Ingevity

KeyBanc Basic Materials Conference

Boston

September 13, 2016



Disclaimer

This presentation contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward looking statements generally include the words "may," "could," "should," "believes," "plans," "intends," "targets," "will," "expects," "suggests," "anticipates," "outlook," "continues," "forecast," "prospect," "potential" or similar expressions. Forward-looking statements may include, without limitation, expected financial positions, results of operations and cash flows; financing plans; business strategies and expectations; operating plans; capital and other expenditures; competitive positions; growth opportunities for existing products; benefits from new technology and cost-reduction initiatives, plans and objectives; and markets for securities. Like other businesses, Ingevity is subject to risks and uncertainties that could cause its actual results to differ materially from its expectations or that could cause other forward-looking statements to prove incorrect. Factors that could cause actual results to materially differ from those contained in the forward-looking statements, or that could cause other forward-looking statements to prove incorrect, include, without limitation, general economic and financial conditions; international sales and operations; currency exchange rates and currency devaluation; compliance with U.S. and foreign regulations; attracting and retaining key personnel; conditions in the automotive market; worldwide air quality standards; government infrastructure spending; declining volumes in the printing inks market; the limited supply of crude tall oil ("CTO"); lack of access to sufficient CTO; access to and pricing of raw materials; competition from producers of substitute products; a prolonged period of low energy prices; the provision of services by third parties at several facilities; natural disasters, such as hurricanes, winter or tropical storms, earthquakes, floods, fires; other unanticipated problems such as labor difficulties including renewal of collective bargaining agreements, equipment failure or unscheduled maintenance and repair; protection of intellectual property and proprietary information; government policies and regulations, including, but not limited to, those affecting the environment, climate change, tax policies and the chemicals industry; and lawsuits arising out of environmental damage or personal injuries associated with chemical or other manufacturing processes. These and other important factors that could cause actual results or events to differ materially from those expressed in forward-looking statements that may have been made in this document are and will be more particularly described in our filings with the U.S. Securities and Exchange Commission, including our Form 10 Registration Statement and periodic filings. Readers are cautioned not to place undue reliance on Ingevity's projections and forward-looking statements, which speak only as the date thereof. Ingevity undertakes no obligation to publicly release any revision to the projections and forward-looking statements contained in this presentation, or to update them to reflect events or circumstances occurring after the date of this presentation.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures intended to supplement, not substitute for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided within the Appendix to this presentation. Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided.

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Company Overview

Investment Highlights

- Well-established, specialty chemicals business with a **100-year** history of innovation
- Collaborative customer relationships and end-market technical expertise drive the creation of high-value products and technologies that account for approximately **85 percent of revenues**
- High-margin business that has averaged greater than **20 percent** combined adjusted EBITDA margins(1) over the past six years
- Top quartile performer among peer specialty chemicals players with **22 percent** return on assets
- Spin-off provides strategic flexibility and resources to pursue multiple organic and inorganic **avenues of growth**

Source: Company information and Form 10
Note: (1) Please see appendices included at the end of this presentation for Ingevity's use of non-GAAP financial measures, definitions of those financial measures as well as the reconciliation to the nearest GAAP financial measure

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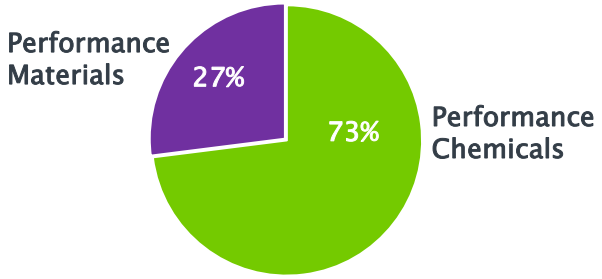
Who We Are

- A leading global manufacturer of specialty chemicals and high performance carbon materials
- Create high-value added products from renewable raw materials
- Meet highly specialized, complex customer needs through proprietary formulated products

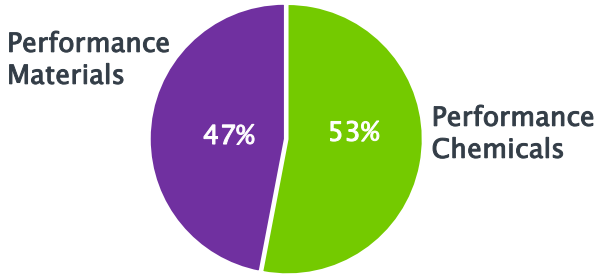
Operational Summary

2015 Revenues	$968M
2015 Adj. EBITDA (1) (2)	$192M
Total Employment	~1,500
Manufacturing Sites	8
Technical Centers	3
Sales Offices	10
Countries	>65

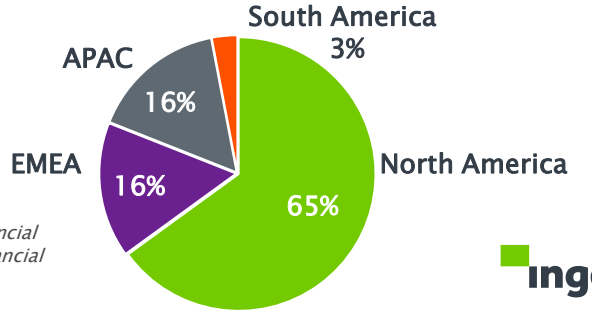
2015 Revenues by Segment



2015 Segment EBITDA as % of Adj. EBITDA (1) (2)



2015 Revenues by Geography



Source: Company information and Form 10

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(2) Inclusive of Pro Forma adjustments, see appendices for more information.

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Our Core Strengths

1. **Leading Global End-Market Positions**
   - #1 in automotive carbon
   - Leader in Performance Chemicals markets
2. **Flexible and Strategically Located Manufacturing Network**
   - Participate in end-markets expected to outpace specialty chemicals sector
   - ~$100 million new carbon facility
3. **Deep Technical Expertise With a History of Product Innovation**
   - Product and technology innovations have created competitive advantages
4. **Collaborative Customer and End User Relationships**
   - Trusted partner with strong client relationships, often 20+ years

Arisan
MAHLE
axeon Specialty Products
Koch Industries

5. **Strong Track Record of Delivering Profitable Growth**
   - Averaged greater than 20 percent combined adjusted EBITDA margins [1] over past six years
   - Top quartile specialty chemicals performer with 22 percent return on assets
6. **Experienced Management Team**
   - Dedicated management team with an average of approximately 30 years industry experience

Source: Company information
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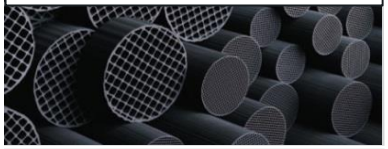
Leading Global End-Market Positions

	Performance Materials	Performance Chemicals		
	Carbon Technologies	Pavement Technologies	Oilfield Technologies	Industrial Specialties
				
2015 Sales	$257 million	$711 million		
2015 Segment EBITDA (1) (2)	$90 million	$102 million		
Est. Market Size	$3B	$800M – $1B	$2B	$3 – 5B
Market Position	#1 in automotive	#1 or #2	Top tier	#1 or #2
Applications	▪ Automotive ▪ Process purification	▪ Pavement preservation ▪ Recycling ▪ Evotherm® technologies	▪ Well Service Additives ▪ Production and Downstream	▪ Adhesives ▪ Agrochemicals ▪ Lubricants ▪ Inks ▪ Intermediates
Select Competitors	CABOT, kuraray	CECA ARKEMA GROUP, ArrMaz, lamberti chemical specialties, Georgia Pacific, Kraton Giving Innovators Their Edge, RESPOL RESINAS, S.A.		
Select Customers	Arsan, MAHLE Driven by performance, DELPHI	BASF The Chemical Company, ENNIS PAINT, FlintGroup, SOLENIS Strong bonds. Trusted solutions., HALLIBURTON, H.B. Fuller, SunChemical a member of the DIC group		

Source: Company information and Form 10

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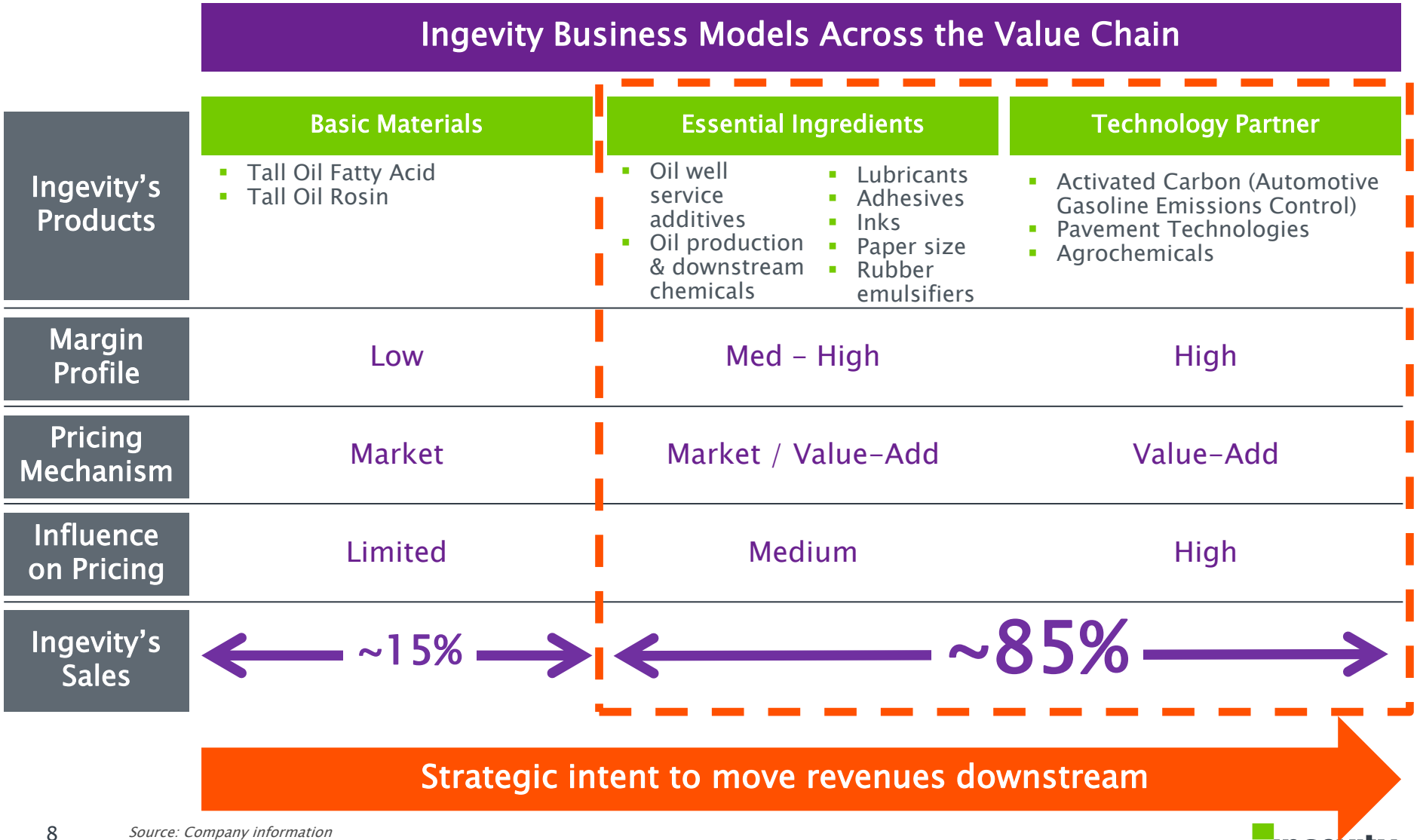
Strategic Focus on High-Value Added Products and Markets



Source: Company information

Collaborative Customer Relationships and Technical Expertise Drive Innovation

Warm Mix Asphalt

EVOTHERM
WARM MIX ASPHALT TECHNOLOGY



Flint Hills Resources

axeon Specialty Products

Sinopec

- Extend the paving season
- Enable service to distant jobsites
- Accelerate project completion

- 250,000 miles of Evotherm, or 7 times around the world

Gasoline Vapor Emission Control Nuchar™



Aisan

DELPHI

MAHLE

- Engineered to nanoscale porosity
- Life-of-vehicle performance
- Enables regulatory compliance

- 10,000 MT of emissions prevented daily = 3.7M gallons "back in tank"

Source: Company information

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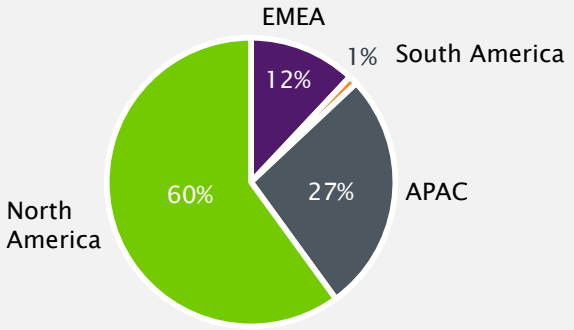
Performance Materials

The Leading Manufacturer of Activated Carbon for Automotive Applications

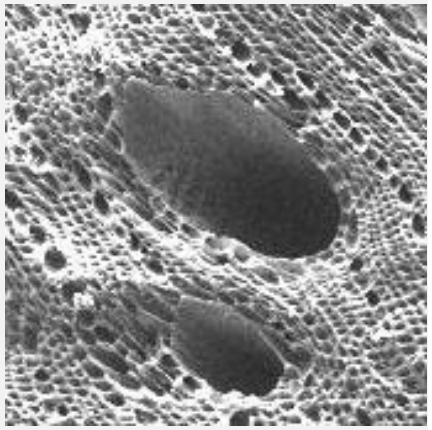
- Global manufacturer of activated carbon, focused on automotive
  - Gasoline emissions control for cars, trucks, motorcycles and boats
  - Minor participation in process purification for food, beverage, water
- Market share and technology leadership in gasoline vapor emissions control
- Highly technical and proprietary process combined with a deep understanding of automotive market needs and regulations
- Products sold to over 150 customers around the globe

2015 Revenue:$257M

2015 Revenues by Geography







Source: Company information and Form 10

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Products That Enable Regulatory Compliance

Emission Sources and Impact

Parking

25–35 grams /day

+

Running loss

13 grams/ hr driving

+

Refueling

75 ml / refueling

=

13 gallons / year / vehicle

Control Technology



1970–80s technology / 0.5–1.0L
One Day Parking
India – China – Europe
Japan – Brazil – S. Korea



1990s technology / 2.0–3.0L
- multi-day parking & running loss
- plus refueling

US / Canada

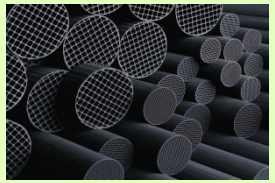


Modern technology
"Near Zero"
2.0–3.0L + scrubber
California (PZEV)

Approximately 75 to 80 percent of the world's gasoline vehicles are using early 1970 – 1980s level of emissions control

Source: Company information and Form 10; IHS

Advanced Technology With Increasingly Stringent U.S. Regulations Over 30 Years

EPA Tier 0	EPA Tier 1	EPA ORVR	EPA Tier 2	EPA Tier 3
1970s / 80s	*1990s*	*1990s*	*2000s*	*2010s*
One Day Parking	*Multiday Parking; Running Losses*	*Multiday Parking; Running Losses; Refueling*	*Multiday Parking; Running Losses; Refueling*	*Near Zero*
5 → 11 BWC	*11 BWC*	*11, 15 BWC*	*11, 15 BWC*	*11, 15, 17 BWC*
Granular	*Granular*	*Pellets*	*Pellets*	*Pellets, honeycombs and AIS scrubbers*
0.5 – 1.0 liters	*1.5 – 2.5 liters*	*2.0 – 3.0 liters*	*2.0 – 3.0 liters*	*2.0 – 3.0 liters*
				

ORVR=Onboard Refueling Vapor Recovery ; BWC = Butane working capacity; AIS = Air Induction System

Source: Company information regarding US automotive regulations and corresponding affect to technology used to control evaporative emissions

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Regulatory Phase In Estimates

Region / Regulation	2015 Vehicle Sales (M)[3]	2016	2017	2018	2019	2020	2021	2022
US [1] & Canada [2] / Tier 3	18.7	20% [3]	40% [1]	60% [1]	60% [1]	80% [1]	80% [1]	100% [1]
South Korea [3] / Tier 3	1.5	–	–	30% [3]	30% [3]	80% [3]	80% [3]	100% [3]
Beijing [4] / Tier 2	0.5	–		Proposed Phase In [4] →				
Rest of China [5] / Tier 2	21.8	–	–	Potential Phase In [5] →				
Brazil [3] / Tier 2	2.3	–	–	–	Potential Phase In [3] →			
Japan [3] / Tier 2	4.7	–	–	–	–	Potential Phase In [3] →		
Europe [3] / Multi Day Parking	7.7	–	–	–	–	Potential Phase In [3] →		

(1) US GPO http://www.ecfr.gov/cgi-bin/text-idx?SID=6ae2f41b2a9589ec78e360496ed3c15e&mc=true&node=se40.19.86_11813_617&rgn=div8
(2) Canada Justice Laws http://laws-lois.justice.gc.ca/PDF/SOR-2003-2.pdf
(3) Ingevity Management estimate based on company information, IHS, and regulatory discussions in specific country / region
(4) Proposed phase in beginning December 2017 based on preliminary Beijing 6 regulation
(5) Ingevity Management estimate based on estimated China 6 2020 implementation, with potential early phase in 2018 / 2019; China 6 regulation expected to be published late 2016

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Collaborative Process and Deep Technical Skills Drive Innovation

OEMs / End-Users



OEMs / End-Users
- Risk avoidance, trust, 30 years in business, 750 million canisters
- Quality, consistency = life-of-vehicle performance
- Security of supply
- Viewed as experts
- Future vehicle trends and innovation

Government / Regulators
- Evaporative emission experts
- Regulation resource
- Understanding the regulation pipeline
- Advanced innovation
- 1970s / 80s vs. "near zero"

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Gov't / Regulators



Direct Customers
- Quality, consistency = life-of-vehicle performance
- Security of supply
- Problem-solvers
- Global scale = single source
- Broad array of tools / products
- Internal consultant

Direct Customers

Aisan · KAYSER · DELPHI · Futaba · MAHLE · Stant

Source: Company information and Form 10

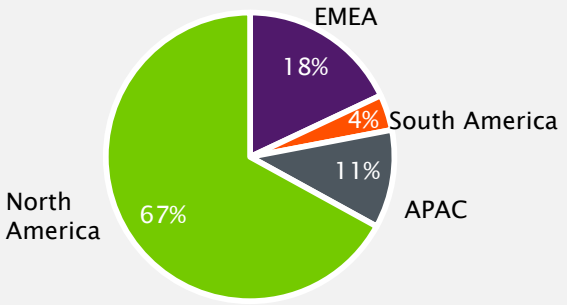
Performance Chemicals

Critical Inputs in High-Performance Applications

- A leading manufacturer of pine-based performance chemicals
- Converts Crude Tall Oil (CTO) into higher value derivative products
- Stable, yet diversified and flexible raw material sourcing
- Manufacturing facilities with flexibility to adapt production to market demand

2015 Revenue: $711M

2015 Revenues by Geography





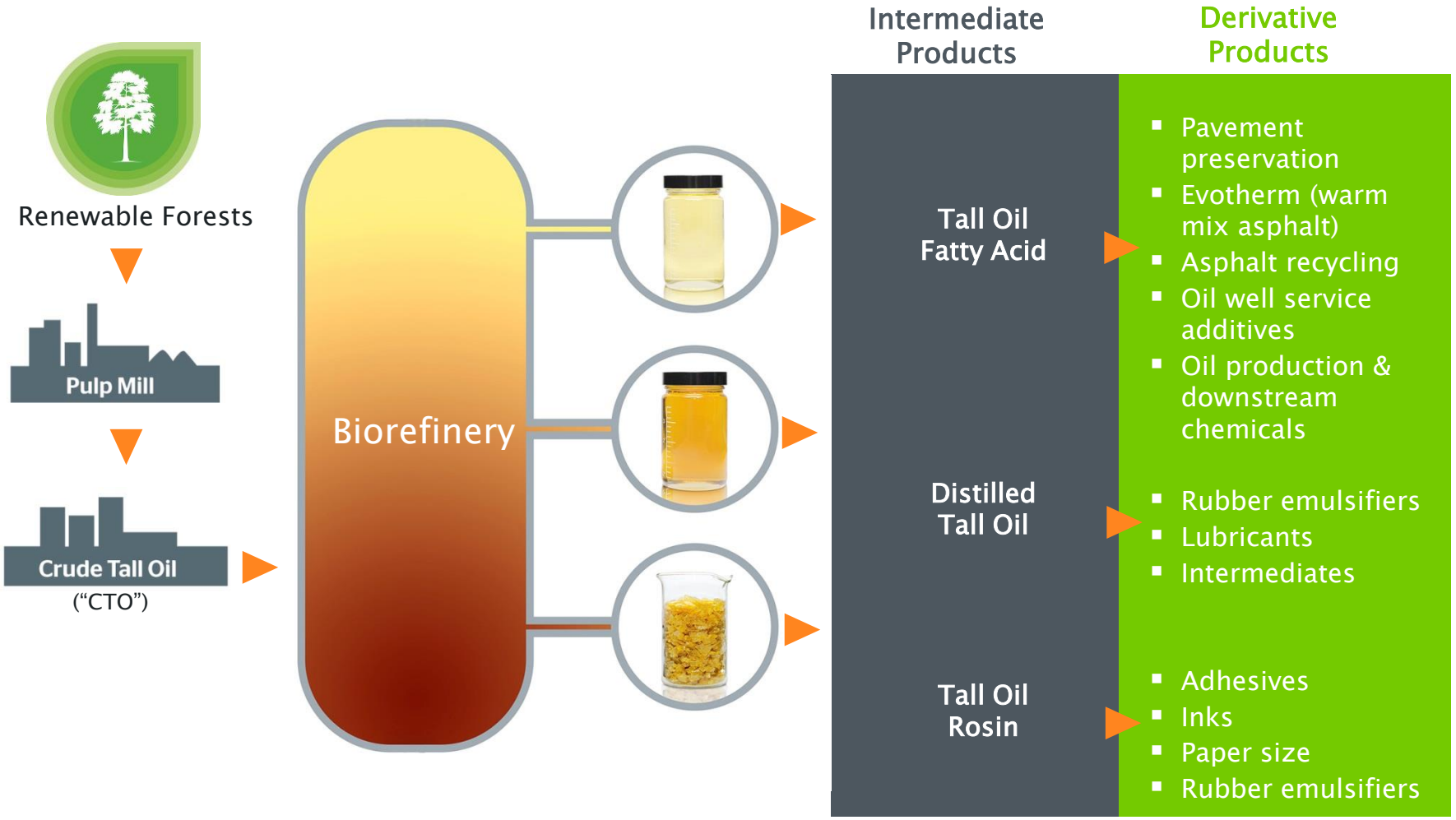






Source: Company information and Form 10

Strategic Focus on Value-Added Derivative Products and Technologies



Source: Company information

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Long-Term, Secure CTO Supply

Industry Landscape

- Crude Tall Oil (CTO) is primary raw material for Performance Chemicals
- Most CTO supply is under contract
- Ingevity will source ~50%[1] from WestRock and ~50% from other providers

WestRock Supply Agreement

- Attractive 10+ year supply agreement
- Market-based pricing
- 100% of CTO output from current WestRock kraft mills



Source: Form 10
(1) Midpoint of 45-55% range

The Markets We Serve

	Pavement Technologies Est. Market Size: $800M – 1B	Oilfield Technologies Est. Market Size: $2B	Industrial Specialties Est. Market Size: $3–5B
			
Ingevity Products	Pavement preservation products, warm mix additives	Well service additives, production and downstream products (corrosion inhibitors or their components)	Adhesives, Agrochemicals, Lubricants, Printing inks, Intermediates
End Markets	Road construction and paving	Well service emulsion stability, fluid loss control, viscosity properties of oil-based fluids, corrosion control of key equipment and pipes	Construction, product assembly, packaging, crop protection, metalworking and fuel additives, graphic arts, paper chemicals, textile dyes, rubber, cleaners, mining and nutraceuticals
Growth Drivers	▪ Government spending towards infrastructure preservation ▪ Use of more recycled content in roads ▪ Use of warm mix asphalt extends paving season	▪ Exploration and production activity ▪ Drive to reduce oil production costs ▪ Complex regulatory compliance standards	▪ Levels of global agricultural activity ▪ Volume needs from global graphic arts industry ▪ General industrial production
Growth Indicators	▪ Rate of technology adoption	▪ Drill rig count	▪ US/global GDP

Source: Company information and Form 10

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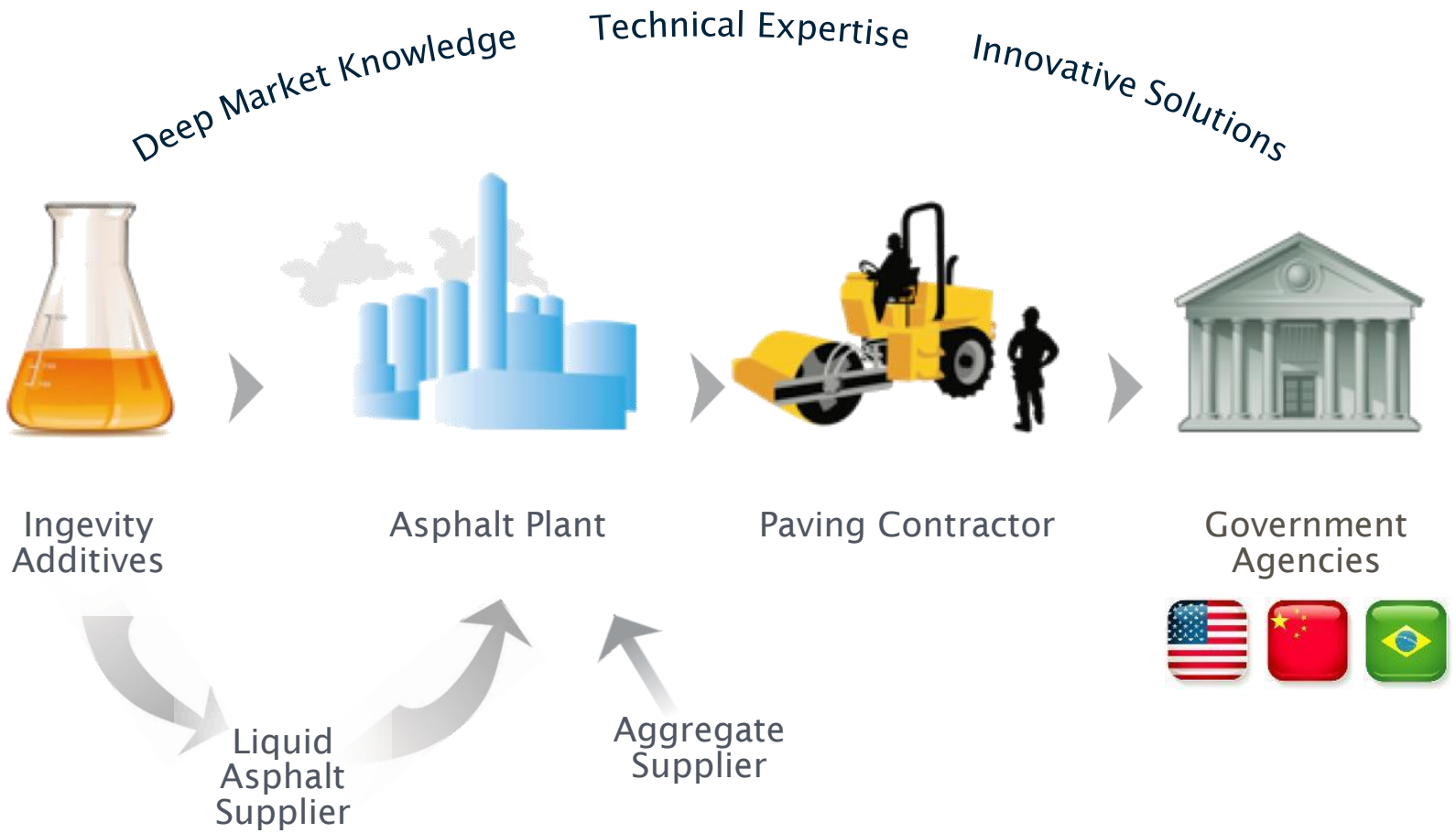
Pavement Technologies

Capitalizing on Growing Global Infrastructure Spending



Source: Company information

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Ingevity Q2 2016

Highlights

Second Quarter Highlights

M (USD)	Q215	Q216	Chg	%
Sales	262.2	248.7	(13.5)	(5%)
Net Income	27.1	25.8	(1.3)	(5%)
Adj. EBITDA(1)	58.2(2)	58.4	0.2	---
Adj. EBITDA(1) Margin	22.2%(2)	23.5%	+130 bps	



- Completed separation from WestRock
- Delivered results solidly in line with our expectations
- Despite sales that were 5% lower:
  - Posted adjusted EBITDA essentially level with prior year's second quarter
  - Achieved higher adjusted EBITDA margin
- Sequentially sales up 22% and adjusted EBITDA up 29%
- Cost-reduction initiatives achieve $15 million in first half

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Second Quarter 2016 Financial Results

Key Income Statement Metrics

$'s in millions, except EPS	2015	2016		% Change	
	Q2	Q1	Q2	Q2 vs PY	Q2 vs Q1
Net Sales (GAAP)	262.2	203.9	248.7	*(5.1%)*	*22.0%*
Net Income attributable (GAAP)	25.9	8.2	23.7	*(8.5%)*	*189.0%*
Diluted EPS (GAAP)	0.62	0.19	0.56	*(9.7%)*	*194.7%*
Adjusted earnings (loss) (Non-GAAP) [1]	27.2[2]	17.3	27.9	*2.6%*	*61.3%*
Diluted adjusted EPS (Non-GAAP) [1]	0.65[2]	0.41	0.66	*1.5%*	*61.0%*
Adjusted EBITDA (Non-GAAP) [1]	58.2[2]	45.2	58.4	*0.3%*	*29.2%*
Adjusted EBITDA Margin (Non-GAAP) [1]	*22.2%[2]*	*22.2%*	*23.5%*	*+130 bps*	*+130 bps*
Performance Materials Net Sales	63.8	70.8	74.5	*16.8%*	*5.2%*
Performance Materials Segment EBITDA (Non-GAAP) [1]	23.5[2]	30.8	30.0	*27.7%*	*(2.6%)*
Performance Materials Segment EBITDA Margin (Non-GAAP) [1]	*36.8%[2]*	*43.5%*	*40.3%*	*+350 bps*	*(320) bps*
Performance Chemicals Net Sales	198.4	133.1	174.2	*(12.2%)*	*30.9%*
Performance Chemicals Segment EBITDA (Non-GAAP) [1]	34.7[2]	14.4	28.4	*(18.2%)*	*97.2%*
Performance Chemicals Segment EBITDA Margin (Non-GAAP)[1]	*17.5%[2]*	*10.8%*	*16.3%*	*(120)bps*	*+550 bps*

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First Half 2016 Financial Results

Key Income Statement Metrics

$'s in millions, except EPS	1H 2015	1H 2016	1H vs PY Change	1H vs PY %
Net Sales (GAAP)	501.4	452.6	*(48.8)*	*(9.7%)*
Net Income attributable (GAAP)	48.9	31.9	*(17.0)*	*(34.8%)*
Diluted EPS (GAAP)	1.16	0.76	*(0.40)*	*(34.5%)*
Adjusted earnings (loss) (Non-GAAP) [1]	48.2[2]	45.2	*(3.0)*	*(6.2%)*
Diluted adjusted EPS (Non-GAAP) [1]	1.14[2]	1.07	*(0.07)*	*(6.1%)*
Adjusted EBITDA (Non-GAAP) [1]	105.8[2]	103.6	*(2.2)*	*(-2.1%)*
Adjusted EBITDA Margin (Non-GAAP) [1]	*21.1%[2]*	*22.9%*	*+180 bps*	*8.5%*
Performance Materials Net Sales	128.0	145.3	*17.3*	*13.5%*
Performance Materials Segment EBITDA (Non-GAAP) [1]	48.1[2]	60.8	*12.7*	*26.4%*
Performance Materials Segment EBITDA Margin (Non-GAAP) [1]	*37.6%[2]*	*41.8%*	*+420 bps*	*11.2%*
Performance Chemicals Net Sales	373.4	307.3	*(66.1)*	*(17.7%)*
Performance Chemicals Segment EBITDA (Non-GAAP) [1]	57.7[2]	42.8	*(14.9)*	*(25.8%)*
Performance Chemicals Segment EBITDA Margin (Non-GAAP) [1]	*15.5%[2]*	*13.9%*	*(160) bps*	*(10.3%)*

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Appendix

Non-GAAP Financial Measures

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

Ingevity uses the following non-GAAP measures, inclusive of pro forma adjustments:

Adjusted earnings (loss) is defined as net income (loss) attributable to Ingevity stockholders plus restructuring and other (income) charges, separation costs, and the income tax expense (benefit) on those items.

Diluted adjusted earnings (loss) per share is defined as diluted earnings (loss) per common share attributable to Ingevity stockholders plus restructuring and other (income) charges per share, separation costs per share, and the income tax expense (benefit) per share on those items.

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

Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by Net Sales

Segment EBITDA is defined as segment operating profit plus depreciation and amortization.

Segment EBITDA Margin is defined as Segment EBITDA divided by Net Sales.

The Company also uses the above financial measures as the primary measures of profitability used by managers of the business and its segments. These non-GAAP financial measures are not intended to replace the presentation of financial results in accordance with GAAP and investors should consider the limitations associated with these non-GAAP measures, including the potential lack of comparability of these measures from one company to another. Reconciliations of these non-GAAP financial measures are set forth within the following pages.

Reconciliation of Net Income (Loss) (GAAP) to Adjusted Earnings (Loss) (Non-GAAP)

In millions, except per share amounts	Q2 2015	Q1 2016	Q2 2016
Net income (loss) attributable to Ingevity stockholders (GAAP)	$ 25.9	$ 8.2	$ 23.7
Restructuring and other (income) charges	(0.4)	4.6	1.0
Separation costs	4.8	6.4	4.7
Income tax effect on items above	(1.0)	(1.9)	(1.5)
Adjusted earnings (loss) (Non-GAAP)	$ 29.3	$ 17.3	$ 27.9
Diluted earnings (loss) per common share (GAAP)	$ 0.62	$ 0.20	$ 0.56
Restructuring and other (income) charges	(0.01)	0.10	0.03
Separation costs	0.11	0.15	0.11
Income tax effect on items above	(0.02)	(0.04)	(0.04)
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 0.70	$ 0.41	$ 0.66
Average number of shares outstanding used in diluted adjusted after-tax earnings per share computations	42.1	42.1	42.1

Reconciliation of 2015 Pro Forma – Adjusted Earnings (Loss) (Non-GAAP)

	Q2 2015		
In millions, except per share amounts		Pro Forma Adjust	Pro Forma
Net income (loss) attributable to Ingevity stockholders (GAAP)	$ 25.9	1.6 (A)	$ 27.5
Restructuring and other (income) charges	(0.4)	—	(0.4)
Separation costs	4.8	(4.8)	—
Income tax effect on items above	(1.0)	1.1	0.1
Adjusted earnings (loss) (Non-GAAP)	$ 29.3		$ 27.2
Diluted earnings (loss) per common share (GAAP)	$ 0.62	0.04	$ 0.66
Restructuring and other (income) charges	(0.01)	—	(0.01)
Separation costs	0.11	(0.11)	—
Income tax effect on items above	(0.02)	0.02	—
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 0.70		$ 0.65
Average number of shares outstanding used in diluted adjusted after-tax earnings per share computations	42.1		42.1

(A) Represents the cumulative after-tax pro forma adjustments as further described within the section entitled: Notes to the Pro Forma Adjustments.

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Reconciliation of Net Income (Loss) (GAAP) to Adjusted Earnings (Loss) (Non-GAAP)

In millions, except per share amounts	Six Months Ended June 30 2016	2015
Net income (loss) attributable to Ingevity stockholders (GAAP)	$ 31.9	$ 48.9
Restructuring and other (income) charges	5.6	(0.7)
Separation costs	11.1	6.3
Income tax effect on items above	(3.4)	(1.2)
Adjusted earnings (loss) (Non-GAAP)	$ 45.2	$ 53.3
Diluted earnings (loss) per common share (GAAP)	$ 0.76	$ 1.16
Restructuring and other (income) charges	0.13	(0.02)
Separation costs	0.26	0.15
Income tax effect on items above	(0.08)	(0.03)
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 1.07	$ 1.26
Average number of shares outstanding used in diluted adjusted after-tax earnings per share computations	42.1	42.1

Reconciliation of 2015 Pro Forma – Adjusted Earnings (Loss) (Non-GAAP)

In millions, except per share amounts	Six months ended June 30, 2015	Pro Forma Adjust	Pro Forma
Net income (loss) attributable to Ingevity stockholders (GAAP)	$ 48.9	(0.3) (A)	$ 48.6
Restructuring and other (income) charges	(0.7)	—	(0.7)
Separation costs	6.3	(6.3)	—
Income tax effect on items above	(1.2)	1.5	0.3
Adjusted earnings (loss) (Non-GAAP)	$ 53.3		$ 48.2
Diluted earnings (loss) per common share (GAAP)	$ 1.16	(0.01)	$ 1.15
Restructuring and other (income) charges	(0.02)	—	(0.02)
Separation costs	0.15	(0.15)	—
Income tax effect on items above	(0.03)	0.04	0.01
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 1.26		$ 1.14
Average number of shares outstanding used in diluted adjusted after-tax earnings per share computations	42.1		42.1

(A) Represents the cumulative after-tax pro forma adjustments as further described within the section entitled: "Notes to the Unaudited Pro Forma Adjustments".

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

In millions	Q2 2015	Q1 2016	Q2 2016
Net income (loss) (GAAP)	$ 27.1	$ 9.8	$ 25.8
Provision for income taxes	16.5	10.0	12.6
Interest expense	4.4	5.4	5.0
Separation costs	4.8	6.4	4.7
Depreciation and amortization	8.4	9.0	9.3
Restructuring and other (income) charges	(0.4)	4.6	1.0
Adjusted EBITDA (Non-GAAP)	$ 60.8	$ 45.2	$ 58.4
Net sales	$ 262.2	$ 203.9	$ 248.7
Net income (loss) margin	10.3%	4.8%	10.4%
Adjusted EBITDA margin	23.2%	22.2%	23.5%

Reconciliation of 2015 Pro Forma – Adjusted EBITDA (Non-GAAP)

	Q2 2015		
In millions		Pro Forma Adjust	Pro Forma
Net income (loss) (GAAP)	$ 27.1	1.6 (A)	$ 28.7
Provision for income taxes	16.5	0.2 (B)	16.7
Interest expense	4.4	0.4 (C)	4.8
Separation costs	4.8	(4.8) (D)	—
Depreciation and amortization	8.4		8.4
Restructuring and other (income) charges	(0.4)		(0.4)
Adjusted EBITDA (Non-GAAP)	$ 60.8	(E)	$ 58.2
Net sales			$ 262.2
Net income (loss) margin			10.9%
Adjusted EBITDA margin			22.2%

(A) Represents the cumulative after-tax pro forma adjustments as further described within the section entitled: Notes to the Pro Forma Adjustments.

(B) Refer to the corresponding letter note within the Notes to the Pro Forma Adjustments for a description of this adjustment.

(C) Refer to the corresponding letter note within the Notes to the Pro Forma Adjustments for a description of this adjustment.

(D) Refer to the corresponding letter note within the Notes to the Pro Forma Adjustments for a description of this adjustment.

(E) Ingevity would have incurred incremental costs as an independent public company, including costs to replace services previously provided by WestRock as well as other stand-alone costs. In total, Ingevity management estimates that these costs would have ranged from $0.5 million to $1 million before-tax quarterly, over and above amounts currently included in the Unaudited Pro Forma Combined Statement of Operations.

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

In millions	Six Months Ended June 30 2016	2015
Net income (loss) (GAAP)	$ 35.6	$ 51.3
Provision for income taxes	22.6	28.7
Interest expense	10.4	8.5
Separation costs	11.1	6.3
Depreciation and amortization	18.3	16.9
Restructuring and other (income) charges	5.6	(0.7)
Adjusted EBITDA (Non-GAAP)	$ 103.6	$ 111.0
Net sales	$ 452.6	$ 501.4
Net income (loss) margin	7.9%	10.2%
Adjusted EBITDA margin	22.9%	22.1%

Reconciliation of 2015 Pro Forma – Adjusted EBITDA (Non-GAAP)

In millions	Six months ended June 30, 2015	Pro Forma Adjust	Pro Forma
Net income (loss) (GAAP)	$ 51.3	(0.3) (A)	$ 51.0
Provision for income taxes	28.7	0.4 (B)	29.1
Interest expense	8.5	1.0 (C)	9.5
Separation costs	6.3	(6.3) (D)	—
Depreciation and amortization	16.9		16.9
Restructuring and other (income) charges	(0.7)		(0.7)
Adjusted EBITDA (Non-GAAP)	$ 111.0	(E)	$ 105.8
Net sales			$ 501.4
Net income (loss) margin			10.2%
Adjusted EBITDA margin			21.1%

(A) Represents the cumulative after-tax pro forma adjustments as further described within the section entitled: "Notes to the Unaudited Pro Forma Adjustments".

(B) Refer to the corresponding letter note within the "Notes to the Unaudited Pro Forma Adjustments" for a description of this adjustment.

(C) Refer to the corresponding letter note within the "Notes to the Unaudited Pro Forma Adjustments" for a description of this adjustment.

(D) Refer to the corresponding letter note within the "Notes to the Unaudited Pro Forma Adjustments" for a description of this adjustment.

(E) Ingevity would have incurred incremental costs as an independent public company, including costs to replace services previously provided by WestRock as well as other stand-alone costs. In total, Ingevity management estimates that these costs would have ranged from $0.5 million to $1 million before-tax quarterly, over and above amounts currently included in the Unaudited Pro Forma Combined Statement of Operations.

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Reconciliation of Segment Operating Profit (GAAP) to Segment EBITDA (Non-GAAP)

In millions	Q2	Q1	Q2
Performance Chemicals	2015	2016	2016
Segment operating profit (GAAP)	$ 30.8	$ 8.6	$ 22.8
Depreciation and amortization	5.8	5.8	5.6
Segment EBITDA (Non-GAAP)	$ 36.6	$ 14.4	$ 28.4
Net sales	$ 198.4	$ 133.1	$ 174.2
Segment operating margin	15.5%	6.5%	13.1%
Segment EBITDA margin	18.4%	10.8%	16.3%
Performance Materials			
Segment operating profit (GAAP)	$ 21.6	$ 27.6	$ 26.3
Depreciation and amortization	2.6	3.2	3.7
Segment EBITDA (Non-GAAP)	$ 24.2	$ 30.8	$ 30.0
Net sales	$ 63.8	$ 70.8	$ 74.5
Segment operating margin	33.9%	39.0%	35.3%
Segment EBITDA margin	37.9%	43.5%	40.3%

Reconciliation of 2015 Pro Forma – Segment EBITDA (Non-GAAP)

	Q2 2015		
In millions		Pro Forma Adjust	Pro Forma
Performance Chemicals			
Segment operating profit (GAAP)	$ 30.8	$ (1.9) [(A)]	$ 28.9
Depreciation and amortization	5.8		5.8
Segment EBITDA (Non-GAAP)	$ 36.6		$ 34.7
Net sales			$ 198.4
Segment operating margin			14.6%
Segment EBITDA margin			17.5%
Performance Materials			
Segment operating profit (GAAP)	$ 21.6	$ (0.7) [(A)]	$ 20.9
Depreciation and amortization	2.6		2.6
Segment EBITDA (Non-GAAP)	$ 24.2		$ 23.5
Net sales			$ 63.8
Segment operating margin			32.8%
Segment EBITDA margin			36.8%

(A) Refer to the corresponding letter note within the Notes to the Pro Forma Adjustments for a description of this adjustment.

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Reconciliation of Segment Operating Profit (GAAP) to Segment EBITDA (Non-GAAP)

In millions	Six Months Ended June 30	
Performance Chemicals	2016	2015
Segment operating profit (GAAP)	$ 31.4	$ 49.9
Depreciation and amortization	11.4	11.6
Segment EBITDA (Non-GAAP)	$ 42.8	$ 61.5
Net sales	$ 307.3	$ 373.4
Segment operating margin	10.2%	13.4%
Segment EBITDA margin	13.9%	16.5%
Performance Materials		
Segment operating profit (GAAP)	$ 53.9	$ 44.2
Depreciation and amortization	6.9	5.3
Segment EBITDA (Non-GAAP)	$ 60.8	$ 49.5
Net sales	$ 145.3	$ 128.0
Segment operating margin	37.1%	34.5%
Segment EBITDA margin	41.8%	38.7%

Reconciliation of 2015 Pro Forma – Segment EBITDA (Non-GAAP)

In millions	Six months ended June 30, 2015		
Performance Chemicals		Pro Forma Adjust	Pro Forma
Segment operating profit (GAAP)	$ 49.9	$ (3.8) [(A)]	$ 46.1
Depreciation and amortization	11.6		11.6
Segment EBITDA (Non-GAAP)	$ 61.5		$ 57.7
Net sales			$ 373.4
Segment operating margin			12.3%
Segment EBITDA margin			15.5%
Performance Materials			
Segment operating profit (GAAP)	$ 44.2	$ (1.4) [(A)]	$ 42.8
Depreciation and amortization	5.3		5.3
Segment EBITDA (Non-GAAP)	$ 49.5		$ 48.1
Net sales			$ 128.0
Segment operating margin			33.4%
Segment EBITDA margin			37.6%

(A) Refer to the corresponding letter note within the "Notes to the Unaudited Pro Forma Adjustments" for a description of this adjustment.

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Reconciliation of FY 2015 Pro Forma Adjusted EBITDA

In millions			Pro Forma Adjustments		Unaudited Pro Forma
Net income	$	85.3	$ 7.2	(A)	$ 92.5
Provision for income taxes		52.8	0.5	(D)	53.3
Interest expense		20.1	(1.1)	(C)	19.0
Separation costs		17.2	(17.2)	(B)	—
Depreciation and amortization		34.6			34.6
Restructuring and other (income) charges		(7.5)			(7.5)
Combined Adjusted EBITDA (Non-GAAP)	**$**	**202.5**		(E)	**$ 191.9**

(A) Refer to the Notes to the Pro Forma Adjustments for a description of this adjustment.
(B) Refer to the Notes to the Pro Forma Adjustments for a description of this adjustment.
(C) Refer to the Notes to the Pro Forma Adjustments for a description of this adjustment.
(D) Refer to the Notes to the Pro Forma Adjustments for a description of this adjustment.
(E) Ingevity would have incurred incremental costs as an independent public company, including costs to replace services previously provided by WestRock as well as other stand-alone costs. In total, Ingevity management estimates that these costs would have ranged from $2 million to $4 million before-tax annually, over and above amounts currently included in the Unaudited Pro Forma Combined Statement of Operations.

Reconciliation of FY 2015 Segment Pro Forma EBITDA

Performance Chemicals

In millions			Pro Forma Adjustments		Unaudited Pro Forma
Segment operating profit	$	86.8	$ (7.9)	(A)	$ 78.9
Depreciation and amortization		23.4			23.4
Segment EBITDA (Non-GAAP)	**$**	**110.2**			**$ 102.3**

Performance Materials

In millions			Pro Forma Adjustments		Unaudited Pro Forma
Segment operating profit	$	81.1	$ (2.7)	(A)	$ 78.4
Depreciation and amortization		11.2			11.2
Segment EBITDA (Non-GAAP)	**$**	**92.3**			**$ 89.6**

(A) Refer to the Notes to the Pro Forma Adjustments for a description of this adjustment.

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Notes to the Pro Forma Adjustments

For more information regarding the Ingevity's unaudited pro forma combined statements of operations for the year ended December 31, 2015, see "Unaudited Pro Forma Combined Financial Statements" in the Ingevity's registration statement on Form 10 and amendments thereto (the "Form 10"), copies of which may be obtained by visiting the web site of the Securities and Exchange Commission, or the SEC, at www.sec.gov. The "Unaudited Pro Forma Combined Statement of Operations" included within Ingevity's registration statement on Form 10 is presented for the fiscal year ended December 31, 2015 and gives effect as if the pro forma adjustments had occurred on January 1, the first day of fiscal year 2015. Presented below is a quarterly impact of each respective pro forma adjustments for the fiscal year ended December 31, 2015.

(A) We have entered into agreements to obtain audit and certain compliance functions as a stand-alone public company as well as compensation agreements with certain members of our executive team. Prior to the completion of the separation, we estimated that we would also enter into agreements to obtain insurance coverage according to quotations we had received based on our individual loss history, credit profile and selected insurance coverage. These expenses represent recurring costs in excess of the amounts historically allocated to Ingevity.

In addition, at the completion of the separation we entered into a new raw material supply agreement with WestRock for the purchase of black liquor soap skimmings ("BLSS") and crude tall oil ("CTO"). We historically obtained BLSS and CTO from WestRock under previously existing supply agreements. We evaluated the new agreement and its impact on our pro forma income statement. The pro forma adjustment also included incremental costs of less than $1 million for the full year 2015 associated with this new agreement calculated by applying the new agreement's pricing terms to the actual purchased volumes in 2015.

The 2015 pro forma adjustment by segment by quarter is included in the below table:

	2015				
In millions	Q1	Q2	Q3	Q4	YTD
Performance Chemicals	1.9	1.9	2.1	2.0	7.9
Performance Materials	0.7	0.7	0.7	0.6	2.7
Total	$ 2.6	$ 2.6	$ 2.8	$ 2.6	$ 10.6

(B) Represents the tax effect of proforma adjustments for each respective period.

(C) Represents adjustments to interest expense and amortization of debt issuance costs related to our target pro forma long-term indebtedness. The 2015 pro forma adjustment by quarter is included in the below table:

	2015				
In millions	Q1	Q2	Q3	Q4	YTD
Interest expense	$ 0.6	$ 0.4	$ (0.4)	$ (1.7)	$ (1.1)

(D) Represents the elimination of expenses directly related to transaction costs incurred during 2015 in connection with the separation from WestRock, primarily related to professional fees associated with separation activities within the finance, tax and legal functions. The 2015 pro forma adjustment by quarter is included in the below table:

	2015				
In millions	Q1	Q2	Q3	Q4	YTD
Separation costs	$ (1.5)	$ (4.8)	$ (5.5)	$ (5.4)	$ (17.2)

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