Ingevity

January 2018



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; synergies and the potential benefits of the acquisition of Georgia-Pacific's pine chemicals business; the anticipated timing of the closing of the acquisition; 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, risks related to the satisfaction of the conditions to closing the acquisition (including the failure to obtain necessary regulatory approvals) in the anticipated timeframe or at all, risks that the expected benefits from the proposed acquisition will not be realized or will not be realized within the expected time period; the risk that the businesses will not be integrated successfully; significant transaction costs; unknown or understated liabilities; 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 or adoption of alternative technologies; 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 and new technologies; 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; information technology security risks; 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-K for the year ended December 31, 2016 and our other 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. The financial results for Georgia-Pacific's pine chemicals business in this presentation have been derived from unaudited financial records prepared by Georgia-Pacific, without adjustment to conform to the accounting policies and methodologies used by Ingevity. Neither Georgia-Pacific's, nor Ingevity's auditors, have audited, reviewed, compiled or performed any procedures with respect to the financial results of Georgia-Pacific's pine chemicals business. The accounting policies and methodologies used by Georgia-Pacific's pine chemicals business differ in certain respects from those used by Ingevity. The audited financial statements of Georgia-Pacific's pine chemicals business will be delivered to Ingevity prior to closing condition. The actual audited results of Georgia-Pacific's pine chemicals business therefore may differ from those provided herein due to the completion of the financial closing and auditing procedures under U.S. GAAP, application of financial adjustments, and other developments.

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.

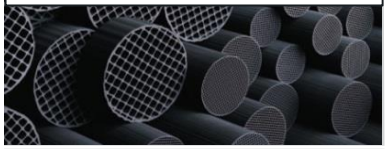
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Company Overview & G-P Pine Chemicals Acquisition

Leading Global End-Market Positions

	Performance Materials	Performance Chemicals		
	Carbon Technologies	Pavement Technologies	Oilfield Technologies	Industrial Specialties
				
2016 Sales	$301.0 million	$148.8 million	$58.5 million	$400.0 million
2016 Segment EBITDA [1]	$123.3 million	$79.1 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	Aisan, MAHLE Driven by performance, DELPHI	ENNIS PAINT, FlintGroup, SOLENIS Strong bonds. Trusted solutions., HALLIBURTON, H.B. Fuller, SunChemical a member of the DIC group, arboris pine tree extracts		

Source: Company information Form 10 filed April 25, 2016 and Form 10-K filed March 2, 2017
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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Transaction Overview

Business Profile

- Georgia-Pacific's pine chemicals business manufactures and sells pine-based tall oil fatty acids, tall oil rosin, and tall oil rosin esters
- Used in adhesives, cleaners, paints and other coatings, inks, metalworking, mining, oilfield, packaging and rubber
- Est. LTM 6/30/17[(1)]: Sales of $105 million; pro forma EBITDA of $31 million
- Site in Crossett, Ark.; business employs approximately 70 people
- Closing subject to regulatory and other approvals; anticipated late 2017

Transaction Value

- Purchase price of $315 million
- Expected EPS accretive in year one
- Targeted net synergies of approximately $11 million, representing about 10 percent of sales
- 10.2x 2017E EBITDA excluding synergies and 7.5x 2017E EBITDA including run-rate synergies
- Including estimated present value of meaningful tax benefits, purchase price represents $265 million, or 6.3x 2017E EBITDA including run-rate synergies

Financing / Balance Sheet Impact

- Attractive, committed debt financing
- Increased revolver and term loan capacities
- Pro forma Net Leverage after targeted synergies: 2.5x

Source: Company data.

(1) Last twelve month (LTM) sales and earnings before interest, taxes, depreciation and amortization (EBITDA) of Georgia-Pacific's pine chemicals business have been derived from unaudited financial records prepared by Georgia-Pacific, without adjustment to conform to the accounting policies and methodologies used by Ingevity. Refer to the disclaimer on Slide #2 of this presentation for further information regarding these financial measures.

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Strategic Rationale







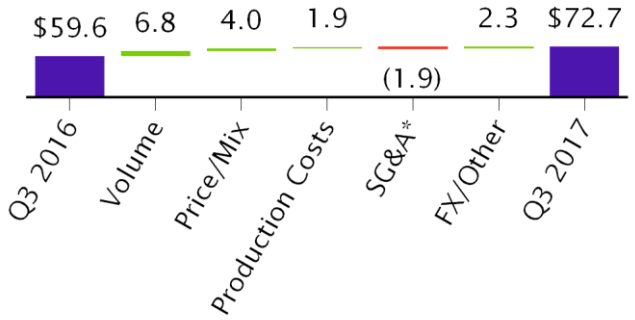
- Acquisition further strengthens Ingevity's leading position in Performance Chemicals
- Business combination adds scale
- Highly complementary technology and product offerings
- Minimal customer overlap
- Additional long-term CTO supply security at market price
- Significant value creation with estimated $11 million of net synergies, approximately 10 percent of sales
- Synergies will be derived from manufacturing optimization and lower logistics costs with minimal capital cost
- Post synergies, will enable sustained Performance Chemicals EBITDA margins greater than 20 percent
- Management has successfully integrated previous acquisitions; experience operating co-located facilities

Q3 2017 Results

Third Quarter 2017 Results

$ in millions	Q3 2017	Q3 2016	vs Prior Year Δ	vs Prior Year Δ%
Net Sales	264.1	252.4	11.7	4.6%
Adjusted EBITDA (1)	72.7	59.6	13.1	22.0%
Adjusted EBITDA Margin (1)	27.5%	23.6%	+390 bps	

Adjusted EBITDA (1)



*SG&A includes research & technical expenses.

Performance Highlights

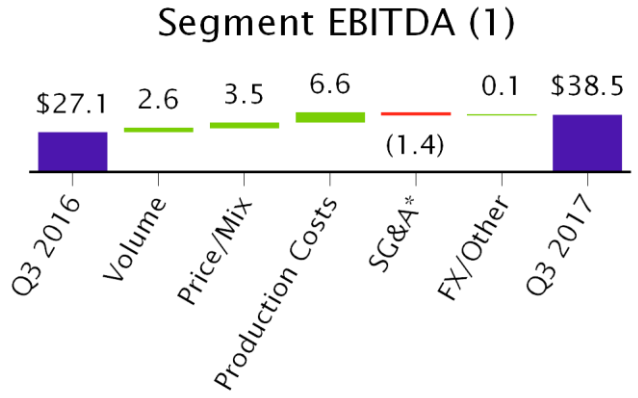
- Strategic focus on high value-added product lines and disciplined execution drove increase in revenues and earnings
- Sales up 5 percent as volume, price/mix and FX all contributed
- Adjusted EBITDA increase of 22 percent benefitted from:
  - Volume gains and price improvement
  - Plant productivity
  - Lower raw material costs
  - Lower cost structure due to strategic initiatives
- Adjusted EBITDA margin of 27.5 percent represents 390 basis point increase

(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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Performance Chemicals

$ in millions	Q3 2017	Q3 2016	vs Prior Year Δ	vs Prior Year Δ%
Net Sales	178.7	173.0	5.7	3.3%
Industrial Specialties	*93.9*	*103.1*	*(9.2)*	*(8.9)%*
Oilfield Technologies	*20.3*	*15.5*	*4.8*	*31.0%*
Pavement Technologies	*64.5*	*54.4*	*10.1*	*18.6%*
Segment EBITDA (1)	38.5	27.1	*11.4*	*42.1%*
Segment EBITDA Margin (1)	21.5%	15.7%	+580 bps	



*SG&A includes research & technical expenses.

Performance Highlights

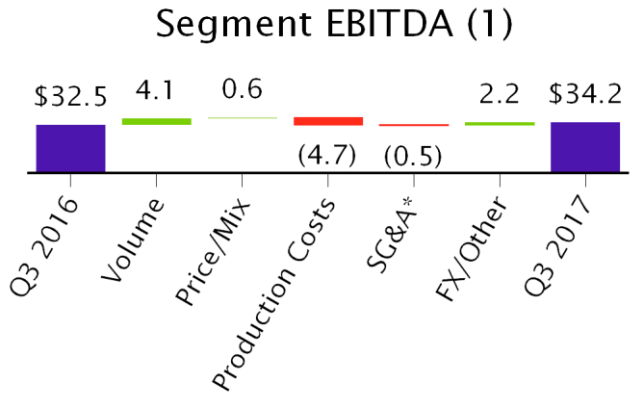
- *Oilfield Technologies*: U.S. rig count remains steady; continued rig efficiency; greater customer demand for higher value-added products
- *Pavement Technologies*: Record sales; weather patterns pushed revenue into the quarter from Q2; robust market conditions and new products contributed
- *Industrial Specialties*: Lower volumes as focus is shifted to higher margin applications; rosin pricing stable but remains under pressure
- Despite modest sales increase, segment EBITDA increased 42 percent
  - Lower raw material costs, price / mix, volumes, higher plant throughput all contributed
- G-P's pine chemicals acquisition remains on track; optimistic of closing in Q4

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Performance Materials

$ in millions	Q3 2017	Q3 2016	vs Prior Year Δ	vs Prior Year Δ%
Net Sales	85.4	79.4	6.0	7.6%
Segment EBITDA (1)	34.2	32.5	1.7	5.2%
Segment EBITDA Margin (1)	40.0%	40.9%	(90) bps	



*SG&A includes research & technical expenses.

Performance Highlights

- Record revenues up about 8 percent; sales of 'honeycomb' scrubber products, used to comply with U. S. EPA Tier 3 / California LEV III standards, showed robust growth
- Revenue increase of about 8 percent despite 11 percent decline in North American light vehicle production; year to date, North American production down about 4 percent while segment is up about 16 percent
- Segment EBITDA of $34 million up 5 percent
- Earnings growth driven by volumes; tempered by expansion costs at Waynesboro and some higher interim export costs for product from Zhuhai
- Despite higher costs, achieved EBITDA of 40 percent in the quarter

(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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Third Quarter 2017 Financial Results

Key Income Statement Metrics

$ in millions except EPS & shares outstanding	Q3 2017	Q3 2016	vs PY Δ%	Q3 YTD 2017	Q3 YTD 2016	vs PY Δ%
Net Sales (GAAP)	264.1	252.4	4.6%	742.9	697.4	6.5%
Adjusted EBITDA (Non-GAAP) [1]	72.7	59.6	22.0%	190.1	166.4	14.2%
Adjusted EBITDA Margin (Non-GAAP) [1]	***27.5%***	***23.6%***	***390 bps***	***25.6%***	***23.9%***	***170 bps***
Performance Chemicals Net Sales (GAAP)	178.7	173.0	3.3%	484.6	473.7	2.3%
Performance Chemicals EBITDA (Non-GAAP) [1]	38.5	27.1	42.1%	85.7	70.1	22.3%
Performance Chemicals EBITDA Margin (Non-GAAP) [1]	***21.5%***	***15.7%***	***580 bps***	***17.7%***	***14.8%***	***290 bps***
Performance Materials Net Sales (GAAP)	85.4	79.4	7.6%	258.3	223.7	15.5%
Performance Materials EBITDA (Non-GAAP) [1]	34.2	32.5	5.2%	104.4	96.3	8.4%
Performance Materials EBITDA Margin (Non-GAAP) [1]	***40.0%***	***40.9%***	***(90) bps***	***40.4%***	***43.0%***	***(260) bps***
Interest expense, net (GAAP)	3.2	3.8	(15.8)%	9.3	14.2	(34.5)%
Provision for income taxes on Adjusted Earnings (Non-GAAP) [1]	18.3	16.3	12.3%	47.3	43.5	8.7%
Net income (loss) attributable to noncontrolling interests (GAAP)	4.6	2.3	100.0%	12.3	6.6	86.4%
Net income (loss) attributable to Ingevity stockholders (GAAP)	33.8	(7.2)	569.4%	84.9	26.1	225.3%
Adjusted earnings (loss) (Non-GAAP) [1]	36.6	27.1	35.1%	90.8	73.7	23.2%
Diluted Adjusted EPS (Non-GAAP) [1]	$0.86	$0.64	34.4%	$2.13	$1.92	10.9%
Diluted EPS (GAAP)	$0.79	$(0.17)	564.7%	$2.00	$0.62	222.6%
Basic shares outstanding	42.1	42.1	—%	42.1	42.1	—%
Diluted shares outstanding	42.5	42.2	0.7%	42.5	42.2	0.7%

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2017 Revised Guidance
($M; excludes G-P pine chemicals acquisition)

Item	FY16 Actual	2Q Revised FY17 Guidance	3Q Revised FY17 Guidance (11/1/17)
Revenue	$908	$940 to $955	$945 to $955
Adjusted EBITDA (1)	$202	$220 to $230	$227 to $232
Adjusted tax rate (1)	33.3%	32 - 34%	31 - 32%
Capital expenditures	$57	$55 to $60	$55 to $60
Free Cash Flow (2)	$71	$100 to $110	$105 to $110
Net Debt Ratio (3)	1.9x	~1.5x	~1.3x

(1) A reconciliation of Net Income to Adjusted EBITDA or Adjusted tax rate as projected for 2017 is not provided because we do not forecast Net Income as we cannot, without unreasonable effort, estimate or predict with certainty various components of Net Income. These components include additional separation costs associated with the separation from WestRock, further restructuring and other income (charges) and acquisition related charges in connection with the planned acquisition of Georgia Pacific's pine chemical business, as well as the related tax impacts of these items. Additionally, discrete tax items could drive variability in our projected effective tax rate. All of these components could significantly impact such financial measures. Further, in the future other items with similar characteristics to those currently included in Adjusted EBITDA, that have a similar impact on comparability of periods, and which are not known at this time, may exist and impact Adjusted EBITDA.

(2) Non-GAAP measure which represents Cash from Operations expected to range from $160M to $170M for FY2017 (was $127.9M for FY2016) less Capital Expenditures.

(3) Defined as Cash & cash equivalents, Restricted investment less Total debt including capital lease obligation excluding deferred financing fees divided by annualized Adjusted EBITDA.

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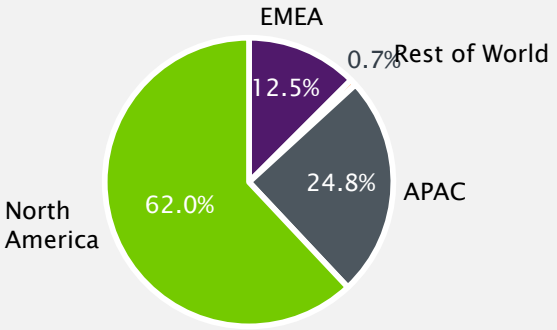
Performance Materials

The Leading Manufacturer of Activated Carbon for Automotive Applications

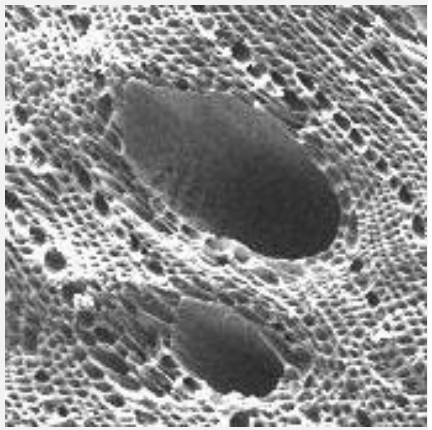
- Global manufacturer of activated carbon, focused on automotive
  - Gasoline emissions control for cars, trucks, motorcycles and boats
  - Minor participation in process purification for food, beverage, water
- Market share and technology leadership in gasoline vapor emissions control
- Highly technical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

2016 Revenue:$301M

2016 Revenues by Geography







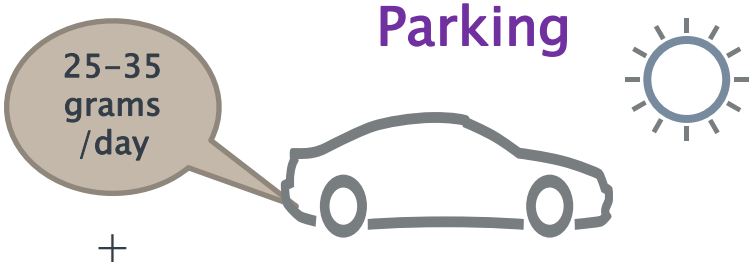
Source: Company information and Form 10

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Products That Enable Regulatory Compliance

Emission Sources and Impact

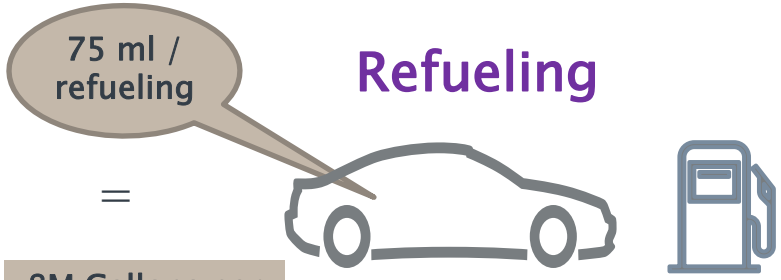
Parking



Running loss



Refueling



8M Gallons per day "back in tank"

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



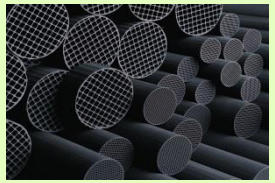
Modern technology
"Near Zero"
2.0–3.0L + scrubber
California (PZEV)

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

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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]
China [4] / Tier 2	22.3	–	–	Potential early adoption [4]			100% [4]	100% [4]
Brazil [3] / Tier 2	2.3	–	–	–	Potential [3] →			
Japan [3] / Tier 2	4.7	–	–	–	–	Potential [3] →		
Europe [5] / Multi Day Parking	7.7	–	–	Potential early adoption [5]			100% [5]	100% [5]

(1) US GPO http://www.ecfr.gov/cgi-bin/text-idx?SID=6ae2f41b2a9589ec78e360496ed3c15e&mc=true&node=se40.19.86_11813_617&rgn=div8; Percent phase in by year based on vehicle model year

(2) Canada Justice Laws http://laws-lois.justice.gc.ca/PDF/SOR-2003-2.pdf; Percent phase in by year based on vehicle model year

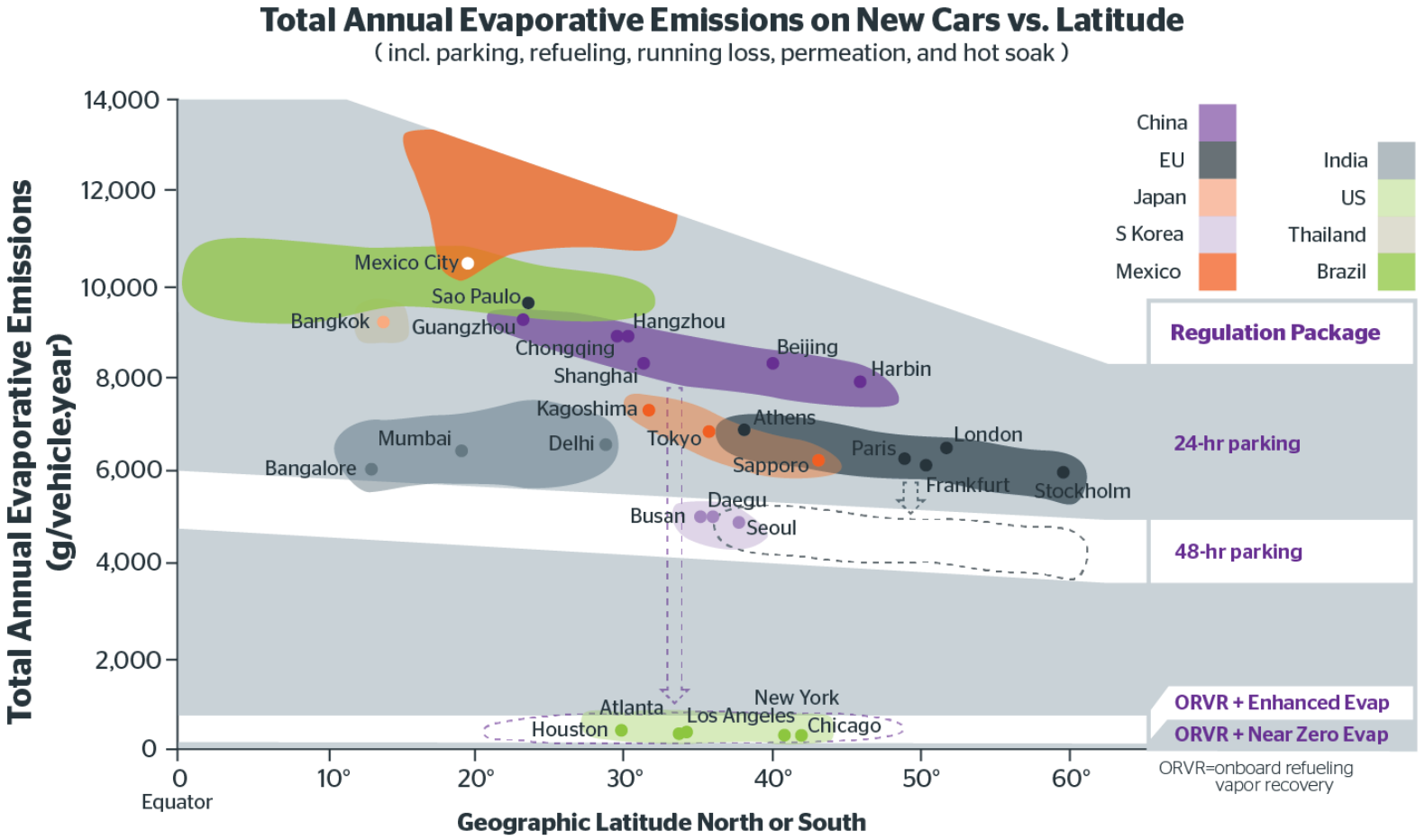
(3) Ingevity Management estimate based on company information, IHS, and regulatory discussions in specific country / region

(4) Beginning July 1, 2020, all new vehicles registered need to be compliant with the new evaporative emissions standards per Ingevity Management's understanding of the China 6 regulation published December 23, 2016; Ingevity Management expects potential adoption phase in calendar year 2018 / 2019

(5) Beginning September 1, 2019, all new vehicles registered need to be compliant with the new evaporative emissions standards per Ingevity Management's understanding of new European published regulations; Ingevity Management expects potential early adoption in calendar year 2018 / 2019

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Global Gasoline Vapor Emission Control Opportunity



SOURCE: Company data and estimates

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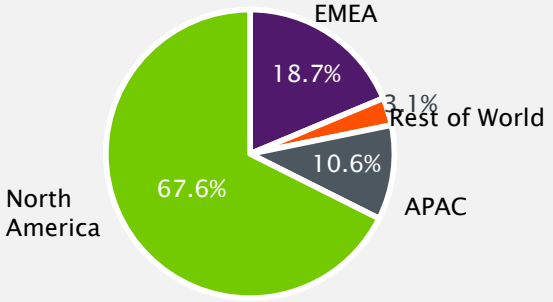
Performance Chemicals

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

2016 Revenue: $607M

2016 Revenues by Geography





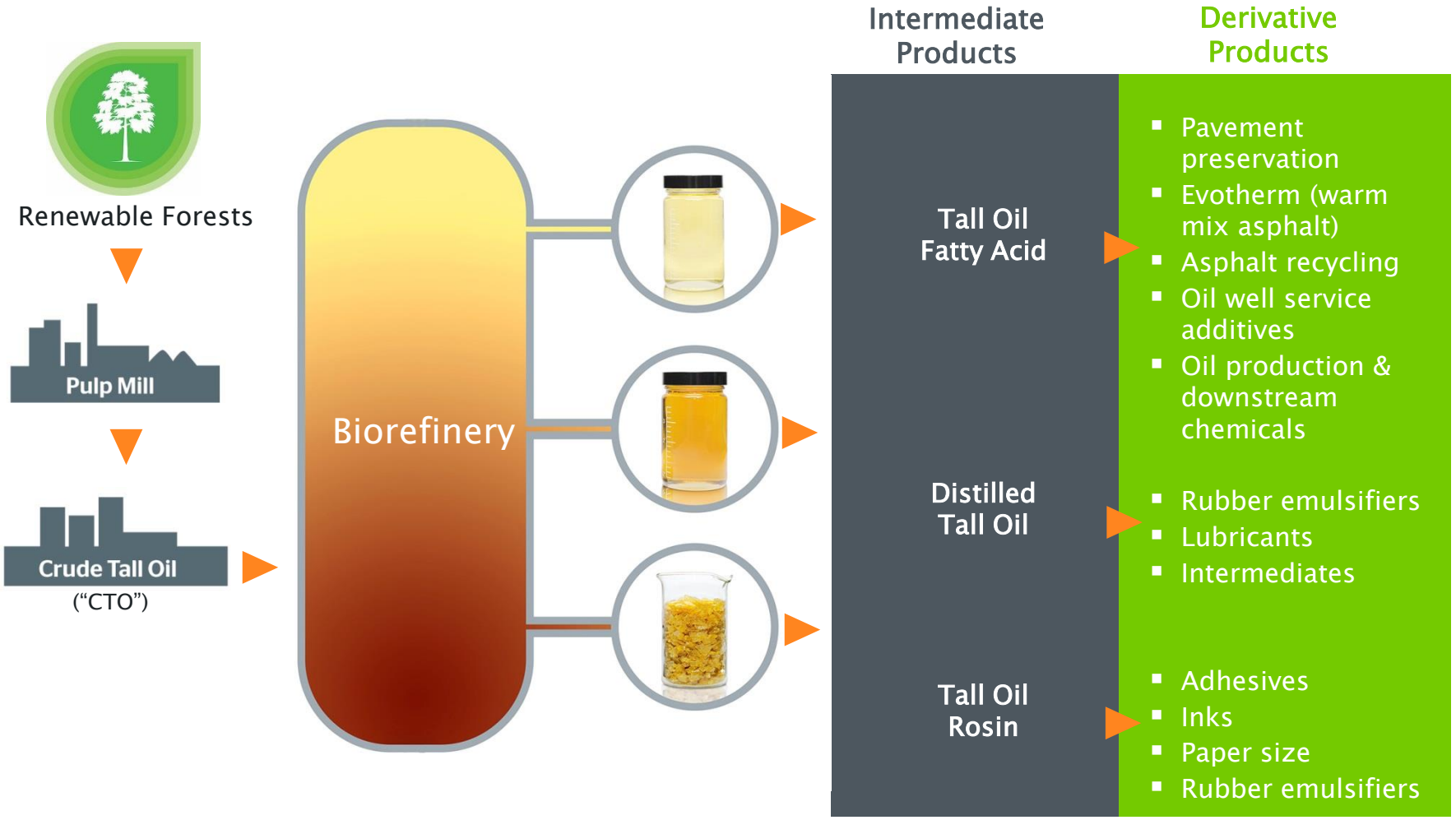






Source: Company information and Form 10

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

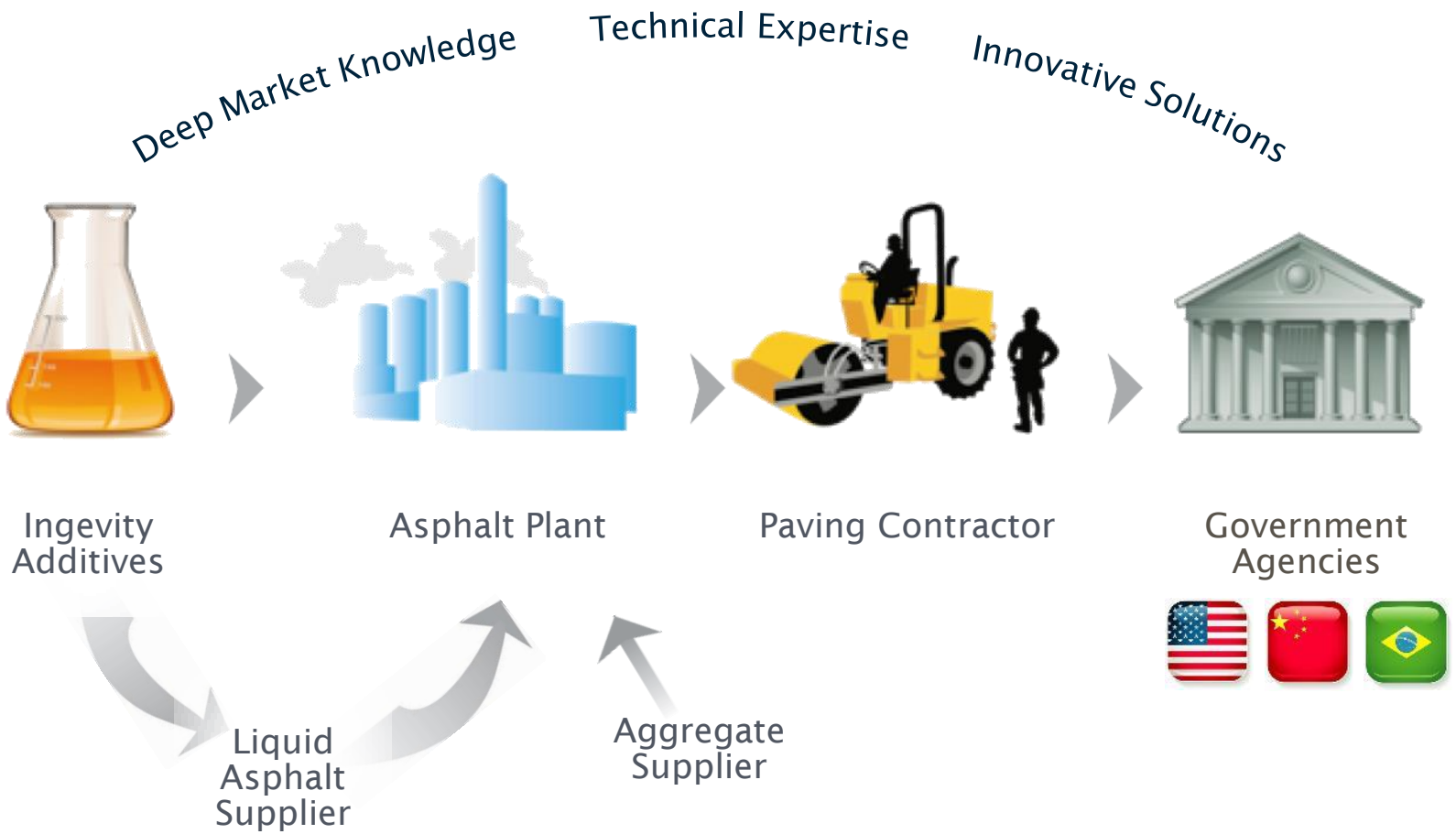
	Pavement Technologies Est. Market Size: $800M – 1B	Oilfield Technologies Est. Market Size: $2B	Industrial Specialties Est. Market Size: $3–5B
			
Ingevity Products	Pavement preservation products, warm mix additives	Well service additives, production and downstream products (corrosion inhibitors or their 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

Appendix

Non-GAAP Financial Measures

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

Ingevity uses the following non-GAAP measures:

Adjusted earnings (loss) is defined as net income (loss) attributable to Ingevity stockholders plus restructuring and other (income) charges, separation costs, acquisition 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, acquisition 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, restructuring and other (income) charges, separation costs and acquisition costs.

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. In addition, the Company believes Adjusted EBITDA, Adjusted EBITDA Margin, Segment EBITDA and Segment EBITDA Margin are useful measures because they exclude the effects of financing and investment activities as well as non-operating activities. 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.

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

In millions	2016
Net income (loss) (GAAP)	$ 44.4
Provision for income taxes	42.6
Interest expense	19.3
Interest income	(1.4)
Separation costs	17.5
Depreciation and amortization	38.8
Restructuring and other (income) charges	41.2
Adjusted EBITDA (Non-GAAP)	$ 202.4
Net sales	$ 908.3
Net income (loss) margin	4.9%
Adjusted EBITDA margin	22.3%

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

In millions **Performance Materials**	2016
Segment operating profit (GAAP)	$ 106.9
Depreciation and amortization	16.4
Segment EBITDA (Non-GAAP)	$ 123.3
Net sales	$ 301.0
Segment operating margin	35.5%
Segment EBITDA margin	41.0%
Performance Chemicals	
Segment operating profit (GAAP)	$ 56.7
Depreciation and amortization	22.4
Segment EBITDA (Non-GAAP)	$ 79.1
Net sales	$ 607.3
Segment operating margin	9.3%
Segment EBITDA margin	13.0%

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

In millions, except per share amounts; unaudited	Three Months Ended September 30,		Nine Months Ended September 30,	
	2017	2016 [1]	2017	2016 [1]
Net income (loss)	$ 38.4	$ (4.9)	$ 97.2	$ 32.7
Less: Net income (loss) attributable to noncontrolling interests	4.6	2.3	12.3	6.6
Net income (loss) attributable to Ingevity stockholders (GAAP)	33.8	(7.2)	84.9	26.1
Restructuring and other (income) charges [2]	0.1	32.7	3.5	38.3
Separation costs [3]	0.2	2.5	0.7	13.6
Acquisition costs [4]	4.1	—	4.1	—
Income tax effect on items above	(1.6)	(1.5)	(2.4)	(3.4)
Adjusted earnings (loss) (Non-GAAP)	$ 36.6	$ 26.5	$ 90.8	$ 74.6
Diluted earnings (loss) per common share (GAAP)	$ 0.79	$ (0.17)	$ 2.00	$ 0.79
Restructuring and other (income) charges	—	0.77	0.08	0.91
Separation costs	0.01	0.06	0.01	0.32
Acquisition costs	0.10	—	0.10	—
Income tax effect on items above	(0.04)	(0.04)	(0.06)	(0.08)
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 0.86	$ 0.63	$ 2.13	$ 1.94
Average number of shares outstanding used in diluted adjusted after-tax earnings per share computations	42.5	42.2	42.5	42.2

(1) Certain prior period amounts have been revised to reflect the impact of adjustments made to our financial statements to correct for various immaterial errors previously identified during the quarter and year ended December 31, 2016.

(2) Charges for the three months ended September 30, 2017 include $0.1 million in costs primarily associated with the exit of our Performance Chemicals' manufacturing operations in Palmeira, Santa Catarina, Brazil. Charges incurred for the nine months ended September 30, 2017 include $1.3 million in severance and other employee-related costs related to a reorganization as part of an effort to streamline our leadership team, flatten the organization and reduce costs. Additional charges include $2.2 million in miscellaneous costs primarily associated with the exit of our Performance Chemicals' manufacturing operations in Palmeira, Santa Catarina, Brazil. Charges incurred during 2016 relate to two restructuring activities that commenced in the first quarter of 2016. Charges for the three months ended September 30, 2016 were comprised of an asset impairment charge of $30.2 million, severance related charges of $2.0 million and miscellaneous exit costs of $0.5 million. Charges for the nine months ended September 30, 2016 were comprised of asset write-downs, including the asset impairment charge of $30.2 million, accelerated depreciation of $0.4 million, $7.2 million in severance related charges, and miscellaneous exist costs of $0.5 million.

(3) In connection with the separation from WestRock we have incurred pre-tax separation costs. These costs were primarily related to professional fees associated with separation activities within the finance, tax and legal functions.

(4) Charges primarily relate to legal and professional fees incurred associated with the planned acquisition of Georgia Pacific's Pine Chemicals Business.

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

In millions, unaudited	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016 [1]	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016 [1]
Net income (loss) (GAAP)	$ 38.4	$ (4.9)	$ 97.2	$ 32.7
Provision for income taxes	16.7	15.4	44.9	39.2
Interest expense, net	3.2	3.8	9.3	14.2
Separation costs	0.2	2.5	0.7	13.6
Depreciation and amortization	10.0	10.1	30.4	28.4
Restructuring and other (income) charges	0.1	32.7	3.5	38.3
Acquisition costs	$ 4.1	$ —	$ 4.1	$ —
Adjusted EBITDA (Non-GAAP)	$ 72.7	$ 59.6	$ 190.1	$ 166.4
Net sales	$ 264.1	$ 252.4	$ 742.9	$ 697.4
Net income (loss) margin	14.5%	(1.9)%	13.1%	4.7%
Adjusted EBITDA margin	27.5%	23.6 %	25.6%	23.9%

(1) Certain prior period amounts have been revised to reflect the impact of adjustments made to our financial statements to correct for various immaterial errors previously identified during the quarter and year ended December 31, 2016.

Reconciliation of Provision for Income Taxes (GAAP) to Provision for Income Taxes on Adjusted Earnings (Non-GAAP)

In millions, unaudited	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016 [1]	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016 [1]
Provision for Income Taxes (GAAP)	$ 16.7	$ 15.4	$ 44.9	$ 39.2
Income tax effect on Special items	1.6	1.5	2.4	3.4
Provision for Income Taxes on Adjusted Earnings (Non-GAAP)	$ 18.3	$ 16.9	$ 47.3	$ 42.6

(1) Certain prior period amounts have been revised to reflect the impact of adjustments made to our financial statements to correct the timing of previously recorded out-of-period adjustments.

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

In millions, unaudited	Three Months Ended September 30,		Nine Months Ended September 30,	
Performance Materials	2017	2016 [1]	2017	2016 [1]
Segment operating profit (GAAP)	$ 29.3	$ 27.8	$ 89.5	$ 84.7
Depreciation and amortization	4.9	4.7	14.9	11.6
Segment EBITDA (Non-GAAP)	$ 34.2	$ 32.5	$104.4	$ 96.3
Inter-company foreign currency loss/(gain)	(0.1)	1.7	1.2	0.1
Segment EBITDA excluding inter-company foreign currency impacts (Non-GAAP)	$ 34.1	$ 34.2	$105.6	$ 96.4
Net sales	$ 85.4	$ 79.4	$258.3	$223.7
Segment operating margin	34.3%	35.0%	34.6%	37.9%
Segment EBITDA margin	40.0%	40.9%	40.4%	43.0%
Segment EBITDA margin excluding inter-company foreign currency impacts	39.9%	43.1%	40.9%	43.1%
Performance Chemicals				
Segment operating profit (GAAP)	$ 33.4	$ 21.7	$ 70.2	$ 53.3
Depreciation and amortization	5.1	5.4	15.5	16.8
Segment EBITDA (Non-GAAP)	$ 38.5	$ 27.1	$ 85.7	$ 70.1
Net sales	$178.7	$173.0	$484.6	$473.7
Segment operating margin	18.7%	12.5%	14.5%	11.3%
Segment EBITDA margin	21.5%	15.7%	17.7%	14.8%

(1) Certain prior period amounts have been revised to reflect the impact of adjustments made to our financial statements to correct for various immaterial errors previously identified during the quarter and year ended December 31, 2016.

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