

Ingevity Corporation

Investor Day

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CORPORATE PARTICIPANTS

Michael Wilson – *President, Chief Executive Officer, and Director*

Mike Smith – *EVP, President Performance Chemicals, Strategy and Business Development*

Ed Woodcock – *EVP and President, Performance Materials*

John Fortson – *Executive Vice President, CFO and Treasurer*

Daniel Gallagher – *VP, Investor Relations*

PRESENTATION

Dan Gallagher

Good afternoon everyone. My name is Dan Gallagher. I'm Vice President of Investor Relations here at Ingevity. It's my pleasure to welcome you to our first Investor Day. Just a reminder that today's presentation may contain forward-looking results, forward-looking statements, rather. This slide contains our full disclaimer regarding these forward-looking statements, which is also in your handout that's in front of you. Ingevity undertakes no obligation to publicly release any revision to the projections and forward-looking statements contained in the presentation or to update them to reflect events and circumstances that occur after the date of this presentation. Throughout this presentation, we may refer to non-GAAP financial measures intended to supplement, not substitute for, the comparable GAAP measures. Reconciliations and definitions of these non-GAAP financial measures can be found on the Investor Relations section of our website.

With me today are four members of Ingevity's leadership team who will be our speakers for the afternoon: Michael Wilson, our President and CEO; John Fortson, our Executive Vice President and CFO; Mike Smith, Executive Vice President and President of Performance Chemicals; and Ed Woodcock, Executive Vice President and President of Performance Materials. Also with us today are other members of our leadership team, including Kathy Burgeson, our Executive Vice President, General Counsel and Secretary; Phil Platt, our Chief Accounting Officer; David Flood, our Vice President of Treasury; Jack Maurer, our Director of Communications; Laura Woodcock, our PR Manager; Susan Lebel-Warner and Kari Martin, both members of our administrative team. Cindy Burns, Senior Vice President of Human Resources; and Marty Heyne, Senior Vice President of Operations couldn't be with us today.

Here's our agenda for the afternoon. Michael is going to start with a review of some of our recent accomplishments and more importantly, he's going to cover how, going forward, we're going to drive Ingevity to the next level. Mike will discuss the businesses that comprise our Performance Chemicals segment and our plan to build superior performance in that segment. Ed will review our growth strategies in Performance Materials and how we're preparing for the next phase of growth and innovation. John will give the financial update focusing on how we'll deploy capital in support of our strategy and how to maximize shareholder value. Michael will have a few closing remarks, and then we'll take your questions. Before we get started, we have a short video we'd like to share with you. It's about Ingevity and it will give you a sense of who we are and what we're about.

Michael Wilson

Good afternoon. I'm Michael Wilson, President and CEO of Ingevity. Thank you for your time this afternoon and thank you for your interest in Ingevity. We're excited today to have this opportunity to share the Ingevity story with you. I'll tell you first what I like about that video. First, I think it fairly portrays not only who we are but also what we're not. At Ingevity, our people take pride in saying we're not your father's chemical company. I like that. And two of our most significant differentiators are our people and our culture. When people walk through the doors of our North Charleston headquarters, they invariably remark that there's something different. There's a unique feeling, an energy, and an excitement you won't often find in other chemical companies and it's infectious. Second, it's clear that we have a business that's built on ingenuity and innovation. We've leveraged close customer relationships and strong igneous technical advantages to create businesses where our customers recognize us as technological innovators, as thought leaders, and partners in their industries. The result is a leading specialty chemicals and materials company with an atypical organic growth trajectory, premium margins, a strong

balance sheet, and excellent returns. We believe that the attractiveness of our markets, the soundness of our strategy, and our ability to operate superbly will enable us to accelerate growth and deliver significant ongoing value creation. As I said, we're excited to tell our story so let's get started.

Many of you may have heard me refer to Ingevity as a new company that is also an old company. Launched in May of 2016, we remain a relatively new company to investors, to financial analysts, and to the capital markets. But we are also a company that has a long history and deep roots. As you might know, Ingevity was the specialty chemicals division of WestRock and prior to the merger in 2015, MeadWestvaco and Westvaco before that. As such, within our markets to our customers and in the communities where we operate, we are in fact a well-established global specialty and materials manufacturer. We are a company with a 100-year tradition of innovation and a leader in the markets in which we compete. While we take pride in our history and are grateful to those who have stewarded our development to this point, it's our future that really excites us. And make no mistake, today we are a modern manufacturer with state-of-the-art production and innovation capabilities. In fact, within the past four years alone, we have invested more than \$325 million in manufacturing assets and laboratories both here and abroad to ensure our ability to deliver growth.

Today, as an independent, publicly-traded company, we have both the financial wherewithal and the strategic flexibility to drive Ingevity's already-leading performance to the next level. Since the spin, we've been actively pursuing both organic and acquisitive growth while ensuring compelling financial performance. Here are a few of the things that we've done. We opened innovation and testing centers at our Performance Materials business in both North Charleston and later in China. We restructured operations in Brazil by closing both the derivatives plant and a refinery that were no longer economically viable. We announced our first ever acquisition. We invested to expand capacity in China and in our purification solutions joint venture in Waynesboro, Georgia. We strengthened our balance sheet through strong earnings and cash generation and last month we issued our first ever bond offering. Lastly, a point of pride for our people, we were recognized as Forbes Magazine's number one spin of 2016. Needless to say, we've been busy. But more importantly, we've lived up to the commitments we made when we spun out the Company in 2016. From the outset we have reinforced the importance both as a company and as a leadership team of building credibility.

In 2017, as discussed in our fourth quarter earnings call earlier today, we exceeded our revenue and EBITDA ranges, contained capital expenditures, and generated strong cash flow, which enabled us to significantly delever the Company. What's more, our business segments are on track to reach their targets for both revenue and earnings growth. We are pleased with these results but still believe, as you will hear today, that stronger performance lies ahead of us. As a Company, we track a lot of metrics, but as a rule we are returns oriented. Two metrics we review with importance are EBITDA margins and return on invested capital. With respect to these, our results have put us into the top quartile of financial performance among our specialty chemicals peers. For the full year, our performance was slightly stronger than shown here. Our EBITDA margin in 2017 was 25% of revenues and our return on invested capital was 23.5%. Our success has been reflected in our share price. Since the spin, we have delivered outstanding shareholder returns. If you've been with us from the start, you've been rewarded with 162% return since our first day of regular trading through the end of 2017. And while we don't take all the credit for this because we were probably undervalued from the start, I believe that the consistency of our performance has contributed to the strength of our share price. Yet, as we stand here today, all of that is in the past. What's important now is what we're going to do to maintain our competitive edge to continue to drive superior results and to take Ingevity to the next level. To this end, I'd

like to take a few minutes to share with you who we are and where and how we compete, or what we simply refer to as our identity; what drives us, which we refer to as our purpose; our vision, or what we aspire to become; as importantly, how we plan to get there, our strategy; and lastly, I'll share a few of our long-range goals. We hope you will agree that these are both reasonable and compelling.

So, starting with our identity. Ingevity could be described simply as a leading global manufacturer of specialty chemicals, but that isn't what defines us nor what differentiates us. What we do best is to create value-added products largely from renewable raw materials; our two most critical raw materials, crude tall oil, or CTO, and hardwood sawdust are substances that would otherwise be disposed of or incinerated. We not only take, convert these materials into high-value added products for our customers, but ultimately products that most often benefit the environment. We are dedicated to advancing technologies in automotive carbon, pavement, oilfield, and industrial applications that are not only sustainable but improve daily living. Geographically, the majority of our sales come from North America, which, given the current economy, has not been a bad place to be. Nevertheless, we're a global company, employing almost 1500 people and we see opportunities in expanding our geographic reach. Currently, we operate seven manufacturing facilities, five in the U.S. and two in China. With the addition of the Crossett, Arkansas facility from our acquisition of the Georgia-Pacific Pine Chemicals business, we will have eight. We also have a broad network of technical centers and sales offices, and we do business in about 70 countries. We manage and report the Company into two segments: Performance Materials and Performance Chemicals. In the highly profitable Performance Materials segment, we are the leading manufacturer of activated carbon used to control gasoline evaporative emissions. These systems are present in cars, trucks, motorcycles, and boats. Over the 40-year history of this business, we've installed more than 900 million units globally. During this time, there has been an increase in attention paid by government regulators to these passive gasoline emissions, which has driven our growth. In fact, Ingevity is often asked by government regulatory bodies around the world to consult with them as they develop new regulations. More stringent rules, each requiring more advanced technology, continue to increase the volume and per-vehicle content. We also sell into process and purification applications for air and water treatment, but this is not a primary focus. We find the technology and product requirements here to be less demanding and therefore, the afforded margins are lower, as well. Ed Woodcock, President of Performance Materials, will talk more about this segment later and specifically about the terrific growth opportunity we see ahead in the automotive sector.

Our Performance Chemicals segment supplies products that are employed in a wide variety of end uses. We report revenues for these products in three application areas. We are the largest provider of specialty additives to the asphalt and pavement industry. In addition, Ingevity is a pioneer in the rapidly expanding warm mix asphalt segment, which allows paving at cooler temperatures and therefore lowers energy costs and extends the paving season. Our oilfield technologies team sells a range of chemicals for drilling, production, and downstream applications. In industrial specialties, we sell upgraded derivatives of the crude tall oil refining process into a variety of applications, including adhesives, agrichemicals, lubricants, printing inks, and rubber to name but a few. Mike Smith, President of Performance Chemicals, will provide additional details on this segment and his team's plan to drive superior performance in this business.

Next is purpose. At Ingevity, we believe that it is important for our work to have meaning beyond customers and delivering quarterly earnings. As I will explain, our purpose serves to enhance employee engagement and extends competitive advantage and ultimately it leads to greater value creating. So, what is our purpose? At Ingevity, we work together to purify, protect, and enhance

the world around us. That's our purpose. To purify, protect, enhance, and we deliver on it every day. Our innovations enable oil to flow better, they help crops grow fuller, and they make roads last longer, and they ensure that the air we all breathe is cleaner. Let me give you some specific examples of how we do this. We estimate that every day 8 million gallons of gasoline are captured and recovered by our carbon products. If it weren't for our products, this gasoline would contribute significant pollutants into the environment. We are making a difference to purifying the air around us. 216 billion gallons of water were purified in 2017 using our Nuchar carbon products. Our products remove impurities that make water taste better and make it safer to drink. With Evotherm, our warm mix asphalt technology, asphalt can be produced at 100 degrees Fahrenheit lower than traditional hot mix. This makes 40% less pollution, less energy, a longer paving season, and importantly, a better and longer lasting road. Our Diacid 1550 additive for metalworking fluids dramatically extends the corrosion inhibition for metal parts in jet engines. Our WestRez goes into traffic striping on more than 10,000 miles, lane-miles of roadways annually, enhancing driver visibility by ensuring adhesion of reflective glass beads to the lane markings. And lastly, our EnvaMul emulsifiers for the oilfield industry increase drilling efficiency by 10% by inhibiting fluid loss. By innovating, producing, delivering products that purify, protect, and enhance, we create value for our customers, a portion of which we capture for ourselves, increasing shareholder value, which in turn allows us to reinvest and grow our business. It's a virtuous circle enabled by our purpose. Yet there is another reason we believe that it is important to have higher ambitions. Fulfilling our purpose is a tremendous source of pride for our employees. Consequently, it is our purpose that allows us to successfully engage the hearts of our employees in addition to their heads and hands. This leads to higher overall employee engagement, which study after study shows enhances competitive advantage and therefore superior performance and shareholder value.

After purpose becomes vision. What is it we aspire to be? As you can see on the Ingevity card that we put in front of you, our vision is to be to be the recognized leader in our markets, to be proud of where we work, and to be a positive influence in our communities. Being the recognized leader in this context has broad meaning to us. It includes areas such as innovation, customer partnerships, quality, and sustainability. But perhaps the most relevant definition of leadership to the investment community is financial performance. Our intent is to grow our business, drive improved margins and returns, and bolster our balance sheet, and ultimately, to reward shareholders. So let me be more specific as to our performance targets for a few key financial metrics. For Ingevity, being a recognized leader in our markets translates to comparing favorably with industry benchmarks. As you can see, relative to the S&P 600 and the Dow Jones Specialty Chemicals Index, we're targeting significantly higher organic growth, superior margins that we expect to accrete over time, and balance sheet strength which can be leveraged when needed for value-creating investments. This is how we define financial leadership, and so how are we going to achieve this? Well here is our strategy, a key element of which has been and will continue to be customer partnership. Our knowledge of our customers' end uses, whether in pavement technologies, oilfields, or metalworking fluids provides us with insights that enable us to develop solutions in collaboration with our customers that create value for them. As a result, we've become a preferred and trusted partner, establishing longstanding relationships that make product substitution more difficult. It's in this go-to-market model that we excel and it's the applications that require it toward which we want to continue to drive our business. Throughout the presentations today, you will hear about some of the successes we've had with our customers, the collaboration we've had with them, the benefits to their operations. This close-to-the customer approach spans both of our business segments and where it is strongest is where we are the most profitable.

Next, we believe geographic expansion provides an opportunity for growth. As noted earlier,

almost 65% of our current revenues are in North America with 35% of the rest of the world. This is pretty much the inverse of every business I've been in for the last 20 years, and we've begun taking the steps necessary to expand our geographic footprint. It began early last year with the restructuring of our international management organization, giving our business leaders full global responsibility. As new opportunities and regulations emerge, we need to be sure that we have the right people, the right capabilities, and the right product offerings in the right places, and we're making investments to ensure that we do. For example, in 2017 we sold our asphalt products into five European countries in which we previously had no presence. In China, we continue to invest to meet the growing demand of the automotive sector. In addition to our Zhuhai production facility, of which you are aware, last year we invested in a new state-of-the-art automotive canister testing facility in Zhuhai. And we announced the construction of a new extrusion facility in Changshu. In our oilfield business, we're actively extending our brand in the Middle East. And these are just a few examples of how we're expanding our reach.

Next, innovation will continue to be a critical pathway for growth. We have a broad technology platform from which to launch new products and develop new applications. Innovation has been a hallmark at Ingevity and one of the keys to our longevity. We have state-of-the-art technical centers in North Charleston, Lille, France; Shanghai, China; and in Chennai, India. Our focus is on product development for new and existing applications again in close collaboration with our customers. Our teams are always looking to improve our products and formulations and processes, designing out cost while maintaining or increasing the efficacy. We believe our growth can be accelerated through strategic and value-creating acquisitions. Our first announced deal, the acquisition of Georgia-Pacific's Pine Chemicals business is a great example of a deal that checks all the boxes. The combination of the two complimentary businesses adds scale and broadens our technology and product platform yet comes with minimal customer overlap. It brings significant cost synergies, which was estimated at more than 10% of revenues. It offers an opportunity to introduce Georgia-Pacific's products and technologies globally. Today, almost 90% of their sales are to North American customers. And, of course, as we previously disclosed, we have separately negotiated a long-term supply agreement with G-P for crude tall oil; this secures supply of a critical and scarce raw material at competitive economics for the next 20 years. In short, by combining these companies, we'll have a stronger and more competitive chemicals business. This acquisition will be accretive to earnings from day one. We are currently awaiting regulatory approval from the Federal Trade Commission, which we anticipate soon. Mike Smith will have more details later in his presentation on both the timing and the integration plans for Georgia-Pacific. Beyond G-P, we have developed a solid pipeline of M&A opportunities, both core and adjacent to our platform. As an independent company, we have the financial and strategic wherewithal to pursue attractive transactions and we will continue to do so. In his presentation, John Fortson will share more detail on the specific screens and metrics we apply in looking at acquisition opportunities.

Next, we aim to operate our businesses superbly, and always with an eye to continuous improvement. This includes not just driving world class manufacturing efficiency, but also commercial processes like customer service, distribution, accounts receivable, and the like. We must focus our innovation efforts and utilize our financial resources in a disciplined manner. This is operational excellence, it's a ticket to the game, and there's never a point at which you say we're good enough. We're going to continue to always seek ways to enhance efficiency and productivity whether it's through our formal operational excellence process or through our everyday activities. An example. Since the spin, we undertook an extensive cost-reduction effort that put \$30 million back into our run rate, mostly out of Performance Chemicals. We also initiated the impressive turnaround in our Performance Chemicals segment, delivering a 320 basis-point margin improvement in 2017. In Performance Materials, we continue to deliver rapid revenue

growth while maintaining EBITDA margins north of 40%. And lastly, we will maintain a bottom line, returns-oriented financial focus aimed at rewarding shareholders. As a corporation, we've exceeded earnings expectations in every quarter since the spin. Our EBITDA margins have accreted by 500 basis points over that time period to a current level of 25%. And we've generated approximately \$200 million in free cash thus deleveraging the Company's balance sheet to 1.2 times. In addition, in 2017 as noted earlier, we achieved a 23.5% return on invested capital, a key metric for us, which we believe is highly aligned with shareholder interests.

That's our strategy. It's not particularly complex. It's not a departure from what we've been doing, but it's highly focused and we feel highly effective. You'll find these strategic elements woven throughout today's presentations, which Mike, Ed, and John will be presenting next. But before I give up the stage, let me share some high-level targets we believe we can achieve by 2022. If we're true to our vision and execute our strategy well, our goal is for the next four years to build our existing businesses to \$1.5 billion of revenue. This includes the G-P acquisition but is without any other M&A. Further, we expect to be generating annual adjusted EBITDA of approximately \$500 million, which translates to an EBITDA margin of 30% or higher. It's our intent today to provide you with the specifics on how we're going to reach these targets. We'll share the opportunities, we'll share the challenges we see, and we'll share how we expect to overcome them. From my perspective, these goals are compelling yet they're clearly within our reach. From a financial perspective, Ingevity has a strong history of delivering profitable growth and strong margins. We believe, given the attractiveness of our markets, the soundness of our strategy, and with superb execution, that we can achieve these targets and drive Ingevity's strong performance to the next level. I appreciate your attention and I look forward to coming back and joining you at the end.

At this time I would like to introduce Mike Smith, Ingevity's Executive Vice President, and President of Performance Chemicals. Mike?

Mike Smith

Thank you, Michael. So this afternoon, I'd like to walk you through our Performance Chemicals segment, talk a bit about the dynamics of our three business areas and also talk to you about our strategy for accelerating the improved financial performance of Performance Chemicals. The segment is split into three areas. Pavement technologies account for 26% of sales, oilfield technology 13%, and the largest component, industrial specialties, at 61%. We are predominantly a North American-based business with approximately 30% of our sales overseas. All of our manufacturing is in the United States. We have technical centers in Europe, India, China, and also in the United States. Following a two-year decline, the segment delivered strong improvement in our results last year and increased EBITDA margins by over 300 basis points. Our Performance Chemicals segment is a leading refiner of crude tall oil, or CTO, a renewable byproduct of the pulp and paper-making process. We separate the crude tall oil into fractions, namely tall oil fatty acid, distilled tall oil, and tall oil rosin. These basic materials can be sold as is; however, we predominantly prefer to derivatize them into higher-value added products that bring unique performance and functionality characteristics to the applications for our customers. We serve a wide range of applications from asphalt paving to oilfield drilling and production to printing inks, adhesives, lubricants, ag and other specialty niches with industrial specialties.

Each of the segment's three businesses has different characteristics. In pavement technologies, we are the largest provider of additives to asphalt in the paving industry and our growth record has been well in excess of GDP. We are able to obtain premium margin in this business in large part because of the value we bring throughout the roadbuilding chain. We know how to help build roads and our team has deep relationships with our customers to help them use our innovative

technical solutions to meet diverse and challenging paving requirements. In general, this industry consists of numerous small-to-medium size customers. In oilfield, our growth is also above GDP levels. Our customers are largely the global oilfield service companies, yet most of our business is primarily in North America, which would imply that we have significant opportunity to expand our reach globally. Our team is very adept at providing products and technical service, which meet the exacting standards of performance and value for oilfield customers. And our industrial specialties business is a diverse collection of other end-use applications based on pine chemistry. In some of these applications, such as printing inks, we encounter challenging competitive dynamics and limited growth potential. In other high-margin niche applications like agricultural dispersants and lubricants, we are experiencing strong global growth and we support this through deep technical collaboration with our customers.

Our strategy for this segment is to drive growth in our higher margin differentiated products and markets such as pavement and oilfield but also in the previously mentioned niche markets with industrial specialties. With our global resources and capabilities, we believe we have a great opportunity to increase our sales with these applications outside of North America. At the same time, we will focus on improving margins in our rosin-based businesses. We run our refineries based on meeting rosin demand. This in turn determines the availability of tall oil fatty acid, or TOFA. As a result, we tend to divert the TOFA we have to meeting demand in more profitable applications such as oilfield derivatives and pavement while continuing to support our most valuable customers with industrial specialties. As a result, driving lower costs, improving efficiency, and optimizing price and mix are critical. Integrating the G-P Pine Chemical acquisition will be a significant priority for us. We need to make sure that we capture all the synergies by combining these businesses and I'll talk more about this in a minute.

But beyond G-P, we believe there are other inorganic growth opportunities to pursue and we'll continue to evaluate M&A options which we feel are a strong fit for Ingevity. Our goal is to accelerate the improvement in financial performance of the Performance Chemicals segment and deliver EBITDA margins of 20% following the acquisition of G-P. More importantly, we believe that if we continue to deliver strong growth in higher margin businesses, delivering cost improvements and efficiencies, including synergies from G-P integration, we can sustain EBITDA margins in the mid-20% by 2022. Achieving this objective requires us to meet the commitments we articulated when we announced the Georgia-Pacific acquisition last August. We are proceeding through the regulatory review phase, currently anticipating closing by the end of the first quarter. In 2017, this business had sales of approximately \$108 million and adjusted EBITDA of \$31 million or 28.5% of sales. We have identified approximately \$11 million of highly achievable net operational synergies and have a high degree of confidence of our ability to achieve these results. We expect full run rate of these synergies by year three. These net synergies are expected to be the result of lower logistic costs, manufacturing optimization of the three-plant network, as well as leveraging our procurement costs. Again, we are highly confident of our ability to deliver these synergies. They are in the sweet spot of our operational excellence program.

In addition, we are excited about the additional opportunities to leverage our global and technical footprint to increase the sales of some complementary products we acquired from Georgia-Pacific. Separately, Ingevity will enter into a 20-year market-based CTO supply contract with Georgia-Pacific's paper mill operations. This contract will improve the long-term secured supply of this limited, strategic raw material and should reduce the potential volatility in costs and margins going forward. This contract provides for sufficient CTO to operate the Crossett, Arkansas facility at full capacity. The contract pricing is based on market conditions and includes an index adjustment if energy price changes significantly and outside of an agreed cost band. With this supply agreement, we will have 68% of our CTO requirement under long-term contract with

WestRock and Georgia-Pacific.

At this point, I'd like to spend a little more time on each of the three businesses within Performance Chemicals, starting with pavement technologies. Our pavement technology business provides innovative products for both road construction and road preservation. And as you can see, preservation is currently the largest component of this business, and most of the revenue is coming from North America. Our high margin business has seen excellent growth over the years, in large part because of the adoption of our Evotherm warm mix technology. Ingevity is a pioneer in this rapidly expanding segment, which allows paving at cooler temperatures and therefore extends the paving season and lowers energy costs. Now perhaps contrary to popular perception, road building is an exacting science, requiring both advanced civil engineering and chemistry. Our additives, while typically representing only a small amount of total volume, bring a significant amount of impact which enhances the overall performance and durability of the roads. Our people work with the Departments of Transportation, paving contractors, and asphalt suppliers throughout the supply chain. We understand how our chemistry interacts with asphalt and specific rock aggregate compositions, which can often vary widely depending on the geography. Our expertise in innovative chemistry delivers high value to the market through building better, safer roads with improved economics. There are many sections to a road which have unique performance requirements. I hope most of you had the opportunity to look at some of the examples we had on display earlier today and speak with our team about how our broad range of products deliver the functionality to our customers that they require to meet their diverse set of needs. In addition to a deep chemical understanding, our team is comprised of experts in civil engineering and also materials science. Many of them have direct industry experience in the pavement industry. We often custom design solutions for our customers based on their inputs. Our team is then often onsite at the paving site to help ensure that the application is successful. We are continuing to develop and launch innovative technologies with enhanced road performance and reduced overall lifetime cost of the road.

When we think of the value we bring to our customers, a great example is our pavement preservation technology. We're constantly working with Departments of Transportation to demonstrate how properly maintaining a well-built road can be more cost efficient. In this example, properly preserving an asphalt roadway results in significant savings for the DOT as well as avoiding the disruption associated with having to excavate and reconstruct and rebuild a new road. The biggest driver for our pavement growth is our leadership in warm mix asphalt. Again, we're one of the pioneers in this business and there are numerous quantifiable benefits for government customers, paving contracts, and asphalt mixers. The total value delivered from using our Evotherm technology is often twice the cost of our material. In addition to the economic benefits, our technology also reduces emissions and improves safety. While our sales in this application are predominantly in North America, we are very encouraged by the growing opportunities we are experiencing more globally as more countries seek to invest in their infrastructure with a focus on both economics and road performance. This business enables us to participate in some fairly dramatic and high profile projects. One example is the Hong Kong-Zhuhai-Macau Bridge and Tunnel in China. Our customers utilize Evotherm technology to help build the longest bridge-and-tunnel sea crossing in the Pearl River Delta to serve an urban population of over 60 million people. Evotherm provided improved workability and compaction, paving the four-mile-long tunnel 130 feet below sea level, an environment that is hot, humid, and poorly ventilated. By adding our Evotherm additive, VOC emissions were cut by 90% and smoke, odor, and other pollutants were dramatically reduced.

Moving to oilfield technologies. We design chemistry for the oilfield applications in both drilling and production. As the industry goes through significant change, there are enhanced

opportunities to solve problems for our customers with new chemistry. As you can see, we've experienced a sharp rebound in oilfield demand driven primarily by drilling in North America. Our approach more recently given these cycles has been to tailor products to deliver precise performance characteristics at an appropriate price. We call it fit for purpose and its one of the reasons we've been so successful in this area today. With estimated global market size of \$5 billion for specialty chemicals in the sector, we also believe this represents a great opportunity for future growth for Ingevity. And much like in pavement technologies, we participate in a number of different steps in the drilling, production, and downstream elements of the industry. We provide key emulsifiers and corrosion inhibitors in production for oil and gas and lubricants for downstream applications. The biggest component of this business is in drilling, whether for gas or liquids, where our emulsifiers play a critical role in oil-based muds in both onshore and offshore projects. Our products are particularly well suited for drilling, horizontal drilling applications, which represent the majority of the North American market. Looking forward, we know we need to continue to innovate in this space. Our ability to tailor solutions that enable our customers to be more efficient has been a big benefit to us. As we demonstrate our value to customers, we are also gaining more opportunities to partner with them on additional opportunities.

Lastly, as I alluded to, we believe there are great opportunities to grow our global position in this business through an efficient world-wide commercial and technical organization and the strong relationships we have with global supply organizations that are our global customers. A great example of how we're collaborating with customers in the oilfield space is our work with Anchor Drilling Fluids. Ingevity's oilfield team worked onsite at Anchor's lab and on the rigs they serviced to better understand their mud system and determine how they could do more with limited resources. From this partnership, Ingevity adapted our EnvaMul emulsifiers to better inhibit fluid loss and increase drilling and operational efficiency in the field, saving Anchor time and money while growing our sales with them. This type of intimate customer collaboration allows us to gain enhanced insight on how we can focus our innovation towards delivering higher value in this market in the future.

In our industrial specialties business, we provide value-added products to adhesives, lubricants, inks, agriculture, and other specialty applications. Over the past several years, this business has managed through some significant headwinds related to both volume and price. The team has done a terrific job during this period reducing costs and focusing our resources on the highest margin opportunities. Yet, as Michael said during this morning's earning call, in some situations, lower volumes in industrial specialties aren't necessarily bad for the Performance Chemicals segment as a whole. As an example, when we divert TOFA to higher value, higher margin opportunities in either oilfield or pavement, we're robbing Peter to pay Paul, but Paul is a more valuable customer for Ingevity. Approximately half our industrial specialties sales are in rosin derivatives with the other half split between TOFA products, biofractions, and lignin dispersants. As you can see on the bottom right, tall oil rosin represents only 16% of the global rosin market and TOFA is a very small part of the global fatty acid market. As such, we focus our efforts on applications where our CTO-based products offer the most value to our customers compared to the alternatives. Because this business is a diverse collection of applications, we need to implement varying strategies for the end-use applications. Across the board we are focused on cost reduction and manufacturing and supply chain efficiencies. While several of the businesses in this segment are low growth, there are some smaller-margin, high-growth areas we believe we can grow significantly, specifically, agricultural products and lubricants for metalworking fluids. The benefits of our acquisition of G-P Pine Chemical business will be most apparent in the industrial specialties segment. Our focus will also be on how we can globalize the G-P products with our global technical and commercial sales force.

As Michael mentioned, we believe there are other M&A opportunities aligned with our chemical business and we're continuing to assess these options that strengthen our position and deliver profitable growth. An excellent example of one of the growth initiatives in industrial specialties relates to our efforts in metalworking fluids. Recently, we worked with Protomatic to create a more stable metalworking fluid that enables cutting precision in the high heat, high pressure environment of jet and rocket engine manufacturing. By using our Diacid 1550 lubricant, Protomatic was able to create a chemical protective barrier in its metalworking fluids that increased corrosion inhibition and stability at reduced costs. In conclusion, as we look at 2022 we are focused on three objectives. First, we believe that in our higher-margin businesses: Pavement technologies, oilfield derivatives, agricultural chemicals and lubricants, we can achieve growth at 2x GDP. Second, it is our goal to sustainably operate the Performance Chemicals segment in mid-20% EBITDA margins. In order to do this, we'll need to fully integrate the G-P acquisitions and capture the synergies that we've committed to. Overall, we feel we can develop the segment into a leading specialty chemical franchise in its own right, and again, we have every expectation that we can achieve these objectives.

So at this point, I'd like to turn the presentation over to Ed Woodcock to talk about our Performance Materials segment.

Ed Woodcock

Thanks Mike and good afternoon everyone. For those of you who have been following Ingevity since our spin in May of 2016, you may recall that from the very beginning we've said that we believe we can double our Performance Materials revenue over the next five-to-seven years. We are on track to do just that. Today I'd like to share with you how we're going to accomplish this goal and how we're going to continue to grow after that. Our strategy for this business is fairly straightforward. We want to capitalize on our strengths. We are the global experts and technology leaders in evaporative gasoline emissions control. We are a valued resource for our customers and their customers and an integral part in the process of designing compliant systems for current and future vehicles. Our applications expertise provides us the credibility to engage with regulators around the world as they seek to modernize their emissions standards. Our proven technology gives these regulators the highly effective means by which to reach their emissions control objectives. What's more, advanced emissions technology is readily adaptable to each country's vehicles, since most global OEMs already manufacture and using technology available in the U.S. and Canada. The second element of our strategy is to continue to invest in production and technical capabilities to meet the growing demand of our products that we helped to create. Third, we will actively develop new patents and products today for the technologies of tomorrow. I'll talk a little bit more about this later.

Lastly, we will continue to refine our manufacturing excellence to ensure our leadership in product quality and consistency. The Performance Materials segment is principally an automotive business. We have, over the course of our history in this field, developed a range of products that addressed the multiple sources of evaporative gasoline emissions on vehicles, including canisters, near-zero solutions, and air intake systems. We also participate in process purification applications. However, as global demand for automotive products grows, we divert our volumes to these higher-value automotive applications. Approximately 40% of our sales are outside of the U.S.; however, some of that product revenue is for products that are on vehicles that are exported back to the U.S. Roughly 75% to 80% of our automotive revenue is generated by regulatory packages on U.S. and Canadian vehicles. In the future, with increasing regulations in China and Europe, this percentage will decrease. It's worth noting that the U.S. and China account for about half of the vehicle sales in the world. For this reason, we have focused our manufacturing footprint in these locations.

There are two sources of emissions on a vehicle. Tailpipe emissions are very visible, well-regulated around the world. The other source is evaporative emissions, which are not visible, universally not well understood, and under-regulated and are estimated to now be the largest source of vehicle emissions globally. The U.S. began regulating these emissions in the early 70s and the technology that was employed at that time was this canister in the upper right corner. This same 1970s technology that captures one day of parking emissions is currently employed in every country around the world except for the U.S. and Canada. As regulations have become more stringent, the size of the canister has increased and the type of technology has advanced. The current state-of-the-art solution is a Near Zero system, which has been designed to meet U.S. and Canadian standards that are being implemented between 2017 and 2022. Our opportunity through our advocacy efforts is to help other countries and regions understand the ease which they can reduce emissions given the existence of proven technology in use by all the global OEMs.

At Ingevity, we hold what's called a bleed emissions patent. This is a canister system patent which enables the canister to achieve near zero emission levels by significantly reducing diffusion emissions from the canister after it has been purged with fresh air. The typical use of this patent includes our highly engineered pelleted activated carbons in the primary part of the canister and one or two of our ceramic activated carbon honeycombs on the outlet portion of the canister. This patent specifically applies to the U.S. and Canadian near zero regulations. It does not apply in other regions of the world that are using older, lower performing emissions standards. In the regions where the patent does not apply, we continue to be the preferred provider of granular and pelleted activated carbons based on the quality and efficacy of our products, our life-of-vehicle performance, and our experience of over 40 years in the application. We are perceived as the safe, low-risk choice. That said, our bleed emission patent is set to expire in April of 2022. When it does, we do expect to see increased competition for near zero solutions in the form of different types of content on the canister. While increased competition for this pelleted carbon is possible in the future, the patent expiry is not expected to have a direct impact on competition for the canister's pelleted carbon, which fills the larger primary portion of the system. We feel that for the same reasons that we are the preferred supplier today for pellets in the canister, we will be the preferred supplier in the future.

While this one patent is expiring, we do have new patents issued and patents pending that we feel are aligned with future near zero engine technology challenges. Activated carbon solutions are the most cost-effective method to achieve near zero emissions control. However, alternative technologies such as sealed tanks exist and are currently in use in some cases. As an example, Toyota uses sealed tanks today. There are tradeoffs, however, between the options that OEMs take into consideration. Because a sealed tank is essentially a pressurized gas tank, it adds weight, cost, and mechanical complexity. Further, they only prevent parking emissions, so the system still requires a canister for refueling emissions control. As engines become more efficient, the time and level of airflow available to purge hydrocarbons from the canister decreases. This makes achieving near zero performance more difficult and expensive. Our engagement with our customers and their customers, the OEMs, provides us insight into these trends and their engineering challenges. We have both existing and new products that address the requirements of future low-purge engines, and in fact, that's the focus of our ongoing intellectual property strategy. Our bleed emissions patent is not the sum total of our competitive advantage related to technology and intellectual property. We have focused our product development and patent strategy on the lower purge direction of engine technology. For example, we were issued a new patent in August of 2017. As noted on the slide, the new patent, as with our current bleed

emissions patent, is not a composition of matter patent, but rather a system-based patent with performance windows. The performance window addresses canister diffusion emissions for low-purge fuel systems that passed the near zero emissions test. Reiterating what I said earlier, low-purge fuel systems are the future direction of internal combustion engines. We've heard from some customers that they consider our new patent to be broad reaching. Our estimates are that the patent could apply to anywhere from 30% to 70% of future near zero fuel system designs. As these engine designs become mainstream, we will be able to better understand the full impact on our business.

As world leaders end this technology, we will continue to innovate and develop new products that help solve our customer's challenges just as we have successfully done for the past 40 years. As you may know, the U.S. is on a path to fully adopt near zero standards by model year 2022. The increase to 60% compliance for 2018 model-year vehicles helped to drive Ingevity's positive second-half results in 2017. 2019 model year has the same compliance requirement as 2018 model year, so while we expect modest incremental adoption in the back-half of 2018, it won't be of the same magnitude that we've seen for the last two years. China, the largest vehicle market in the world, with more than 25 million vehicles sold annually, is ramping up to implement U.S.-style Tier 2 emissions. As we've discussed before, this will drive two to three times increase in the volume of the canister and a technology shift from granular carbon to higher value and technology pelleted carbons. While most engine and canister designs are finalized for the European standard, called Euro 6C, we do not expect to see an impact on our results until 2019. South Korea has been positively contributing to our results with their new regulations; however, the magnitude has been smaller given the 30% adoption rate and the small size of their vehicle fleet. Lastly, we continue to believe that there is potential for new regulations to be promulgated in Brazil and Japan.

Turning specifically to an update on China. As we've said previously, the Hebei province announced early implementation of the national China 6 standard effective January 1, 2019. While we are not aware of any other declared early adopters, the possibility and interest still exists by other major provinces. We believe China is serious about pollution control for the following reasons. In developing the regulatory standards, China has focused on adopting a proven technology that is highly effective and readily adaptable to their vehicles since most global OEMs are already using the technology in the U.S. and Canada. Second, President Xi has moved away from his predecessors' growth-at-any-price policies and has implemented pollution reduction objectives and corresponding consequences to an individual mayoral responsibility. And third, as we've engaged with our customers and OEMs preparing for the China 6 implementation, we estimate that more than 50% of the fuel system designs are completed and the carbon choice has been determined. Based on commercial activity, we are winning more share than originally anticipated. Based on the global regulatory changes in the U.S., Canada, China, Europe, and South Korea, we are continuing to invest to support this growth. Since China is the largest manufacturer and consumer of vehicles globally and given their shift to modern regulations, we have long recognized the need to manufacture in China for China. We will still need to export product to China from the U.S., but the majority of the demand will be met with in-country production. To meet the expected global demand, we anticipate making additional investments in the neighborhood of \$70 million to \$100 million, including a brownfield expansion in Covington, Virginia and investment in building and expanding Changshu and continued expansion of our honeycomb facility in Waynesboro, Georgia. Capacity expansion for this segment is our highest capital allocation priority.

Once the U.S. and China complete their implementations, it will leave roughly half of the world's vehicles still relying on relatively weak evaporative emissions standards. On this chart, the X-axis

is a proxy for ambient temperature. The Y-axis is annual emissions per vehicle. On the far right is the regulation package deployed to control those emissions. As you can see at the bottom of the graph, in the U.S., the technology is delivering near zero emissions. In purple, the regulations that China is implementing will result in a significant decrease in evaporative emissions. While Europe, in dark gray, is moving in the right direction, there is still opportunity for significant evaporative emissions reduction. That leaves a lot of global runway for additional regulatory changes that could present a significant opportunity for additional growth. Where the regulatory standards are the weakest, represented on this chart by the top portion of the bars, is where the vehicle growth is projected to be greatest with an annual vehicle increase of 60% by 2030. This increases the importance of the regulatory opportunity for us, and we are actively engaged promoting the use of existing cost-effective technology to help solve these pollution problems.

An area that has received a lot of media attention as of late relates to new and up and coming powertrain technologies. Unfortunately, there is a lot of confusion in the marketplace and press around electric and electrified vehicles and the difference between them. Obviously, standard internal combustion engines predominantly use activated carbons. However, this is also the case with hybrid electric vehicles as each of them uses, to varying degrees, an internal combustion engine powered with gasoline. On this chart in blue you can see the share percent of standard internal combustion engines and hybrids. Generally, hybrids are more energy efficient and have smaller fuel tanks. However, they present greater challenges to purge the gasoline from the canister, which in our experience has led to greater content per canister. Over the next 30 years, these gasoline-using vehicles that use canisters account for approximately 80% of the vehicles sold or an estimated 2.3 billion vehicles. The two major types of vehicles that don't have evaporative emissions are battery electric vehicles and diesel vehicles. Projected out to 2040, these powertrains are anticipated to still represent a significant minority of global vehicles. Yes, electric vehicles are part of the mix and will continue to grow; however, they will do so from a very small base. And as you can see, gasoline vehicles are projected to account for the vast majority well out beyond 2040. Put simply, gasoline vehicles and gasoline hybrids have a long life ahead of them.

Now just because we have lots of runway in our current businesses, it doesn't mean we're standing still. We are continually working on other potential growth avenues where our core product technology enables new technology to work. An exciting example relates to new technology known as absorbed natural gas that we feel has the potential for significant future growth. For the same reasons that our carbons win in the evaporative emissions application, it wins in this absorbed natural gas application due to our superior ability to both capture and release hydrocarbon vapors. The application is a gasoline bi-fuel vehicle. Similar to compressed natural gas or CNG vehicles, it utilizes natural gas. However, in this application, the pressures are significantly lower with no loss of volume of fuel storage. In fact, the volume of natural gas is actually double the volume that CNG could deliver at that same pressure. Combined with the smaller gasoline tank, it retains the driving range of a light-duty vehicle and is a viable form of a hybrid. There are only two fuels in the U.S. that are practical for home and private refueling: Electricity and natural gas. This low-pressure fuel storage option enables refueling similar to what you see with battery electric vehicles as opposed to public CNG refueling, which is a million-dollar plus capital investment with few, very centralized refueling stations.

Electrifying small cars, small-to-medium cars, is vastly different than electrifying larger vehicles like trucks, SUVs, and vans. The battery cost and weight is substantial and the additional electric powertrain adds more of the same and greatly impacts the OEMs return on the vehicle segment that generates most of their earnings. Unlike a full electric hybrid, an ANG bi-fuel vehicle can seamlessly operate with natural gas and gasoline on a single internal combustion engine and

drivetrain. The natural gas refueling infrastructure is largely already in place. Over 60 million U.S. homes and 5 million U.S. businesses have natural gas service today. Our high-capacity products are ideally suited to enable this application and the content per vehicle is significantly greater. In fact, the activated carbon content on an ANG bi-fuel vehicle is 100 times that of a standard internal combustion vehicle. If there were 50,000 ANG gasoline bi-fuel hybrids, 0.3% of the U.S. vehicles sold in 2017, we would have to build another activated carbon facility on the scale of our Zhuhai facility to meet the demand. A natural gas bi-fuel vehicle is not new technology. The absorbed natural gas technology significantly improves and greatly expands the opportunity for greater use of natural gas vehicles. It delivers greater fuel and total cost savings to the vehicle and fleet owner by avoiding the significant costs of compression of CNG. It provides convenience of at-home, at-business refueling. It uses an existing largely in-place natural gas infrastructure to avoid the significant investment of centralized CNG refueling. It provides an economical bi-fuel option on a class of vehicles that does not exist today. We are excited about this developing technology and are actively working to educate key influencers in the automotive industry about the advantages of this new technology. While early in development, we believe that ANG bi-fuel vehicles have the potential to be the next wave of the future when it comes to reliable, sustainable automotive transportation and are making investments to explore and promote its adoption and use.

In conclusion, we feel strongly in our ability to meet these three objectives for the Performance Materials business. As I said at the beginning, we're on track to double our revenues from our 2015 base. So far, we've consistently delivered segment EBITDA margins of approximately 40%, and we're dedicated to exceeding this going forward. And lastly, we have a strong pathway to growth. We've been in this application for 40 years, and we are the global leader in evaporative gasoline emission control technology. Our bleed emissions patent has served us well but really only covers a portion of our business. We've been succeeding in this application not because of legal protection but because of the strength of our technical expertise, which we are continuing to develop. We have several patents filed and more pending. The China implementation is progressing if not ahead of schedule, and beyond China there is plenty of global runway for increased regulations and vehicle sales growth in other regions of the world. Vehicle trends do not show a significant move away from powertrains that would be unfavorable to us in the near future, and we are continuing to develop innovative products that would be favorable to our technologies. All in all, we are confident in our ability to continue to deliver global growth and innovation in automotive carbon applications well into the future to the benefit of our customers and shareholders.

At this point, I'd like to turn the presentation over to our CFO, John Fortson. Thank you.

John Fortson

Thank you, Ed. I will spend the next few minutes describing our capital allocation priorities and process, bridging our current financial performance to our 2022 targets, and highlighting the opportunity our projected free cash flow creates in conjunction with our strong balance sheet for further capital deployment and growth. I will also describe more fully our approach to M&A in the screens we use to apply to our targets both strategically and financially.

Let's start with our capital allocation priorities. We allocate capital to support Ingevity's strategy and consistent with our vision to be a leader in our markets. In order to maintain our position as a leading specialty chemicals and materials company, we are committed to disciplined execution and maximizing value for our shareholders. Our first priority is to invest in our existing businesses. We are fortunate that in both segments we expect to deliver strong returns as measured by multiple metrics: Revenue and EBITDA growth, margin expansion, and return on capital. It's

difficult to find better opportunities for investment than in our existing businesses, especially on a risk adjusted basis. However, as you will see in a moment, the free cash flow generation that we expect to deliver overwhelms our reinvestment needs. Our second priority is to pursue value-creating acquisitions across our portfolio where we believe there is a strong strategic fit and the opportunity for strong value creation exists. We do believe there are opportunities in both these segments, Chemicals and Materials, that are attractive. Over the course of 2017, we seriously evaluated a handful of such opportunities in addition to the G-P Pine Chemicals business, but ultimately we backed away, either due to valuation or fit criteria. And finally, we will return excess capital to shareholders. We are always reviewing the use of our cash relative to investment opportunities or returning it to shareholders. If we are unable to acquire companies or invest at what we feel are attractive returns, we will return the capital to shareholders in what we believe to be the most tax-efficient manner for the shareholder. We know from our discussion with you that there are differing views on what vehicle is the most efficient for returning this capital.

Our balance sheet provides us with the flexibility to fully pursue our strategy. We finished 2017 with net debt to adjusted EBITDA of 1.2 times and total debt to adjusted EBITDA of 1.9 times. We had \$88 million of cash and \$375 million of debt in the form of a term loan. Our \$550 million revolver is fully available for our use. Adjusted for the completion of our high-yield bond, our net leverage level remains at 1.2 times and total debt is 3.1 times. We are very pleased with the attractive financing and price on this eight-year note with a coupon of 4.5%. According to BAML, it was the tightest spread for a double-B new issuer ever. We consider it a testament to the creditworthiness of Ingevity that fixed-income investors priced this deal at such attractive rates. Adjusted for both the high-yield bond and the completion of the Georgia-Pacific Pine Chemicals acquisition, we will have total debt of 2.7 times and net debt of 2.2 times. As we have said in the past, our leverage target desired over the long term is net debt to EBITDA of 2 to 2.5 times and we continue to operate within those parameters. Absent new significant capital deployment, given the strength of our operating cash flow, we would again expect to de-lever very quickly.

We have a tremendous opportunity to maximize the profitability in each of our segments. As we have discussed today, we have built a business plan that we believe can generate 30% plus margins at the corporate level, an impressive 800 basis-point improvement from 2016 when we were spun off. In the Performance Chemicals segment, we are focused on driving mix to higher value-added products where we maintain pricing advantage. We have proactively built a business plan assuming \$45.00 to \$55.00 oil and also assuming inflation and some costs, including freight and logistics costs in both our segments. We have secured our critical raw material CTO at prices where we believe we can produce attractive margins and reduce the volatility of our cost structure. With the G-P acquisition, we have a great opportunity to reexamine our logistics and supply chain operations to ensure we capture synergies but also to ensure we manage the cost structure associated with our lower margin products. We have recently completed an internal exercise looking at this optimization. In the Performance Materials segment, we have the opportunity to drive best in class margins if we execute to the opportunity we have in front of us. As the manufacturing capacity we've invested in comes online, we will benefit from the absorption associated with higher utilization. And we have a balance sheet that allows us the flexibility to invest in growth of both of these businesses.

Finally, it is incumbent on us to continually review our corporate overhead and cost structure. As a newly public company, we have been careful not to overspend, recognizing the relatively small size of our company. But as we growth both organically and through acquisitions, we will be very careful with any additional spending to leverage our current resources. We feel confident that the goals we have set for the Company are with solid execution very achievable. The Performance Materials segment is expected to grow revenues in the mid-teens on a percentage basis over the

period and Performance Chemicals should grow at 2-3 times GDP rates. In both cases, volumes are the primary driver of sales growth. From a profitability perspective, EBITDA will benefit from volume, price, and mix across both segments. Note that we have built in some inflationary pressure over this period. As I said earlier, we should generate over \$1 billion of cumulative free cash flow during this period, while our operating cash flow should approach \$1.5 billion. Our current plan has us spending between \$400 million and \$450 million of capital expenditures, investments to support both the growth through 2022 but also for the growth that we need in the years beyond the target period. Those investments above maintenance, D&A are for growth and while they are mostly centered on the Performance Materials segment, we are anticipating spending some growth capital on the Performance Chemicals segment as additional products and derivatives become available. Nevertheless, our returns on capital excluding the impacts of goodwill from acquisitions will move to and remain in the mid-20s.

We get asked frequently about our acquisition criteria, and here we lay out the strategic and financial criteria we use to evaluate targets. As we've described, both our segments operate a close-to-the customer business model and that is where we feel we can best add value. By listening to our customers, understanding their needs, and solving for this by providing chemistry and value-added products that meet their needs is where we believe customers are less price-sensitive and will pay for value. This leads to attractive growth opportunities and higher margins through an economic cycle. We also need to feel that targets should benefit from our expertise and we should benefit from their expertise. This may be through end-use overlap, chemistry, or utilization of physical assets. We do hold ourselves to fairly high standards from a financial metric perspective. We target acquisitions that will return an IRR greater than 10%. This target is over 200 basis points above what we feel is our current cost to capital. We expect EBITDA growth and margins which are accretive to our Performance Chemicals or Performance Materials segment profiles. For Performance Chemicals, this translates into 2 times GDP EBITDA growth with margins that show a clear path to approaching above 20%. We believe there are attractive opportunities for value-creating M&A, and we will continue to be disciplined in our execution. We are not interested in growing just to be larger. We aspire to maintain our premium valuation and leading performance. As I mentioned, we expect to have \$1.5 billion of cash available to invest or return to shareholders between now and 2022 and still maintain our target leverage of 2.5 times. We are fortunate that our businesses generate this much cash, and we are committed to being good stewards of this capital. By today's math, we are not capital constrained when looking at acquisitions. Looked at another way, the expected \$1.5 billion in cash availability is roughly half of our market cap today.

This morning, we gave guidance for 2018. It's going to be another strong year. We are forecasting revenue and adjusted EBITDA growth at their midpoints to be between 13% and 21%. These numbers assume a first quarter close of the G-P Pine Chemicals acquisition. The core Performance Chemicals business should see EBITDA growth in the low double-digit range before the effects of the G-P transaction. Our corporate tax rate should fall to between 22% and 24%. Our capital expenditures will rise as we expect to continue to expand in China and Waynesboro as well as conduct some kiln replacement work in Covington; however, we should generate cash of over \$90 million. We see our net debt returning to close to 2 times EBITDA by the end of the year. Finally I would note just quickly, there's an error in the footnote at the bottom of this page regarding the timing of the G-P transaction. While this says it assumes a March 1 close, these ranges that we're presenting now and we presented this morning assume a close by the 1st of April, consistent with what we've been saying, so clear that.

One of the principal reasons we decided to hold this investor session today was to better inform you guys about what we feel are the longer term opportunities for Ingevity beyond 2018. We have

strong visibility of robust revenue and adjusted EBITDA growth through 2022 in organic businesses. Additionally, we will generate significant cash over the period to deploy in either M&A or capital return. One thing we wanted to address head-on are concerns about the growth in margin profile of the Performance Materials business after the current honeycomb system patent expires. We see growth across both segments as a counter and diversification from the profitability currently associated with this honeycomb joint venture. The Performance Chemicals segment, which we believe will be a best-in-class chemical business in its own right, will become a larger piece of the consolidated financials. By the time of the patent expiration, the Chinese market will have fully adopted Tier 2 and its higher value carbon content will be a larger part of the Performance Materials segments performance contribution. We are working now to ensure we maintain technical leadership across all variants of vehicles where emissions canisters are required. We are protecting our IP in advance of where we think engine technology is going. Our long-term relationships, innovation, and quality all drive the value decision made by our customers, and we believe we will continue to be the industry's preferred solution. We continue to advocate and work with governments around the world to consider advanced regulation adoption in other countries. And finally, we are working on alternate technologies like ANG, which you learned about today, that we're excited about, and they don't require significant market penetration or share to be very meaningful to Ingevity.

Thanks for your time today, and I will now turn the presentation to Michael for some closing remarks.

Michael Wilson

Thank you, John. So listen, I'm honored, humbled really, quite frankly to have the opportunity to lead this remarkable Company. As you know, spin outs don't always go well. We were fortunate from the start to inherit a really good business, one with minimal debt, one with minimal liabilities. Yet I hope you'll agree we've not rested on that good fortune. Our focus has always been and is always going to be on how do we get to the next level? How do we take what we have and build it into something better, make it something bigger? We ask ourselves that every day. That, along with our core purpose to purify, protect, and enhance. That's what gets us up every morning and makes us work harder every day. I think you can see we've been busy. We've been busy building credibility, busy improving financial performance, busy ensuring growth both for today, for tomorrow, to 2022, and to beyond 2022. Throughout the last hour-and-a-half, we've shared with you a lot of information, including for the first time a few of our longer term goals for the business, and they're all summarized here on this slide. We believe they're compelling, but we also believe they're deliverable. We've accomplished a lot in our almost two years as a public company. If you take nothing else away from today, know this. We aspire to a lot more than we've already delivered.

So before we go to Q&A, I'd like to take an opportunity to reinforce one point from earlier in my presentation. Of all of our strengths as a company, our most significant source of competitive advantage is rooted in two things. One is a very unique culture which we refer to as the Ingeviway, and a great group of very talented people. This is perhaps most evident in our name. Ingevity is a name that was inspired by the traits that define our business that we believe differentiate us. While Ingevity is a made-up word, it's come to symbolize so much more for our businesses and for our people. We're a business with a highly talented, collaborative, committed, and creative team that's driven to win, and we're just getting started. Again, I want to thank you for your time and attention today and for your continued interest in Ingevity.

Now, before we move to Q&A, for those of you in the room and those of you on the webcast, we're going to take a short, five-minute break. Out of respect for your time, we're going to keep

it quick so don't wander off too far. But were going to give you five minutes to stretch and we'll come back and be happy to answer your questions. Thank you very much.

Michael Wilson

Okay, I think we're ready to get started back. Before we start taking your questions, just a couple notes. We are doing a live webcast of today's Investor Day. And we will also be taking questions from those people who may be online, so if you happen to be listening to me and you're online, I think you pose those questions via the Chat feature that's available through the webcast. The second thing is if you're in the room and you have a question, if you could please raise your hand, we'd like to bring a mic to you to ask the question, because otherwise those on the webcast will not be able to hear the question, so I think we have a couple people with microphones I see. Susan's there.

One other point of intro before I get to the first questions, and we'll start with Jim over here. One of the questions we get a lot of the time, all the time when we're talking with investors is, they understand our story well, they understand our Performance Materials business, the auto carbon mandate, and the more stringent regulations. They think they understand the patent, and they always say, well, what happens after 2022? I always think that's kind of an unfair question because a lot of people don't get asked about what's going to happen five years from now, right? But what we tried to explain today is what that patent covers and what it doesn't cover. It's only significant to the U.S. and Canada in terms of our Performance Materials business. It's not significant to any of the future regulations we see in other countries or other regions, first of all. But the second thing we tried to explain today was that we're also developing new intellectual property every day and where that intellectual property is patentable, we're seeking to patent it. And I know these patents are very complex. It's not as simple as composition matter, but oftentimes it's a system patent on evaporative emissions that applies over a certain operating range of air intake and purge from the canister, and a lot of other things, so whether we can explain that today in a level of enough technical detail to make it simple, I'm not sure, but what we're trying to convey to you is that we have new IP, we have new patents, we think they're applicable to where we believe the internal combustion engine technology of the future is going.

The other thing that we did today that we really haven't talked a lot in the past about, but it has been on our website is absorbed natural gas and the bi-fuel vehicle. I guarantee you somebody's first question is, well how much of those bi-fuel vehicles is embedded in your 2022 guidance. The answer is little to none, right? We're telling you about that so you know about a future opportunity that's early phase, early in development, that we believe has a lot of potential but for that to come to fruition is probably near the end of the planning horizon that we're talking about today. It's an upside to our business. Make no mistake, we're excited about it, but that's not embedded in our guidance. I just wanted to clear that up before we start.

Jim, first question.

Jim Sheehan

Jim Sheehan from SunTrust. A question on the Performance Chemicals segment, just focusing on the legacy portion. Can you characterize what you consider to be peak margins in that business historically? And also, or related to that, could you also break out on the bridge to achieving the greater than 20% margin, EBITDA margin in that business, how much of that would come from CTO contract recess versus market recovery versus prior cost savings?

Michael Wilson

Yeah, so for the first part of your question if we look at the business historically, we always talked

about being able to deliver 18% to 20% EBITDA margins, and I don't know that that's exactly the very peak. I think it probably delivered something in excess of 20% at some point in time, but the issue is going forward, we're not predicting a peak margin. We're telling you that we finished 2017 at 16.2%. As we go forward, as we complete the integration of G-P, it's easily going to move up into the north of 20% post synergies, and then we believe from there we can continue to accrete margins into the mid-20s. I would say post what we see and have given in our guidance for 2018, almost none of that has to do with continued falling of CTO prices helping margins. They're going to reach a plateau, they're going to move with our, our pricing is going to move with margins and etcetera, so we do see CTO as a tailwind for 2018, but beyond that, it's not a major, major driver of what's going to get us from where we end 2017 to where we believe we can drive this business by 2022.

Steven Wilson, Lapidus Asset Management

Two questions. One, I'm just curious, when you look at the Chemicals business, two of your businesses are down meaningfully from 2014 levels and the pavement business is up materially. What's been the pattern or what was the history on the G-P business? Were they on the, exposed on the side that actually had a big downturn or has their business grown and how does that business, when combined with yours, change sort of that rebound potential with so much of your revenues obviously in recovery mode? And then just a second question just on the materials side - are you doing anything on the diesel engine side? When I think about all the issues with dirty diesel and the ability of, you know, carbon to work with particulate, is that an area you're spending any time on or is that sort of outside your realm?

Michael Wilson

Yeah, the second question is easiest to answer. We don't have any technology for diesel vehicles. Diesel is a heavier fuel and therefore it doesn't have the same evaporative characteristics as gasoline. Really the only way diesel plays into our business is the fact that because of the problems you allude to, we expect going forward diesel shares of light passenger vehicle market to decline over time. We believe gasoline will be a beneficiary of that, but probably also other technologies like electric vehicles. In terms of the Georgia-Pacific question, I'm going to ask Mike to provide some additional color. I would say, and again, we don't have complete insight. We'll obviously know more as we own the business and we're fully underneath the tent. But I believe that margins, the historical margins based on the business and the followup we saw was reflective of the same thing that we saw in the marketplace. When Mike indicated that their business probably is more typical of our industrial specialty business in terms of the end-market applications they've been participating in rather than say pavement or oilfield. They clearly don't have the pavement franchise, the asphalt technology franchise that we have had. However, I think going forward the benefits to us are going to be both in the supply agreement, which is going to give us not only security of supply but we think less volatile cost of raw materials going forward and just the scale of the business - having a three-plant operation as opposed to two gives us more flexibility both in times of robust growth in terms of optimizing production, optimizing freight and logistics, and other issues. I think overall the answer to your question is adding the G-P business to us should smooth some of the cyclicalities that you've seen in the business that might happen with oil prices. Mike, is that?

Mike Smith

Yeah, I think that covers most of it and as Michael indicated the similarity between G-P's business and our industrial specialties business is the best connection. We have a larger percentage of our business that is in the oilfield technologies. We had a more severe impact on the overall Performance Chemicals business through that combination where as they weren't quite as exposed to oilfield, but I think the important thing going forward, as Michael mentioned, we have

many more opportunities as a combined business through logistical savings, a three-plant network to ensure we get the right product to the right customers to keep things more stable, less volatile, with better margins going forward as a combined company. Fair answer?

Steven Wilson

Industrial specialties business for you fell about 30% in three years. The oil business, which obviously had a very clear connection to the price of oil, fell about 40%, so you're buying a business that's doing a 31% EBITDA margin or a 28% EBITDA margin after it's already suffered a similar 30% decline, is that the way to think of this?

Michael Wilson

Well, no. We said from the beginning that when you look at G-P, right, we're talking about 30% margins assuming on a pro forma basis that the business that supplied the CTO at the prices at which we've contracted from G-P, right? So that's a big difference. So the biggest difference between their 30% margins and where we've been has been the pricing of CTO, and I would say they've run a business with very little SG&A because of the markets that they're selling into, they're not in derivative and downstream things that require more of that. Those are probably the two biggest gaps historically.

Mike Smith

Yeah, if I could add to that. In addition to them having an overall efficient system with low SG&A, when we pro forma'd that EBITDA, we are using and doing that calculation based on, we've got the corporate costs in place continued to take on that G-P business with a very modest level of incremental SG&A. That is another important driver to, and differentiator to the EBITDA margin difference.

John Fortson

I would challenge you with the question, with exactly what Mike...you've got to be very careful comparing our legacy business, what its peak could be versus what we bought with G-P because when you combine these two businesses, we're so fundamentally resetting the cost structure associated with them that you can't, you might as well just forget their historical past because it goes back to the three-plant network and what we're going to be able to do to optimize both the logistics but also how we run the kettles for the products, and, it's going to be a completely different business in that regard.

Steven Wilson

Okay.

Mike Smith

You're turn, Michael, oh sorry.

Daniel Rizzo, Jefferies

Ah, hi. Dan Rizzo from Jefferies. With all that in mind, if oil prices or oilfield activity falls to what it was in 2015, 2014, can you still get to mid-20s EBITDA margin within that segment? I mean, if things were to fall back to where they were before?

Michael Wilson

Yeah, and I think we said this in terms of our assumptions. We've kind of built our plan and assumptions around a \$45.00 to \$55.00 barrel of oil environment, If oil for some reason, like it did by the beginning of 2016, fell below \$40.00 for a sustained period of time, I think then it's going to have an impact on oilfield activity in North America, and that would have an impact on our

business, but I think as long as its above that we're comfortable with the outlook that we've provided.

Jonathon Luft, Eagle Capital

Thank you. And thank you for the great investor day. I have two questions. The first is I was hoping you could walk through the patents again. Just to help us understand that a little bit clearer. And the second question I had was on this slide 56, you talk about how over 50% of China's platforms have designed and the carbon decisions have been made. Maybe if you could give us insight into why you believe you've achieved greater share than you originally had anticipated. That might be a typo though, because it is a level 2.

Michael Wilson

Okay. And I'm going to let you have both of those.

Jonathon Luft

At least keep the answer to the second question simple.

Ed Woodcock

Yeah, for China. As we've talked about, well over 50% of the vehicle platforms have been designed and we are obviously stated that we're gaining more share than we originally anticipated and it just goes back to the fundamentals of the products that we have.

Michael Wilson

But how do you know that? How do you know? That's the question. How do you know?

Ed Woodcock

How do we know? Well, we are in communication with our customers and their customers. You think of the Geely, FAW, SAIC, all of the major automobile manufacturers in China, we are engaged with them and with their suppliers in addition to the multinationals that are in China as well. As they have worked through their designs, we've actually helped them work through their designs. We've helped them test their canisters for efficacy, helping them to ensure that they're going to have a system that meets these new regulations as they come in in China. We've been an integral part of this and being an integral part of it allows us to understand what our market share is going to be but also the types of products and mix that's going to be used within China and that has correspondingly allowed us to make sure that were putting the right capacity of the right products in place.

Michael Wilson

Okay. The first question on the patent.

Ed Woodcock

I was hoping to avoid that one.

Ed Woodcock

The current patent today is a rather broad coverage patent. It is basically a system patent that defines what the capacity of the primary canister is and what the capacity of that secondary part is. Obviously, that ends and we can't patent anything within that space where that is, but we have patented a smaller section of that broad coverage that we feel has performance characteristics that allow the customers to meet the near zero emission requirements and pass the near zero test, which is called, and he's going to hate me for this one, bleed emissions test protocol, and it's an EPA/CARB test. But the system with the products that we have in it and the characteristics

of the products and the volume of purge that is purging that canister will allow that canister to pass that BETP certification test. We feel that purge level that is defined within the patent is the purge level that is the direction that engine technology is heading towards.

Michael Wilson

I think that's one of the important things is that what people don't realize, a lot of people are really excited about electric vehicles, and I get all that, but if you look at what automakers are doing with internal combustion engines, over the next five-to-seven years, they're looking to improve the efficiency of those engines, both from a consumption standpoint and emission standpoint, by 25% to 30%. One of the things they're looking to accomplish in doing that and getting engine performance is pulling less air into the engine. Now you have less airflow, which is less purge, in his vernacular. That creates challenges for these evaporative emission systems, not in the capture of the evaporative emissions, but getting them back out of the carbon when the engine is running. What we're trying to do, understanding where engine technology is going to go to find that space of performance that's requiring the emission canister and build IP around that.

Ed Woodcock

Right. Those challenges that our customers and the OEMs have, that's our opportunity, right? Our being able to engage with OEMs today helps us understand that future engine technology which then allows us to develop technology that solves that for them.

Michael Wilson

Come back after you've read the patent.

Chris Kapsch, Loop Capital

Yeah, Chris Kapsch from Loop Capital Markets. I just had a followup on sort of this general topic about the margin trajectory of the PC segment and really thinking about it more beyond the structural cost reset, John, that you referred to, once you're actually able to integrate Georgia-Pacific, but so one of the nifty things about the rebound in oil prices has been the bolster in demand for the TOFA derivative, which has effectively diminished the availability of the more commoditized TOFA supply. When you're talking about opportunities for expanding your global reach for more of the derivatives, including oilfield technology and including the Evotherm, and I assume maybe there's opportunities for TOR-based derivatives, can you just talk about, that to me longer term in terms of margin potential for this business is pretty important, right? Can you just talk about what the real opportunities are globally for these product lines, these derivatives, how you go about approaching that so you have the right sort of commercial infrastructure globally or do you need to piggyback onto some commercial relationships? Because I just want to understand, if there's, if we can be thinking about those sort of drivers of derivative demand as a margin enhancement, what's the revenues for the overall PC segment?

Michael Wilson

Okay. Broad question, but Mike will try to summarize it.

Mike Smith

Well, let's use Evotherm as an example. The pavement technology business, high margin, high growth. We've got infrastructure in place, we have labs that are specific, pavements technology labs in Lille, in India, and in Shanghai, China. And teams on the ground there that as infrastructure grows, as the demand for improved roads and better economics grows, which we see happening around the world. We see pretty significant opportunity in our pavement technology business and Evotherm's a great example. We're very pleased with new growth in Brazil, we've seen new growth in China, and we already have teams in place both commercial and technical that we can

further leverage in order to get pretty good growth on a business that currently is 85% or so in North America. You mentioned oilfield, once again, we have started working with global oilfield service companies. Those same global oilfield service companies are global, they have positions, we work very collaboratively with them trying to design some of the solutions based on the projects they're working on, we tried to show some examples, and as we win with those global service companies and they see how our technology and our products can be utilized overseas, we've got that connection with the global oilfield service companies already in place that they're in really good position to exploit in those markets.

Michael Wilson

Ok. Was that question...

Mike Sison, KeyBanc

I can't allow Chris to ask another one.

Chris Kapsch

Actually it's a quick followup on the patent discussion. I want to understand the, you had mentioned the low purge patent that's now in place through 2033, I think.

Michael Wilson

Yes.

Chris Kapsch

And that's applicable to what you think will be, was it 30% to 70%, or 50% to 70% of the vehicles

Michael Wilson

30% to 70%.

Chris Kapsch

30% to 70%. You have visibility to like at this juncture now to know that the OEMs are actually adopting that low purge engine technology?

Michael Wilson

Well, we have knowledge because of working with them we believe engine technology is moving that way. In terms of the 30-70, that's an estimate on our part because it really is early in that process.

Ed Woodcock

Yeah, and I would add that we have feedback from some canister manufacturers that as they've looked at it, they feel it's gotten very broad coverage, as we go forward and those new engine technologies come out, we'll be better able to define that.

Michael Wilson

Okay, Mike.

Mike Sison

Mike Sison, KeyBanc. Two quick questions. When I take a look at slide 71, you have nice bridges for revenue and EBITDA growth, it looks like about one-third of the sales will come from chemicals. Almost half

Michael Wilson

You don't have like a ruler out there, do you?

Mike Sison

I do. And about half from chemicals. So if you think about the Chemicals business, you're going to generate maybe a little bit less than \$100 million EBITDA on \$130 million, \$140 million in sales. I wanted to understand a little bit better, how you got that leverage Explain a little bit more the price mix there, because that seems to be where that leverage is at. And then on Performance Materials, when, for Ed, it doesn't seem like you're worried about your pellets. The pelletized technology, somebody could come in and replicate that or it doesn't sound like you're worried about that. Is that, is there any reason for that? Is there, is it so proprietary that nobody else can do it? Thanks.

John Fortson

Well, I'll answer the second one first. We worry about that every day, so it's not that were not concerned about it. But that's a product that, a technology that hasn't had patent protection in probably almost a decade, right Ed? But we continue to try to raise the bar of performance. In some limited cases now, we're selling a 17 BWC product, right? So it's incumbent upon us to continue to innovate and continue to raise the bar but, Ed, anything else on that? Go for it.

Ed Woodcock

Yeah, I'd say our high capacity pelleted carbons have been off patent for a long time, yet we're still the only manufacturer, commercial manufacturer of these products today. There is a lot to what we do to manufacture those that are trade secrets and not within the patent, and if somebody reads the patent, they haven't been able to replicate what we do, and it's that technology that we have internal that gives us very good confidence that the efficacy of our products and the consistency that we can make these products and that are in demand by our customers, we'll be doing okay with those pellets going forward.

John Fortson

You want to take the chemicals portion of it?

Mike Smith

Yeah, sure. As we described in our strategy, a significant part is mix, and if you think about our highest margin business, pavement technologies, growing at low or mid-to-high single digits over that period of time, that really gives a lot of margin and profit accretion. The second point is we got the \$11 million of G-P synergies, that's an important component. Within industrial specialties, we believe we have seen sort of the worst of the downturn and we are projecting a more stable market in some of the larger markets, but we also have again the highest margin businesses are those areas where we are seeing currently experiencing and seeing the highest growth opportunities such as the agricultural products for dispersants and lubricants for a number of applications, including metalworking fluid. So it's a very strong, positive mix impact for high growth, high margin, and continuing to deliver cost efficiency in the business as we always do as we run the business.

Michael Wilson

Hi Jon.

Jon Tanwanteng, CJS Securities

Hi. Just going back on what you just mentioned on the industrial specialties, what gives you the confidence that you've seen the bottom there? Is it a function of substitutes getting higher, price of oil getting higher, is it a bottoming and some of the cyclical trends in adhesives, and how fast

would lubricants and agriculture have to grow for you to hit that.

Mike Smith

Well, the, in terms of confidence, one of the things that we track a lot that we've seen a lot of correlation on, as an example, in our rosin business is the correlation between our pricing and Chinese gum rosin. We've done a lot of analysis on where the bottom is from a cost structure, cash cost point of view the last year or so, and believe we have an understanding of where that sort of had bottomed out and we're pleased to see that coming up a bit. We haven't projected a big rapid turnaround, but that gives us, a structural floor for that type of displacement and we think that there's opportunity to build off of that. Once again in other fatty acid derivatives, that compete with TOFA, we believe that we got to a point where those displacement and alternatives reached an equilibrium and anything we can do in the future just further improves to give ourselves some benefit.

Christian Brandstetter, Axiom Capital

Hi. Christian from Axiom. On the Performance Materials side, I was wondering if you could give a little bit more color on China and kind of the inventory and capacity build that you guys are undergoing right now and kind of what that means in terms of the demand you're expecting and I guess if any other provinces pulled forward additionally, do you have the capacity in place to meet that and I guess just kind of wondering if that's more of a 2019 expectation right now, if those pulled forward, is that something that you could meet based on the current capacity?

Michael Wilson

To answer your question, the reason that we're building the inventory is that there is the potential that some provinces could go earlier in addition to Hebei, earlier than the national regulation. Given our market position we wanted to be sure, certain were in a position to supply that without interruption. We're building this inventory ahead of that demand really to ensure that. It's an inefficiency in our working capital, inefficiency in our capital structure, but we see it as temporary, we think at the latest we're going to start to see the pull-forward in 2019. We would certainly expect to reverse that and be held accountable for getting our working capital as a percent of sales back down to historical levels.

Christian Brandstetter

Okay, great. And then just on the Chemicals side real quickly, in terms of the CTO tailwind, I think you said that the 2018 had been and then after that you assume that's no longer a tailwind or, I guess I'm wondering how many quarters do you expect that to continue to be a tailwind from here forward?

Michael Wilson

We've really only guided that through the end of 2018, so definitely a tailwind through 2018. Beyond that we really haven't commented.

Mark Weintraub, Buckingham Research

Thank you. First, you had made a comment that currently you're 65% North America, 35% overseas, and over time you would anticipate that that could reverse. When we look at the 2022 targets that you've laid out, primarily this is from organic, where do you envision you would be, or have you started to move what you've laid out meaningfully or is it going to be a lot of inorganic to get you there?

Michael Wilson

Just in terms of the organic growth, we clearly expect that we'll have increasing revenues in the

core business disproportionate outside the U.S. but inside relative to where they've been in the past, right? But one of the things we have working against us is that G-P, which is about \$100 million of revenue on a run rate basis, we've already said is 90% North America, were getting ready to add that \$100 million of North American revenue, in terms of moving the percentage that's outside the U.S., it's a more, it's just going to be challenging to do that in a really meaningful way. The other way that I've looked at it when I put G-P aside and I just look at our sort of core business and the growth that we expect over this time horizon. I think about \$200 million of that growth is going to be outside North America, outside the U.S. over that time period, if that helps.

Mark Weintraub, Buckingham Research

It does. But, is it a fair takeaway that you will be looking fairly actively for overseas potential M&A too? As well as what you've laid out.

Michael Wilson

I think if there's an attractive value creating opportunity that's outside North America, we'll certainly pursue that. I'm not going to pursue something just because it provides geographical diversification. If it does that and it meets the rest of our criteria, then terrific.

Mark Weintraub

And also looking again at that slide target 2022, if I look at the revenue growth you've got in the adjusted EBITDA growth you've got, the incremental margin's about 50%. I realize that's kind of playing around with a lot of different things because you've got synergies in there, etcetera, but you've basically got revenues going up by \$400 million, you've got EBITDA going up by \$200 million, 50%. Is that a way to think about the long-term potential of this business as it continues to grow that you can generate those types of incremental margin, or are we at an exceptional point in the lifecycle of the business given what's happening with, on the Performance Materials, etcetera business.

Michael Wilson

I don't think it's necessarily exceptional. Again, one of the things we've talked about in our Performance Materials business, which obviously is the fastest growing, right? Because if you look at the cost structure in that business, it's about 70% fixed cost and 30% variable. The Chemicals business is kind of the inverse of that. As we add volume in the Performance Materials, as China adopts and we see all that, you get tremendous a drop through the profitability. I would say, John, that's not an unreasonable expectation as we look forward.

John Fortson

No, it's not.

Michael Wilson

That's what I think about Performance Chemicals and the cost structure that we're going to have in that business post G-P.

John Fortson

We also have a lot of fixed cost leverage in the Chemical business.

Michael Wilson

Other questions? I don't know if we have any questions from the webcast. Laura? None? Okay. Well, I don't see any other questions in the room so we certainly appreciate your time and presence here today. Thanks for joining this for our first ever Investor Day post our spin. We appreciate your time. We also appreciate your continued interest in Ingevity. As we said, we

think we've got a very bright future ahead of us and we hope you agree. Thanks again.