue

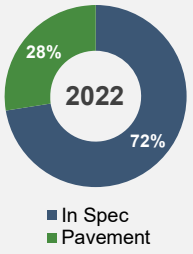
Shifting revenue mix towards higher-value derivatized products



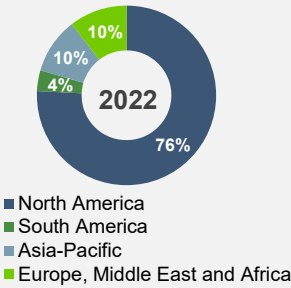
Increasing our sales of derivatized products



Performance Chemicals



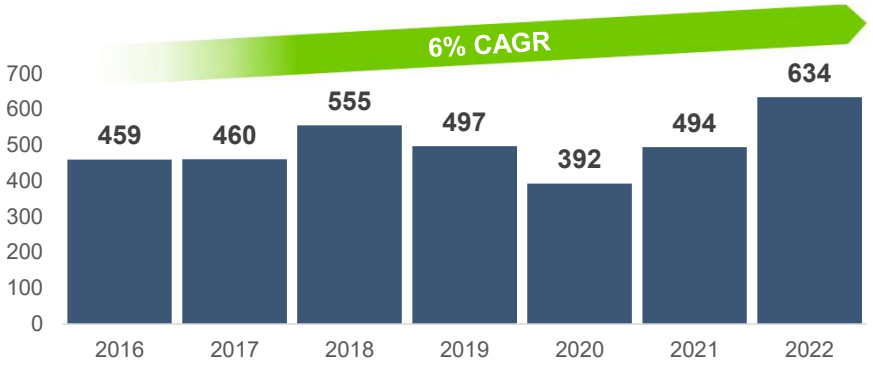
By Region



ingevity

Industrial Specialties Business Overview

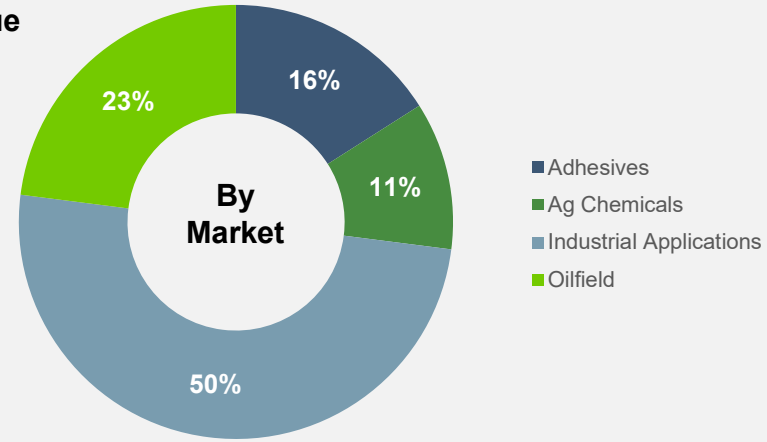
Revenue growth ($M)

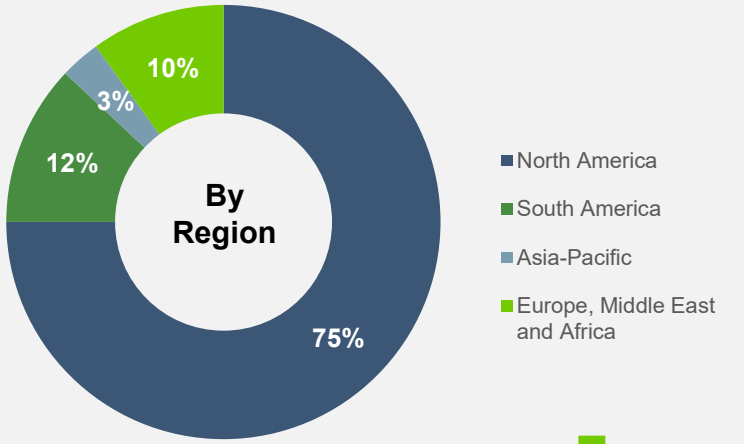


Margin Profile of End Markets



2022 Revenue

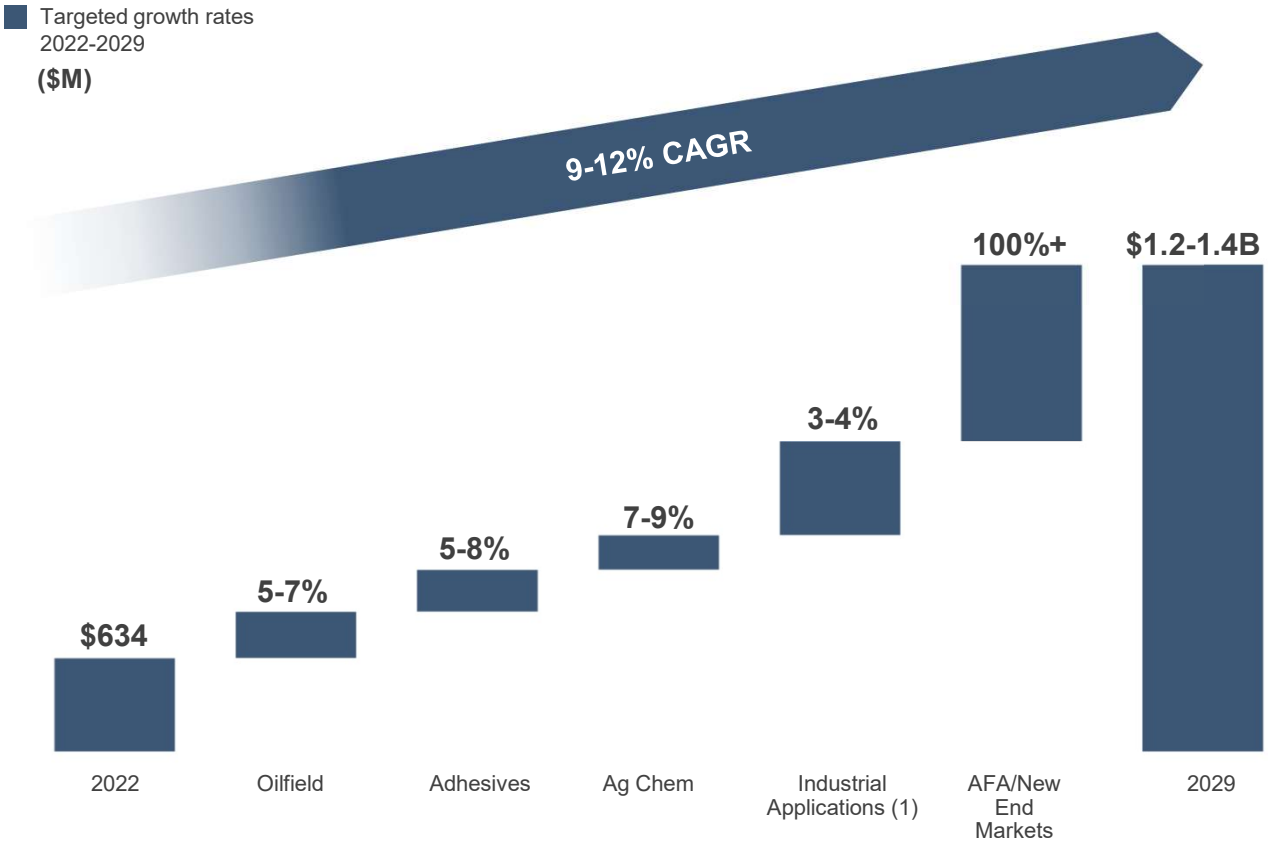




1. Industrial Applications includes paper chemicals, publication inks, rubber and merchant sales

ingevity

Strong Revenue Growth Enhanced by AFA



Key Drivers

Oilfield

- Geographic expansion with customized regional solutions in specialized applications such as pipelines

Adhesives

- Increased need for higher performing adhesives in areas such as road striping and packaging result in greater market penetration

Agricultural Chemicals

- Sustainable nature of product line is increasingly attractive for crop protection

AFA/New End Markets

- Our expertise in mid-to-long chain fatty acids gives us the ability to expand our AFA offerings into a variety of new markets such as home & personal care and animal feed & nutrition

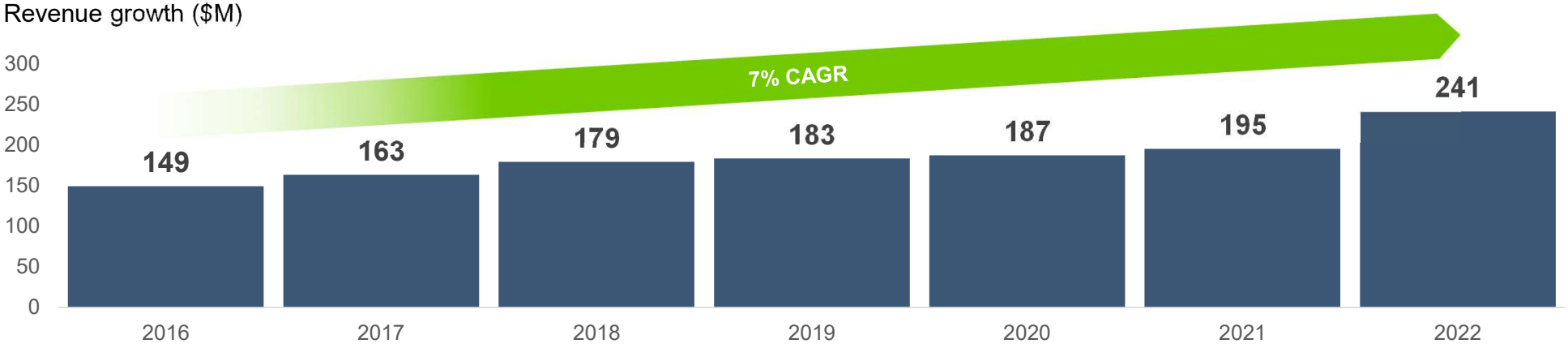
Industrial Applications[1]

- Includes a diverse mix of markets including inks, paper chemicals, and rubber, growing at GDP+ rates

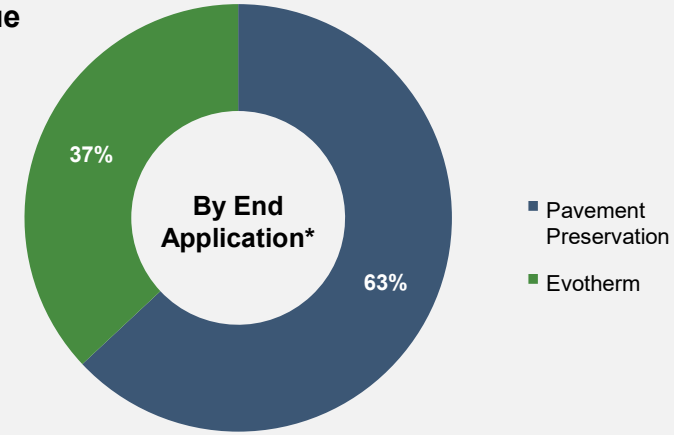
1.Industrial Applications includes paper chemicals, publication inks, rubber and merchant sales

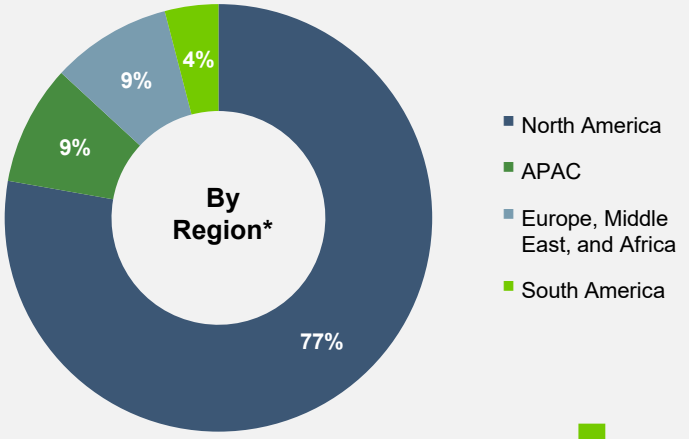
Pavement Technologies Business Overview

Revenue growth ($M)



2022 Revenue

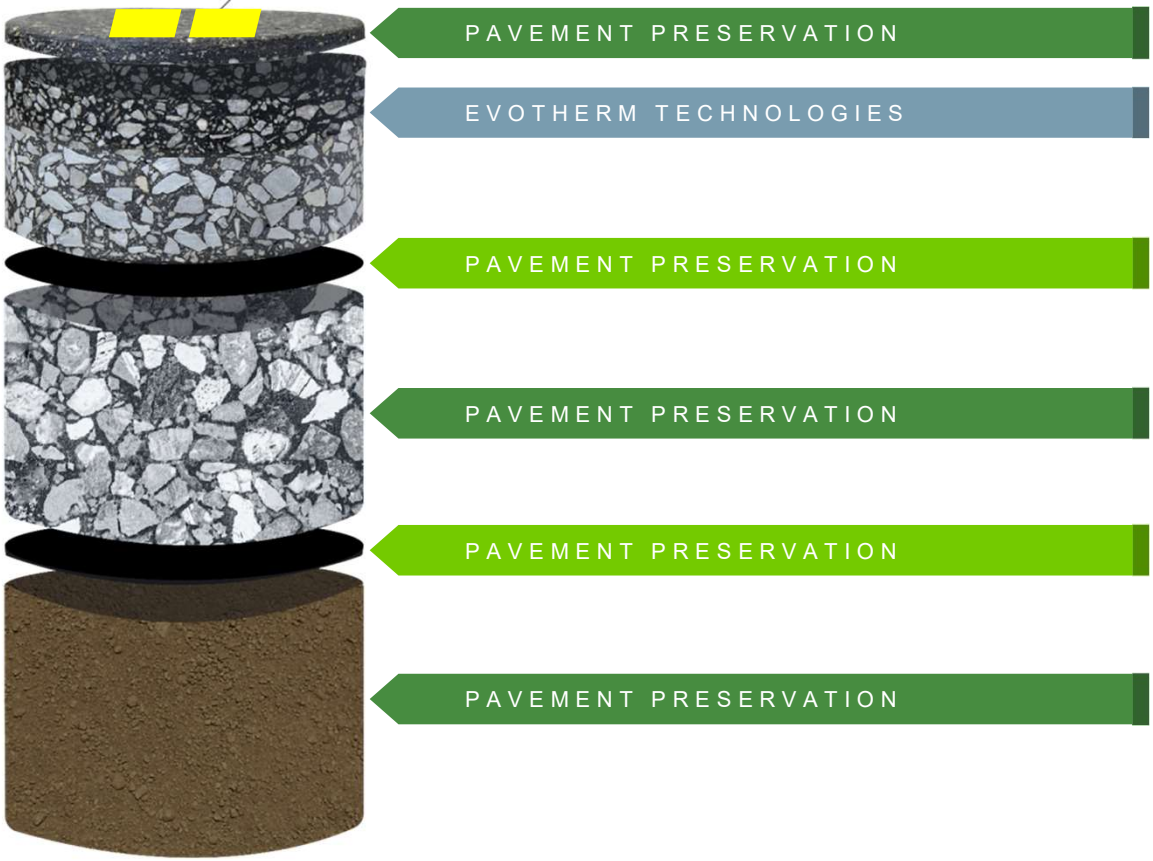




*Excludes Ozark

ingevity

Ingevity Pavement Solutions Layer by Layer



Road Striping
- Thermoplastics, preformed, paints

Pavement Preservation
- Emulsifiers, Stabilizers, Polymers

Evotherm Technologies
- Warm Mix Additives (Evotherm)
- Rejuvenators (EvoFlex)
- Liquid Anti-strips (LAS)

Interlayers
- Tack Coat Emulsifiers

Road Base
- Cold In-Place Recycling Emulsifiers
- Central Plant Recycling Emulsifiers

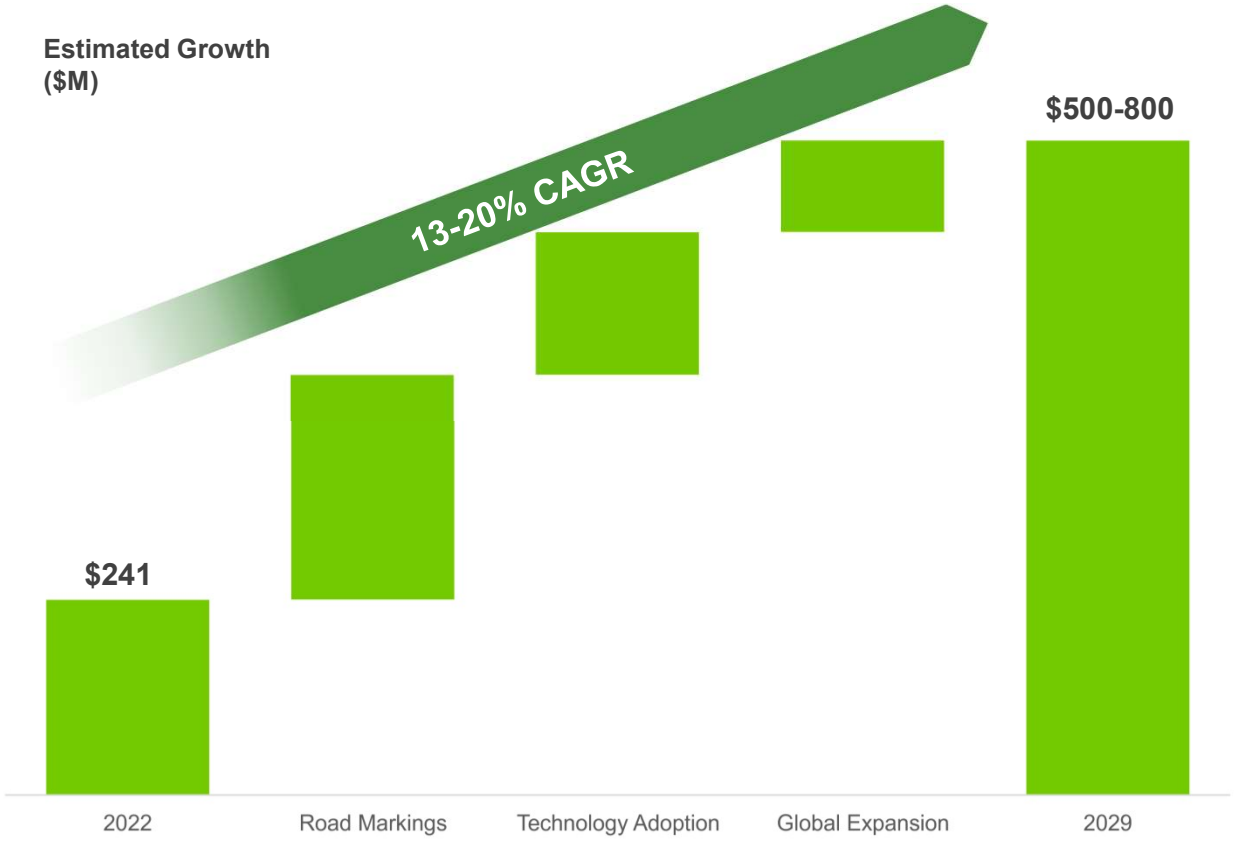
Interlayers
- Prime Coat Emulsifiers

Soil & Sub-base
- Base Stabilization Emulsifiers
- Full-Depth Reclamation Emulsifiers

ingevity

Delivering Double-Digit Revenue Growth

Accelerated by road markings acquisition



Key Drivers

Increased focus on safety and sustainability

Advocacy and education guide improvement in global regulatory standards

Innovation accelerates global technology adoption

Leverage existing footprint and customer relationships to expand road markings reach

EVOTHERM® Warm Mix Asphalt Technology

EVOTHERM warm mix asphalt technology allows asphalt to be manufactured at lower temperatures, providing numerous benefits for the community and surrounding environment







Improves Air Quality

EVOTHERM® reduces emissions and odors (i.e. VOCs) and creates a fume-free work environment for road crews and surrounding neighborhoods

Reduces Paving Costs

Adding EVOTHERM® can optimize the binder content needed for projects, reduces fuel consumption and creates longer-lasting roads – all of which reduce the overall cost of the project

Extends the Life of the Road

EVOTHERM® extends the life of the road up to 30%, presenting significant savings to the state DOT every year

Reduces Your Carbon Footprint

EVOTHERM® can reduce CO_2 emissions up to 30%

Increases Funding Opportunities

Using EVOTHERM to reduce temperatures qualifies projects for local, state and federal incentives

ingevity

Expanding Into New End Markets by Diversifying Our Raw Materials

Legacy CTO

Renewable raw materials → **Pulp mill** → **Crude tall oil** → **North Charleston, SC / DeRidder, LA**

	Lignin	Tall Oil Fatty Acid (TOFA)	Distilled Tall Oil	Tall Oil Rosin (TOR)	Biofractions
Intermediate products					
Derivative end-uses	• Ag Chem • Pavement • Batteries	• Pavement • Lubricants • Oilfield • Biofuels	• Lubricants • Rubber	• Adhesives • Paper size • Rubber • Inks	• Sterols • Renewable energy • Mining

NEW Oleo-based feedstocks

Renewable raw materials → **Canola, palm and soy** → **Crossett, AR**

	Oleic Fatty Acids	Palmitic Fatty Acids	Soy/Canola Fatty Acids	Glycerin
Alternative Fatty Acids (AFA)	• Pavement • Oilfield • Lubricants • Coatings	• Pavement • Oilfield • Lubricants • Biofuels • Animal Feed	• Pavement • Oilfield • Lubricants • Biofuels • Animal Feed • Personal Care	• Ag Chem • Home & Personal Care

ingevity

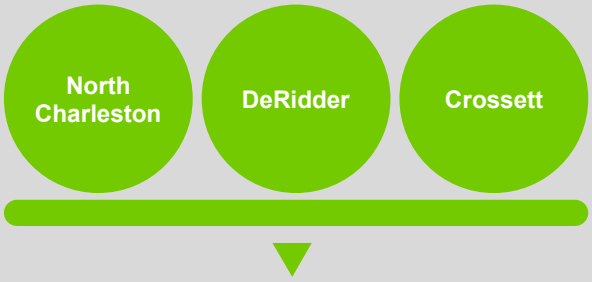
Transforming Our Plant Network to Produce an Array of Fatty Acids

Our Plant Network Today

Single key raw material

Crude Tall Oil

3 plants running at 2/3 capacity



Limited to producing TOFA and TOR

Tall Oil Fatty Acid

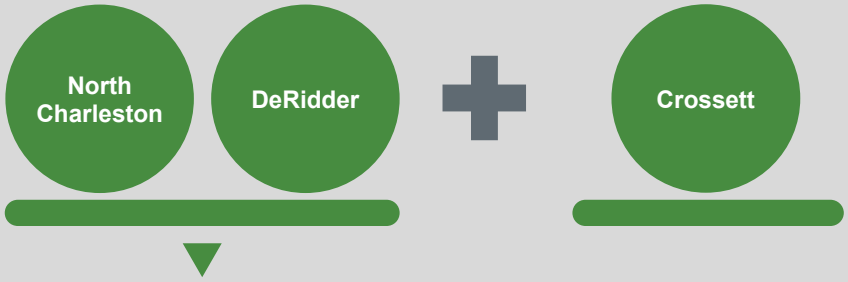
Tall Oil Rosin

Our Plant Network of Tomorrow

Diversity of feedstocks

Crude Tall Oil + Soy, Canola, Palm, Other Oleo Raw Materials

Optimizing plant utilization enables 50%+ more network volume



Expanding fatty acid production presents new end market opportunities

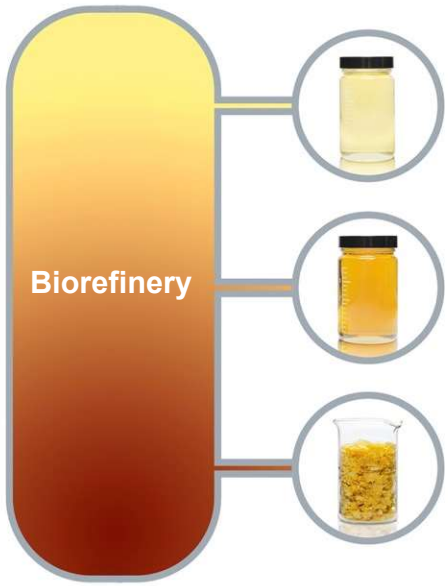
Tall Oil Fatty Acid + Tall Oil Rosin + Soy Oil Fatty Acid, Canola Fatty Acid, Palm Fatty Acid

ingevity

Crossett Value Chain Transition

Optimizing use of existing vessels increases capacity 120%

CTO | Soy/Canola + PFAD + TBD



Soy/ Canola Fatty Acid + Glycerin

Palmitic Fatty Acid + Oleic Fatty Acid

Future Feedstocks

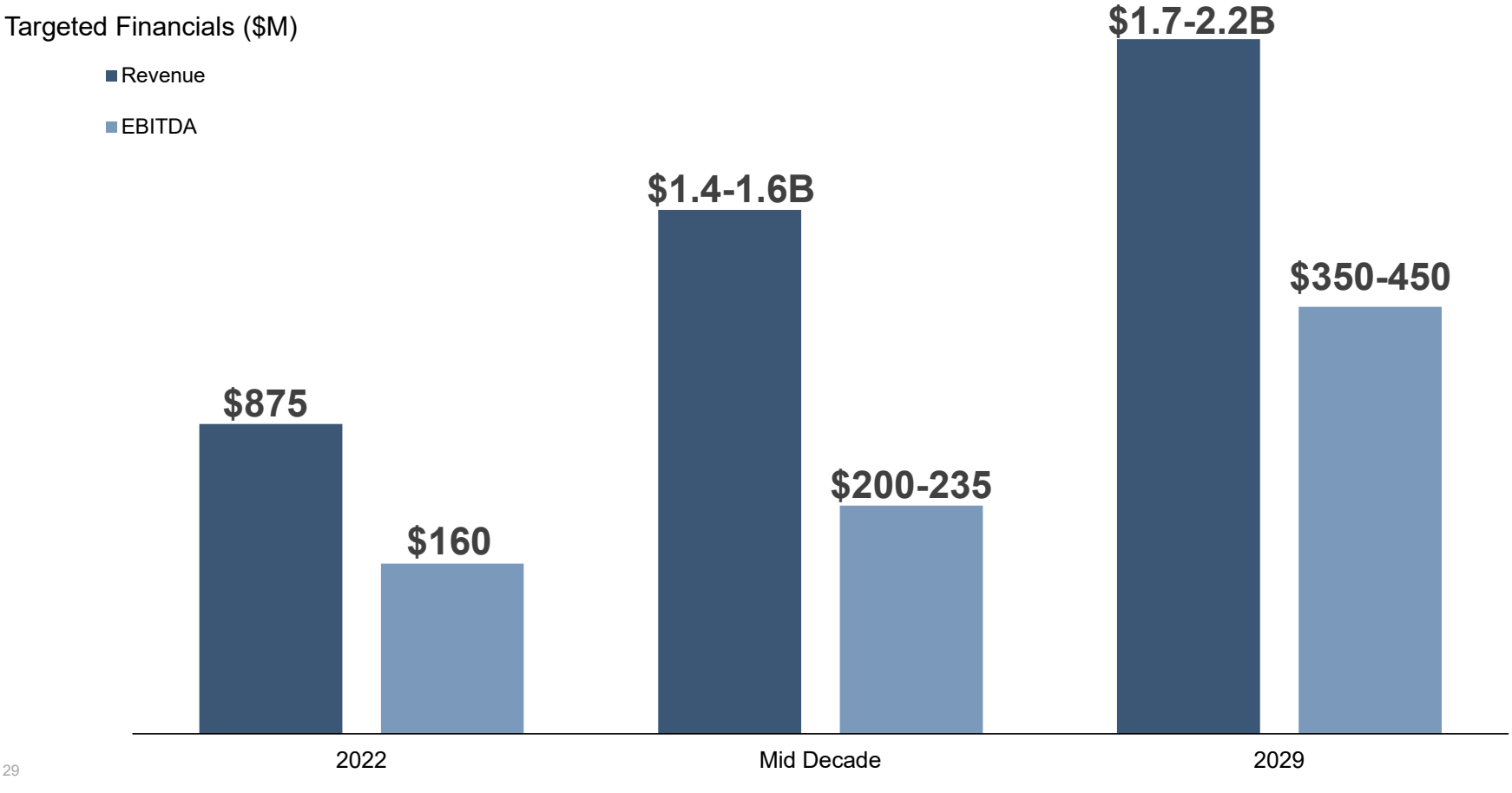
125kT Capacity

275kT Capacity

ingevity

Performance Chemicals 2029 Targets

Growing revenue and EBITDA by more than 2X; EBITDA margins grow from mid-high teens to low 20s



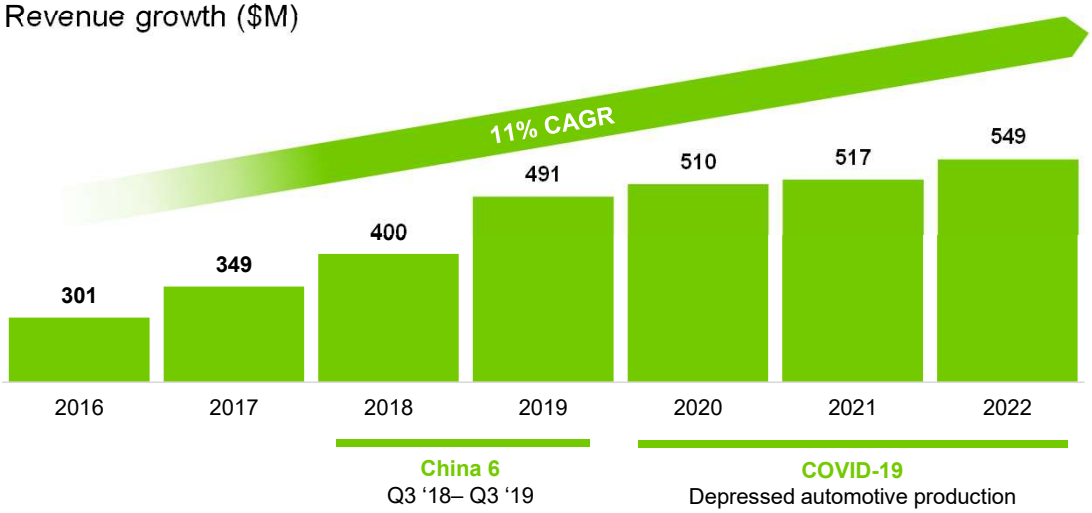
ingevity

Performance Materials

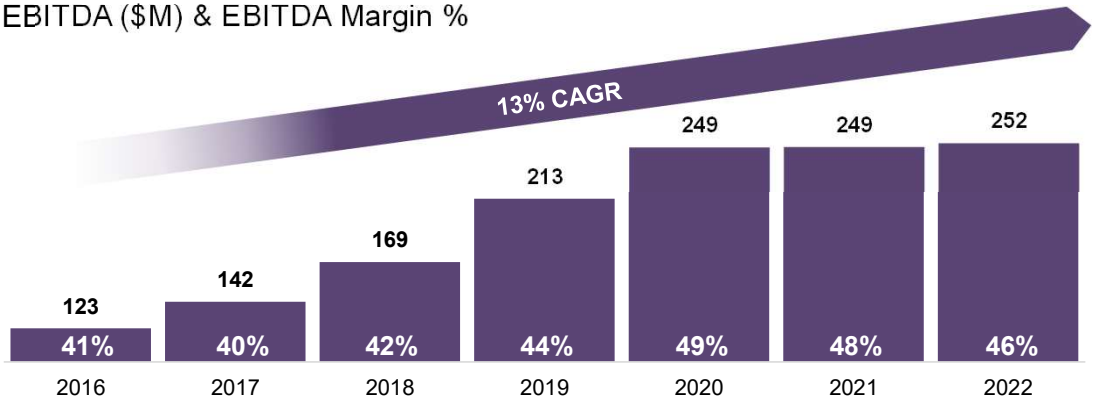


Performance Materials Business Overview

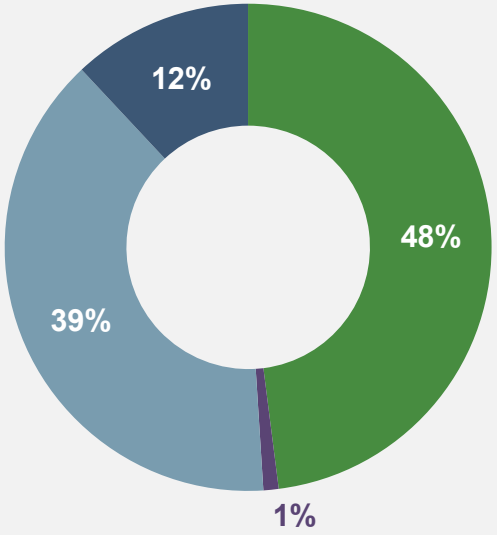
Revenue growth ($M)



EBITDA ($M) & EBITDA Margin %



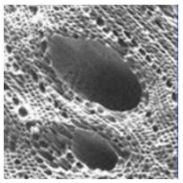
Regional Sales 2022



Ingevity's Advantage

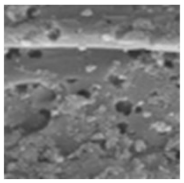
- Unique **large surface area** and flexible pore structure
- 50+ years running **complex global manufacturing** processes
- **Innovation expertise** enabling regulatory opportunities
- **Consistent product quality** that is difficult to replicate
- Close customer relationships and **industry-leading reputation**

Our Carbon vs Others



Ingevity's Hardwood-based carbon

Our carbon's pore design captures AND releases gasoline vapors



Other carbons

Micro porosity in other carbons only captures, doesn't release

Patent Update

'844 patent

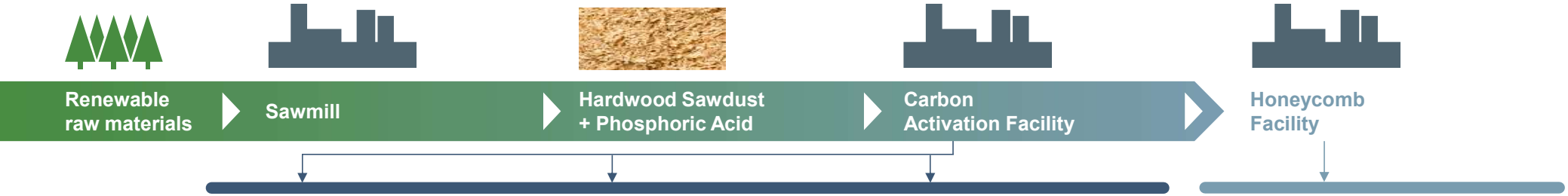
- Expired in March 2022
- Covered only "Tier 3" technology currently found in the US and Canada today
- Was a system patent that covered the pelleted carbon canister + honeycomb
- BASF lawsuit update: post-trial process pending

'649 patent family

- Designed for future industry engine trend toward low-purge engines
  - Low-purge engines are used for hybrids, flex fuels, start/stop and turbos
- Patent issued in 2017 with expiration in 2033

ingevity

Activated Carbon Products



Intermediate products
End-uses



Powdered activated carbon
- Water treatment
- Food-Beverage



Granular activated carbon
- Tier 1: Canister solutions



Pelletized activated carbon
- Tier 2, LEV 2: Onboard Refueling Vapor Recovery (ORVR)



Activated carbon ceramic honeycombs
- Tier 3, LEV 3: Near-Zero Solutions

Carbon canisters



TIER 1
Canister Size: 0.5-1.3L
<$5 NGVT content per vehicle



TIER 2
Canister Size: 2.0-3.0L
$8-15 NGVT content per vehicle

Pelleted Carbon Canister

Honeycombs used in “Tier 3” application

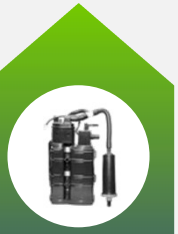


TIER 3
Canister Size:
2.0-3.0L + Honeycombs
$15-40 NGVT content per vehicle

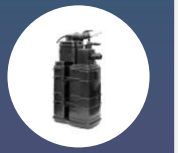
ingevity

Stricter Regulations on Gasoline Evaporative Emissions Increases the Canister Size and Dollar of Ingevity Content per Vehicle

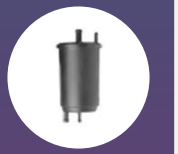
Increasing canister size increases the dollar of Ingevity content per vehicle



TIER 3
Canister Size: 2.0-3.0L
+Honeycombs
$15-40 NGVT content

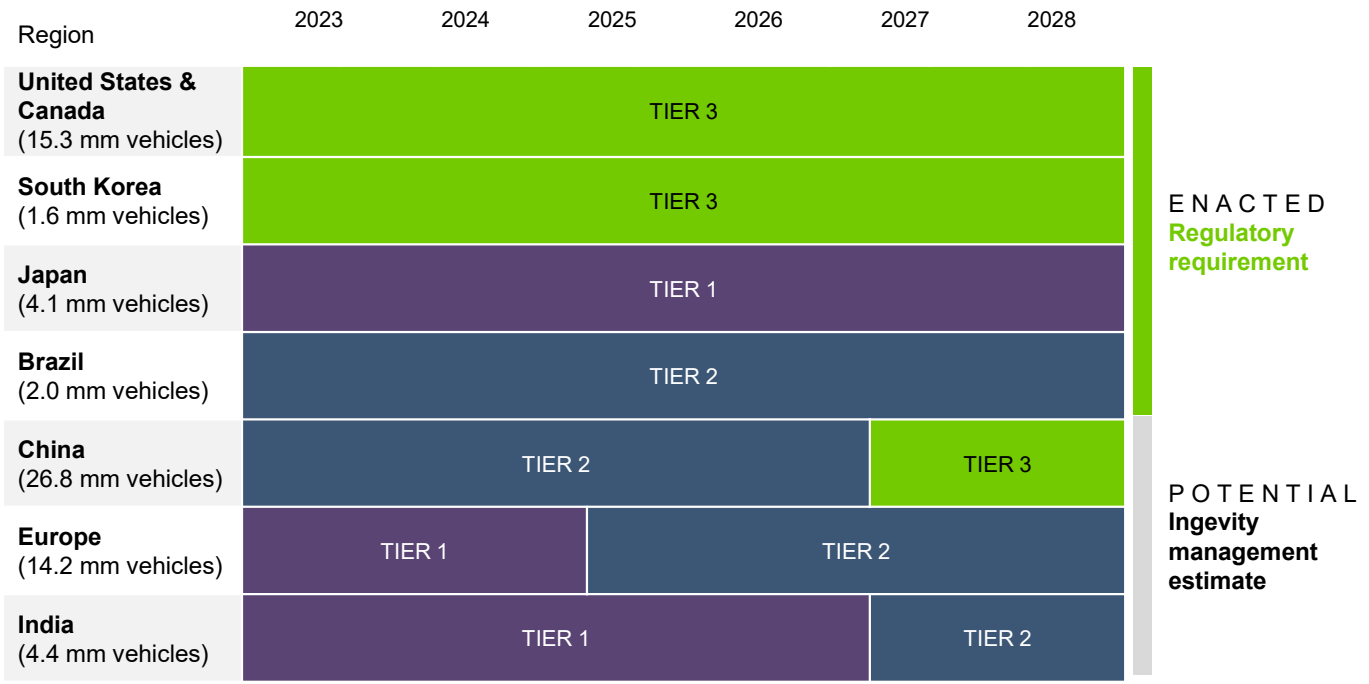


TIER 2
Canister Size: 2.0-3.0L
$8-15 NGVT content



TIER 1
Canister Size: 0.5-1.3L
<$5 NGVT content

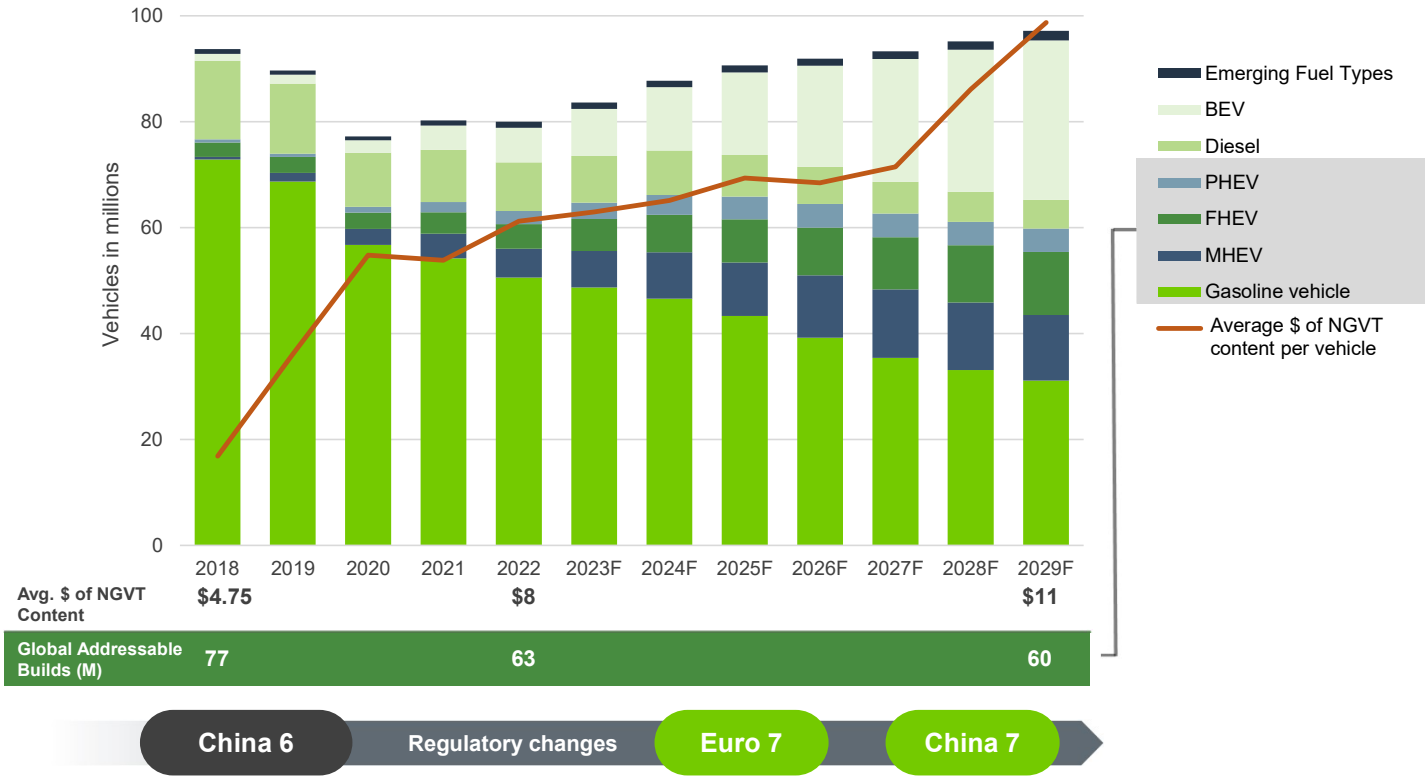
Potential for new regulations by country and region [1,2]



1. Ingevity management estimates 2. Ward's Automotive 2022 light vehicle sales

Expected Carbon Growth as a Result of Stricter Regulatory Trends Outpaces BEV Adoption Rates

Automotive production by vehicle type[1]



Revenue continues to grow even as the percentage of ICE vehicles declines, because **Ingevity's dollar content per vehicle increases with stricter regulations in Europe and China**

1. Based off IHS/S&P Global Dec '22 estimates

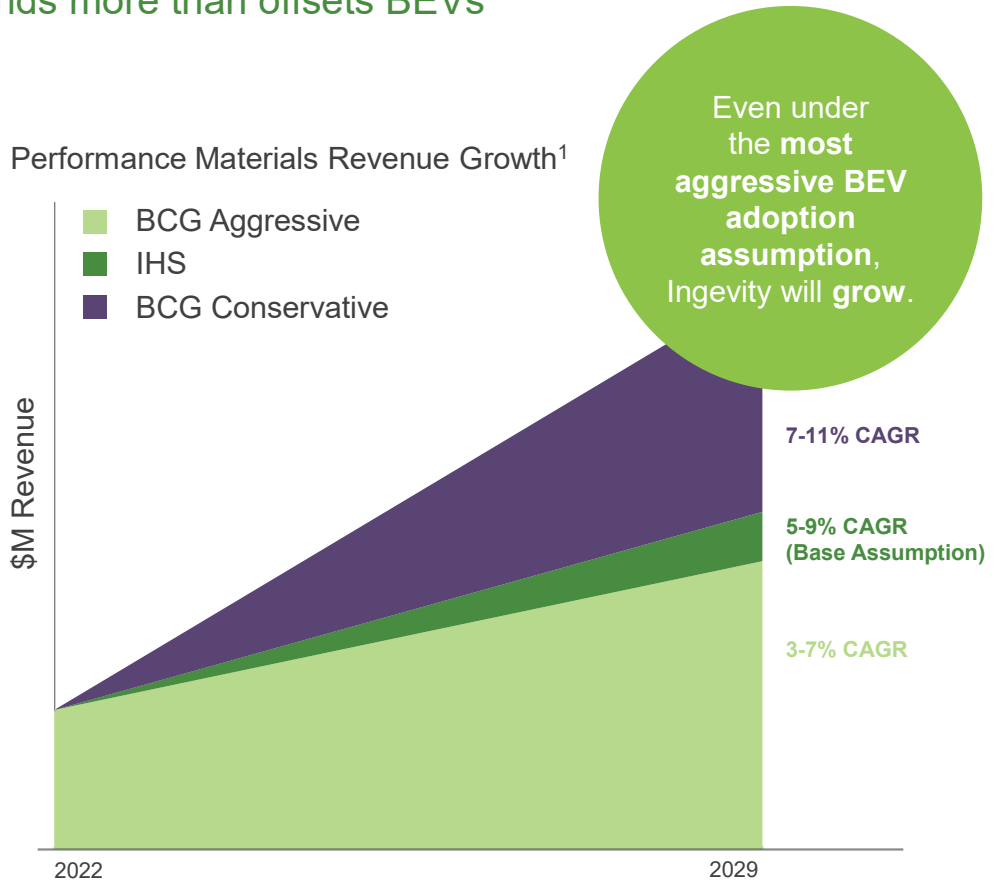
Ingevity Grows Through the Battery Electric Vehicle (BEV) Transition

Stricter regulations and increased production of hybrids more than offsets BEVs

BEV Adoption Assumptions

% Vehicles BEV [2]	2025	2029
BCG Aggressive	29%	43%
BCG Moderate	20%	35%
IHS (Base Assumption)	17%	31%
Goldman Sachs	15%	29%
LMC	14%	21%
BCG Conservative	10%	22%

Performance Materials Revenue Growth[1]

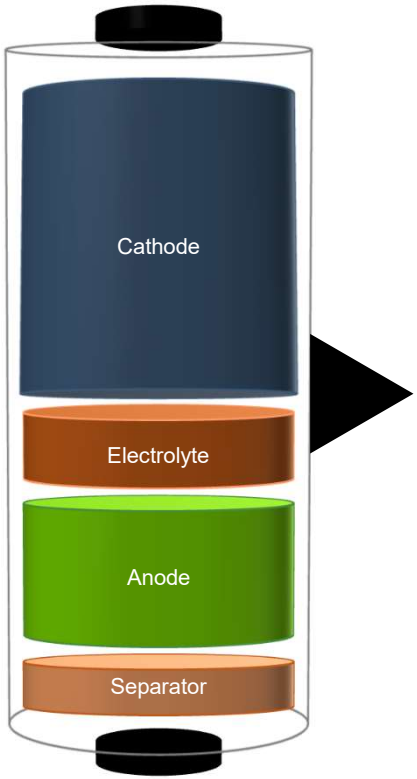


1. Includes Ingevity internal assumptions
2. IHS/S&P Global auto production Dec '22 forecast and BCG July '22 forecast

ingevity

EV Batteries Consist of Many Components and Potential Opportunities for Ingevity to Participate

Lithium-ion Battery



Battery Packaging

Component Breakdown



Metal Casing, Structural Adhesives, etc.

- Natural Graphite
- Synthetic Graphite
- Hard Carbon
- Graphene
- SiO / SIC / Si-Metal

nexeon

We are in early stages of evaluating future battery technologies as well…

Solid-state



Sodium-ion



Supercapacitors



ingevity

Exciting Alternative Use of Ingevity Activated Carbon

Silicon anodes in batteries

Why silicon anode batteries in EVs?

- Enables greater energy storage, approximately 10x the capacity of graphite by mass, translating into longer-range
- Faster charging times than “Gen 1” batteries
- Enables lighter batteries reducing the weight on EVs

Problems with using silicon as anode in EV batteries

- Silicon swells to 4x its volume when it stores lithium which causes stress on the cell and significantly reduces battery lifespan

What our carbon does

- Unique design of our carbon’s porous network allows for the infiltration and deposit capture of silane to form a silicon-carbon composite
- Allows for silicon to expand and contract safely without damaging the battery

Global market for anode material

	2020–2030 CAGR[1]
Silicon Composite	30%
Synthetic Graphite	14%
Natural Graphite	12%
Lithium Titanium Oxide (LTO)	11%
Amorphous Carbon	20%

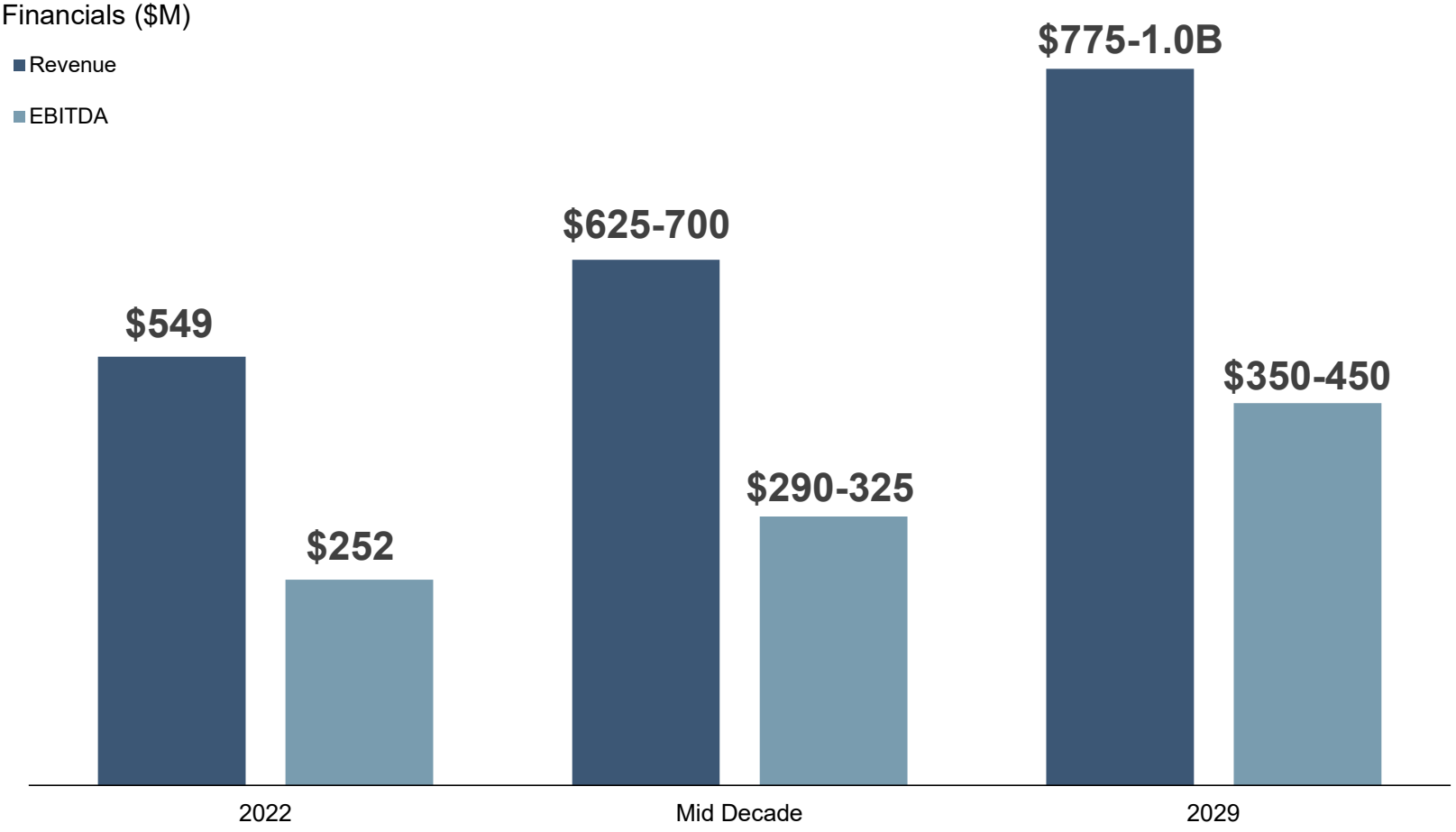
1.Based off BCG estimates

ingevity

Performance Materials 2029 Targets

Consistently delivering mid-to-upper 40% EBITDA margins

Targeted Financials ($M)



ingevity

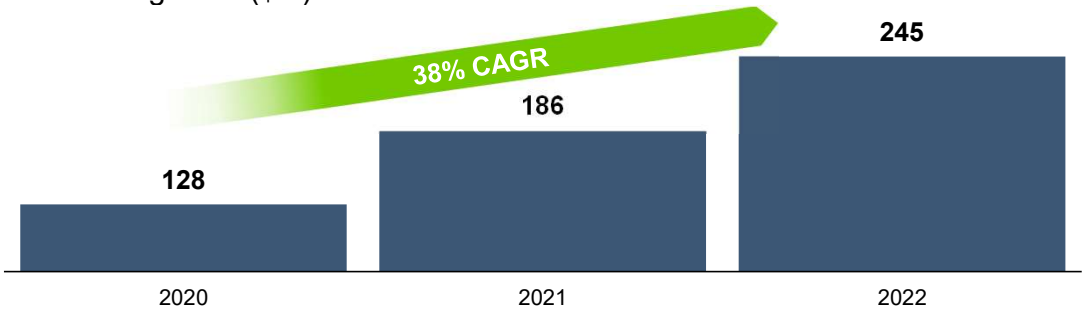
Advanced Polymer Technologies



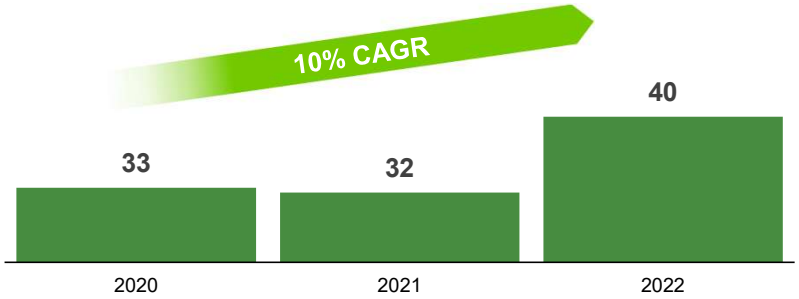


Advanced Polymer Technologies Business Overview

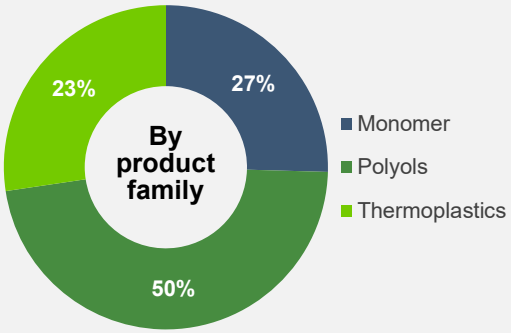
Revenue growth ($M)



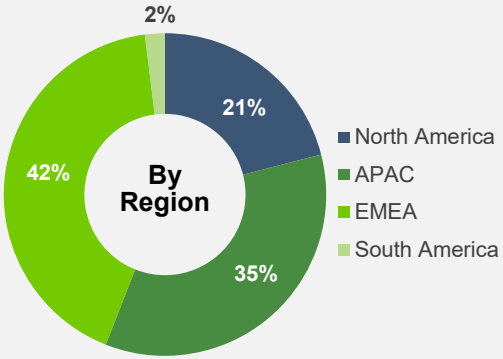
EBITDA ($M)



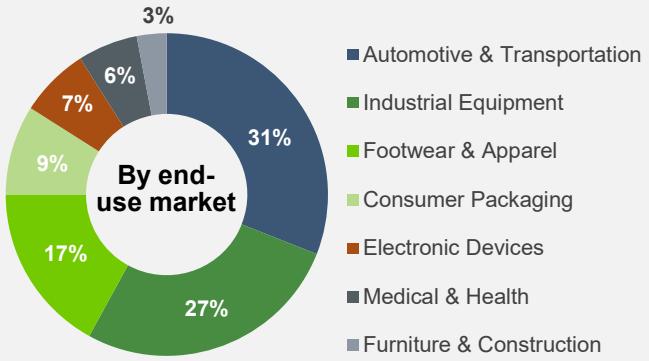
2022 Revenue



Highly Derivatized



Global Business

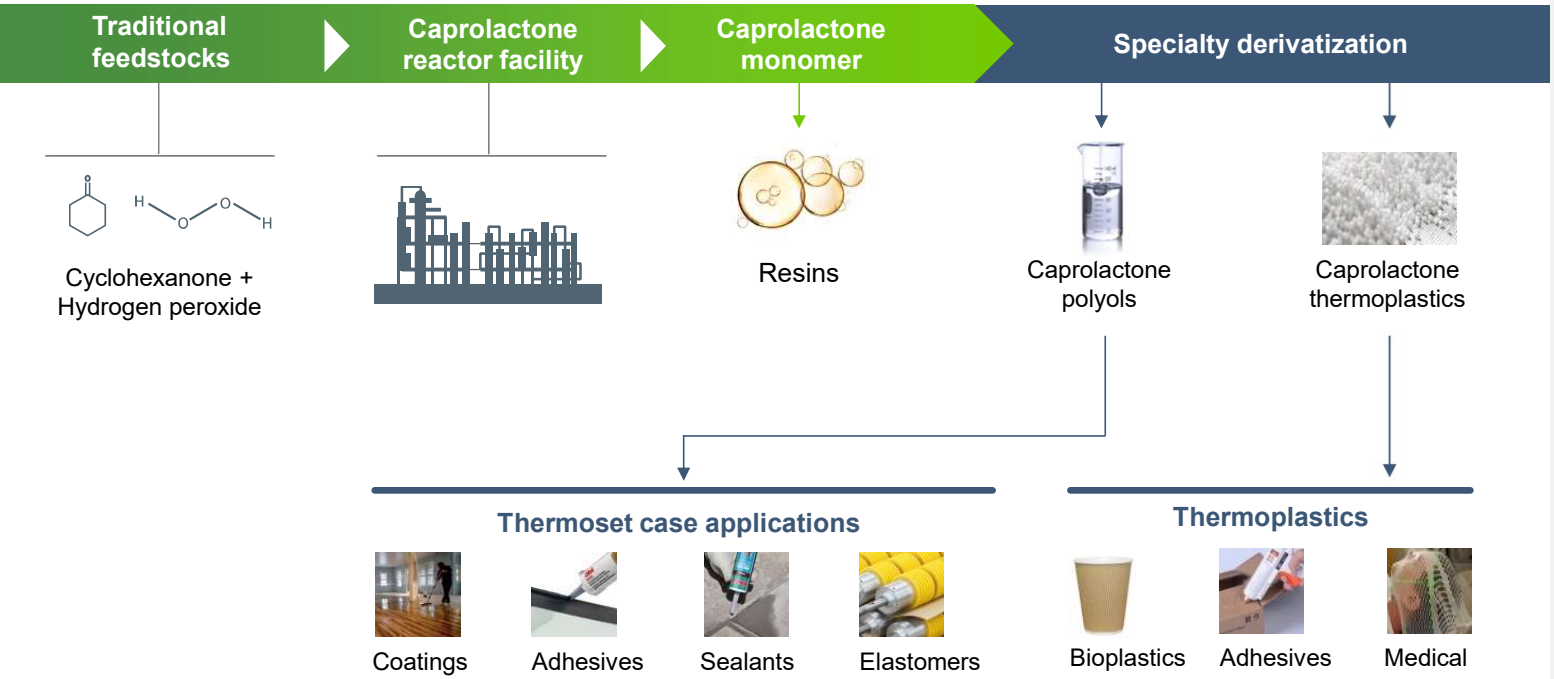


Broad Market Diversity

ingevity

What Are Capa® Caprolactones?

Advanced polymer technologies value chain



What do Capa products do?

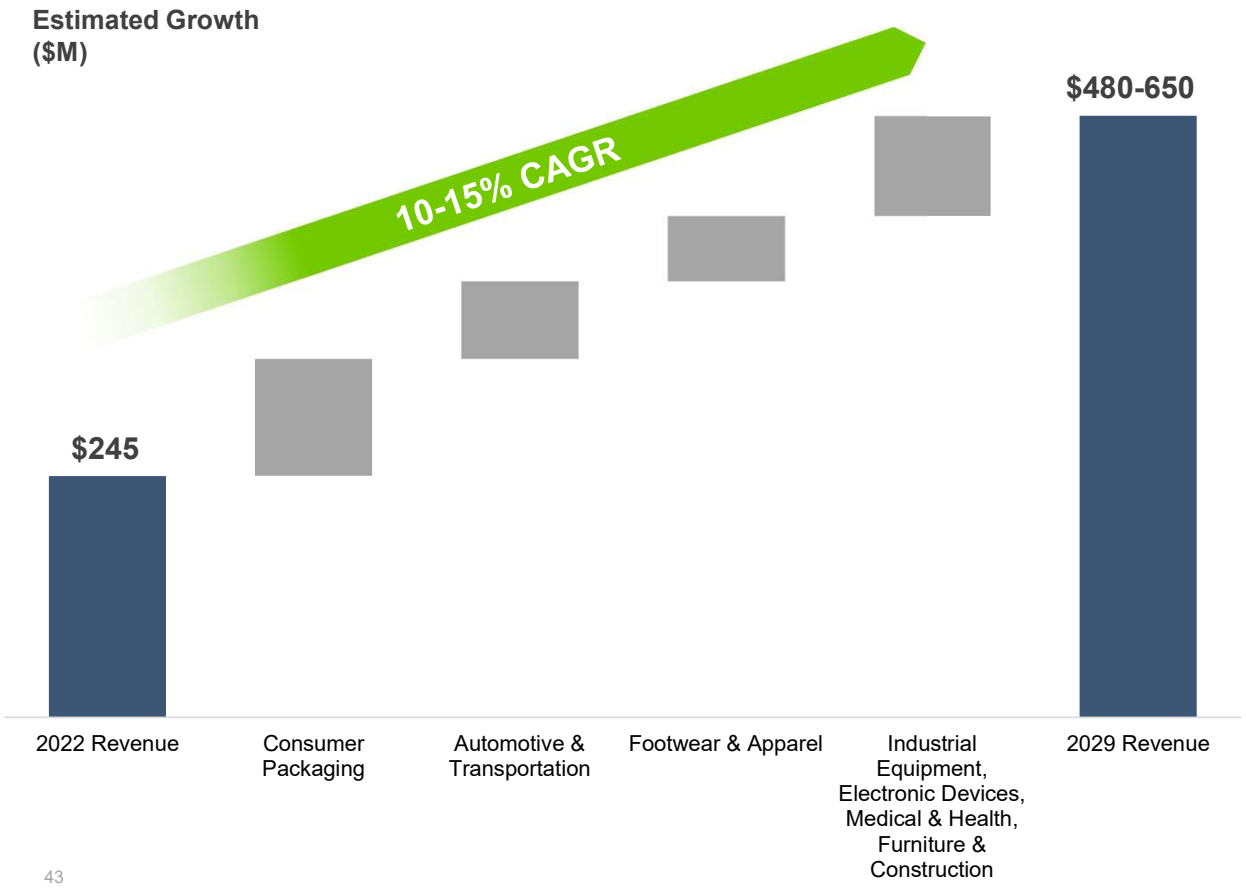
Capa enables high-performing end-use products that are contributing to sustainability

- More flexible
- Tougher and more durable in use
- Resistant to water, chemicals and weather
- High gloss and have improved overall appearance
- Biodegradable at end of life

Longer-lasting materials with potential to reduce cost-in-use and lower carbon emissions

ingevity

Focus on Strategic, High-Margin and High-Growth End-Markets



Growth Drivers

Above industry CAGR driven by Capa's sustainability value proposition

- Durability in use
- Biodegradability at end of life

Consumer packaging, auto & transport, footwear and apparel account for nearly 75% of growth

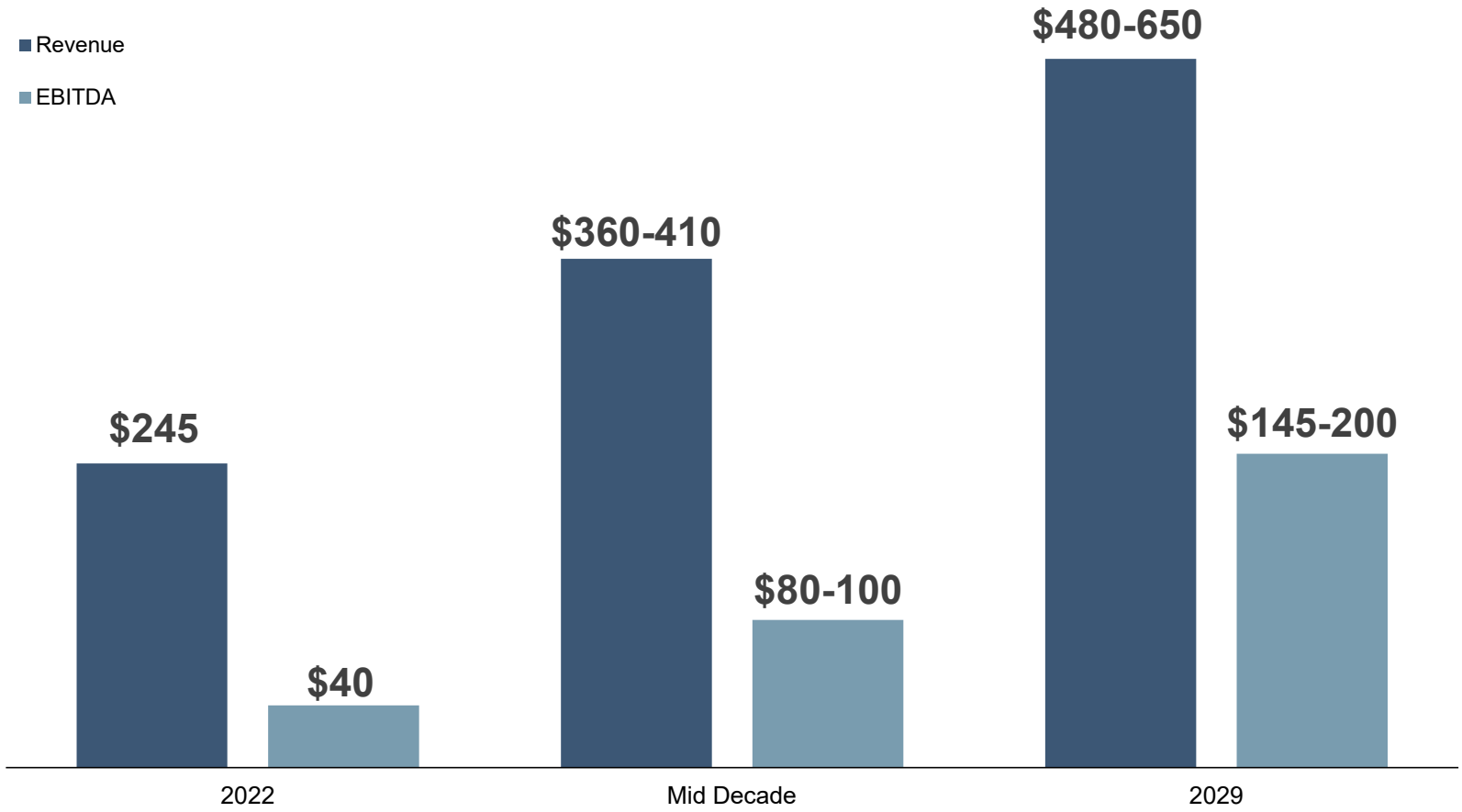
All regions growing

Derivatives drive majority of growth

Advanced Polymer Technologies 2029 Targets

Impressive growth in attractive end markets enables improved EBITDA margins

Targeted Financials ($M)



Why Invest in Ingevity?

Growth Focus

Evolving and expanding product lines/feedstocks to capture high growth, high value, environmentally beneficial opportunities globally

Innovation Leader

History of developing and commercializing winning products from sustainable, renewable sources

Value Creation

A robust customer engagement process that creates deep customer relationships and strong competitive advantage

Financial Opportunity

Targeting 11% Rev CAGR and 12% EBITDA CAGR over next 7 years generating $2B+ cumulative Free Cash Flow

ingevity


ingevity
Appendix

Non-GAAP Financial Measures

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

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

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

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

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

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

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

A reconciliation of net income to adjusted EBITDA as projected for 2023 is not provided. Ingevity does not forecast net income as it cannot, without unreasonable effort, estimate or predict with certainty various components of net income. These components, net of tax, include further restructuring and other income (charges), net; additional acquisition and other-related costs; litigation verdict charges; (losses) and gains from the sale of strategic investments; additional pension and postretirement settlement and curtailment (income) charges; and revisions due to legislative tax rate changes. Additionally, discrete tax items could drive variability in our projected effective tax rate. All of these components could significantly impact such financial measures. Further, in the future, other items with similar characteristics to those currently included in adjusted EBITDA, that have a similar impact on comparability of periods, and which are not known at this time, may exist and impact adjusted EBITDA. A reconciliation of our GAAP effective tax rate to the adjusted tax rate as projected for 2023 is not provided due to the same reasons as listed under the net income to adjusted EBITDA as projected for 2023 detailed above. A reconciliation of our total debt to net income ratio to our net debt ratio as projected for 2023 is not provided as we do not forecast net income as noted above.

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

In millions, except per data (unaudited)	2022
Net income (loss) (GAAP)	$ 211.6
Restructuring and other (income) charges [1]	13.8
Acquisition and other related costs [2]	5.9
Pension and post retirement settlement and curtailment charges (income) [3]	0.2
Debt refinancing fees [4]	5.1
Tax effect on items above	(5.9)
Certain discrete tax provision (benefit) [5]	0.7
Adjusted earnings (loss) (Non-GAAP)	$ 231.4
Diluted earnings (loss) per common share (GAAP)	$ 5.50
Restructuring and other (income) charges	0.36
Acquisition and other related costs	0.14
Pension and postretirement settlement and curtailment charges (income)	0.01
Debt refinancing fees	0.13
Tax effect on items above	(0.15)
Certain discrete tax provision (benefit)	0.02
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 6.01
Weighted average common shares outstanding - Diluted	38.5

(1) Income (charges) for all periods presented relate to restructuring activity and costs associated with the business transformation initiative. For twelve months ended December 31, 2022, charges of $4.8 million relate to the Performance Materials segment, charges of $7.2 million relate to the Performance Chemicals segment, and charges of $1.8 million relate to the Advance Polymer Technologies segment.

(2) For the twelve months ended December 31, 2022, charges included in "Acquisition-related costs" on the condensed consolidated statement of operations of $0.3 million relate to the acquisition of a strategic investment in the Performance Materials segment, and $4.7 million relate to the acquisition and integration of the Ozark business into the Performance Chemicals segment, respectively. Additionally, for the twelve months ended December 31, 2022, inventory step-up amortization of $0.9 million is included in "Cost of sales" on the condensed consolidated statement of operations related to the acquisition in the Performance Chemicals segment.

(3) For the twelve months ended December 31, 2022, all charges relate to the Performance Materials segment.

(4) 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.

(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.

ingevity

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

In millions, except percentages (unaudited)	Twelve Months Ended December 31, 2016	2017	2018	2019	2020	2021	2022
Net income (loss) (GAAP)	$ 44.4	$ 145.0	$ 181.8	$ 183.7	$ 181.4	$ 118.1	$ 211.6
Provision (benefit) for income taxes	42.6	29.8	40.0	44.2	53.7	44.7	58.0
Interest expense, net	17.9	15.8	29.8	46.9	42.2	47.7	54.3
Separation costs	17.5	0.9	—	—	—	—	—
Depreciation and amortization	38.8	40.4	57.0	85.0	100.2	109.9	108.8
Restructuring and other (income) charges, net	41.2	3.7	(0.5)	1.8	18.5	16.2	13.8
Acquisition and other related costs	—	7.1	12.2	35.3	1.8	0.6	5.9
Litigation verdict accrual	—	—	—	—	—	85.0	—
Pension and postretirement settlement and curtailment charges (income), net	—	—	0.2	—	0.1	—	0.2
Adjusted EBITDA (Non-GAAP)	$ 202.4	$ 242.7	$ 320.5	$ 396.9	$ 397.9	$ 422.2	$ 452.6
Net sales	$ 908.3	$ 972.4	$ 1,133.6	$ 1,292.9	$ 1,216.1	$ 1,391.5	$ 1,668.3
Net income (loss) margin	4.9%	14.9%	16.0%	14.2%	14.9%	8.5%	12.7%
Adjusted EBITDA margin	22.3%	25.0%	28.3%	30.7%	32.7%	30.3%	27.1%

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

In millions (unaudited)	Twelve Months Ended December 31, 2016	2017	2018	2019	2020	2021	2022
Cash Flow from Operations	$ 127.9	$ 174.3	$ 252.0	$ 275.7	$ 352.4	$ 293.0	$ 313.1
Less: Capital Expenditures	56.7	52.6	93.9	114.8	82.1	103.8	142.5
Free Cash Flow	$ 71.2	$ 121.7	$ 158.1	$ 160.9	$ 270.3	$ 189.2	$ 170.6

ingevity