Ingevity

Jefferies 2018 Global Industrials Conference

August 2018

Disclaimer

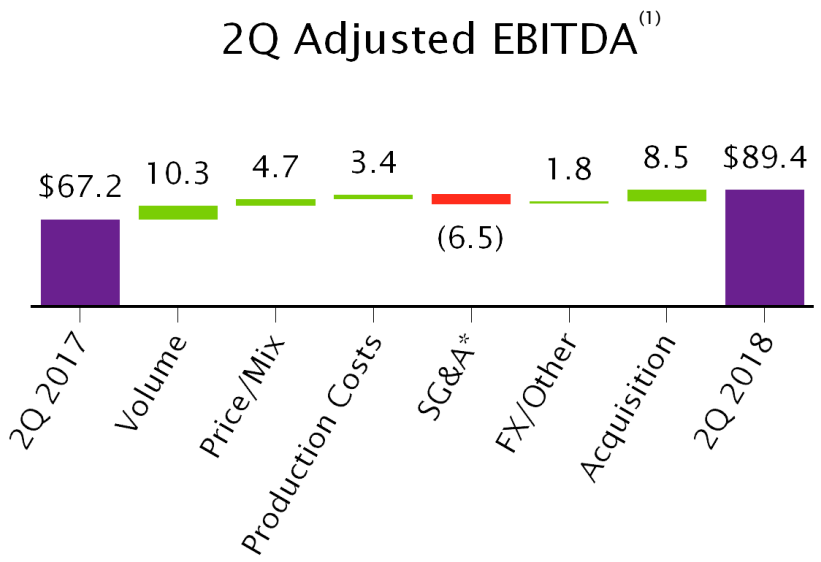
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Non-GAAP Financial Measures

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.

Second Quarter 2018 Results

$ in millions	2Q 2018	2Q 2017	vs Prior Year Δ	vs Prior Year Δ%
Net Sales	308.6	260.3	48.3	18.6%
Adjusted EBITDA [1]	89.4	67.2	22.2	33.0%
Adjusted EBITDA Margin [1]	29.0%	25.8%	+320 bps	



*SG&A includes research & technical expenses.

Performance Highlights

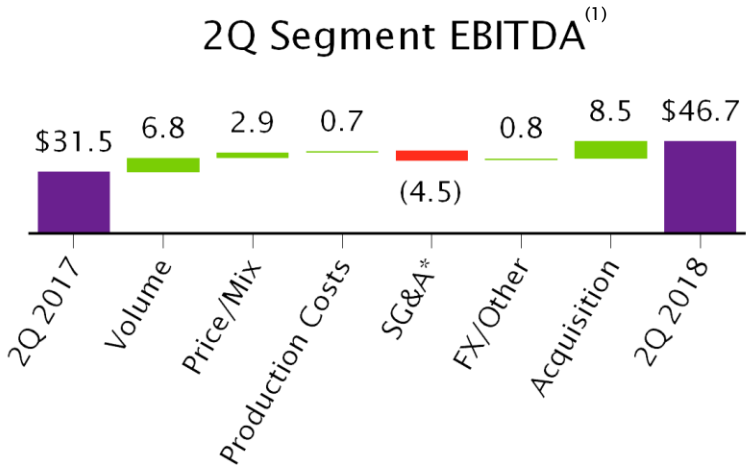
- Strong organic growth augmented by Georgia-Pacific pine chemicals acquisition
- Profitability accelerated by excellent commercial and operational execution
- Sales up more than 18%
  - Volumes were largest contributor
  - Price / mix
  - Strong productivity
- Adjusted EBITDA up 33% on:
  - Revenue impacts
  - Lower CTO costs
  - Higher freight and increased SG&A
- Pro forma results also up significantly [2]
  - Revenue increase of almost 9%
  - Adjusted EBITDA increase of almost 23%

(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.
(2) Represents the unaudited pro forma results associated with the GP acquisition. See appendix for more information.

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Performance Chemicals

$ in millions	2Q 2018	2Q 2017	vs Prior Year Δ	vs Prior Year Δ%
Net Sales	212.5	170.8	41.7	24.4%
Oilfield Technologies	*29.1*	*19.5*	*9.6*	*49.2%*
Pavement Technologies	*65.6*	*55.7*	*9.9*	*17.8%*
Industrial Specialties	*117.8*	*95.6*	*22.2*	*23.2%*
Segment EBITDA[1]	46.7	31.5	*15.2*	*48.3%*
Segment EBITDA Margin[1]	22.0%	18.4%	+360 bps	



*SG&A includes research & technical expenses.

Performance Highlights

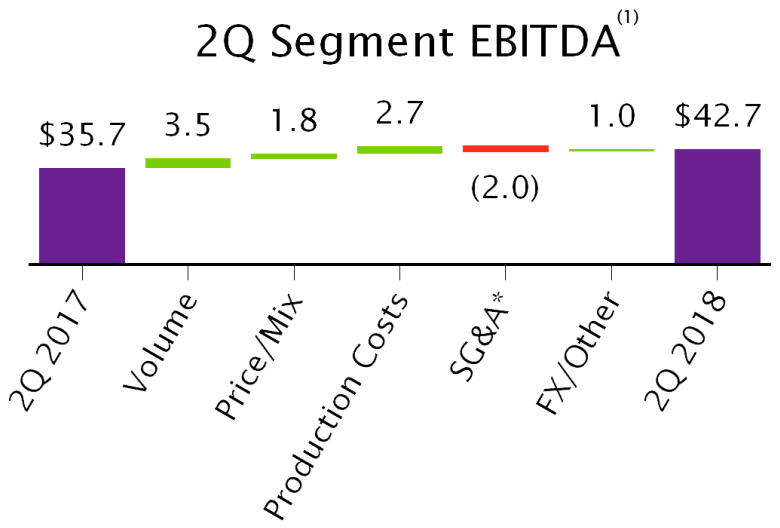
- Revenue increase of 24%; G-P contributed to oilfield and industrial specialties sales
  - *Oilfield Technologies*: U.S. rig count climbed 11.4%; should moderate
  - *Pavement Technologies*: Strong start to paving season; volume gains in almost every region
  - *Industrial Specialties*: Rosin increase with road marking gain; strength in TOFA, agchem, adhesives, lubricants
- Segment EBITDA of $47 million up 48%
  - Revenue impacts; improved price/mix, lower CTO costs, G-P acquisition
  - Partially offset by higher freight and SG&A costs
- On a pro forma basis[2], revenues up over 9% and segment EBITDA up 26%
- G-P synergies at accelerated pace

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Performance Materials

$ in millions	2Q 2018	2Q 2017	vs Prior Year Δ	vs Prior Year Δ%
Net Sales	96.1	89.5	6.6	7.4%
Automotive Technologies	*86.1*	*79.9*	*6.2*	*7.8%*
Process Purification	*10.0*	*9.6*	*0.4*	*4.2%*
Segment EBITDA[(1)]	42.7	35.7	*7.0*	*19.6%*
Segment EBITDA Margin[(1)]	44.4%	39.9%	+450 bps	



*SG&A includes research & technical expenses.

Performance Highlights

- Revenue increase of 7% despite 2% reduction in North American vehicle production and strong year-ago quarter
  - U.S. light vehicle sales up 2%
  - Continued shift from cars to trucks / SUVs in U.S.; 68% trucks in 2Q18 vs. 63% in 2Q17
- Continued strong sales for "honeycomb" scrubbers used to comply with U. S. EPA Tier 3 and California LEV III gasoline vapor emission control standards
- Segment EBITDA of $43 million up about 20%
  - Growth driven by volumes, particularly for "honeycombs"
  - Improved price and product mix
  - Strong performance at manufacturing facilities

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Purification Cellutions Acquisition

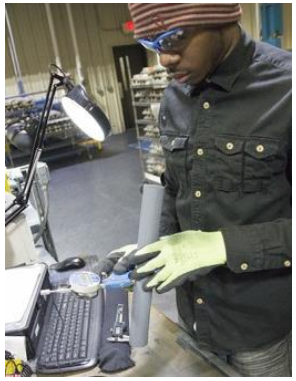
- Agreement to acquire remaining 30% interest in Purification Cellutions, LLC
- Waynesboro, Ga., plant manufactures “honeycomb” scrubbers
- Purchase price of approximately $80 million
  - Purification Cellutions is manufacturing JV only
  - Patents and IP are sole property of Ingevity
  - Fair and mutually beneficial terms
- Expected to close in third quarter
- Greater operational control and flexibility
- Full return on future technology and capacity investments
- No impact to revenues or adjusted EBITDA; eliminates noncontrolling interest and adds to EPS

PURIFICATION CELLUTIONS





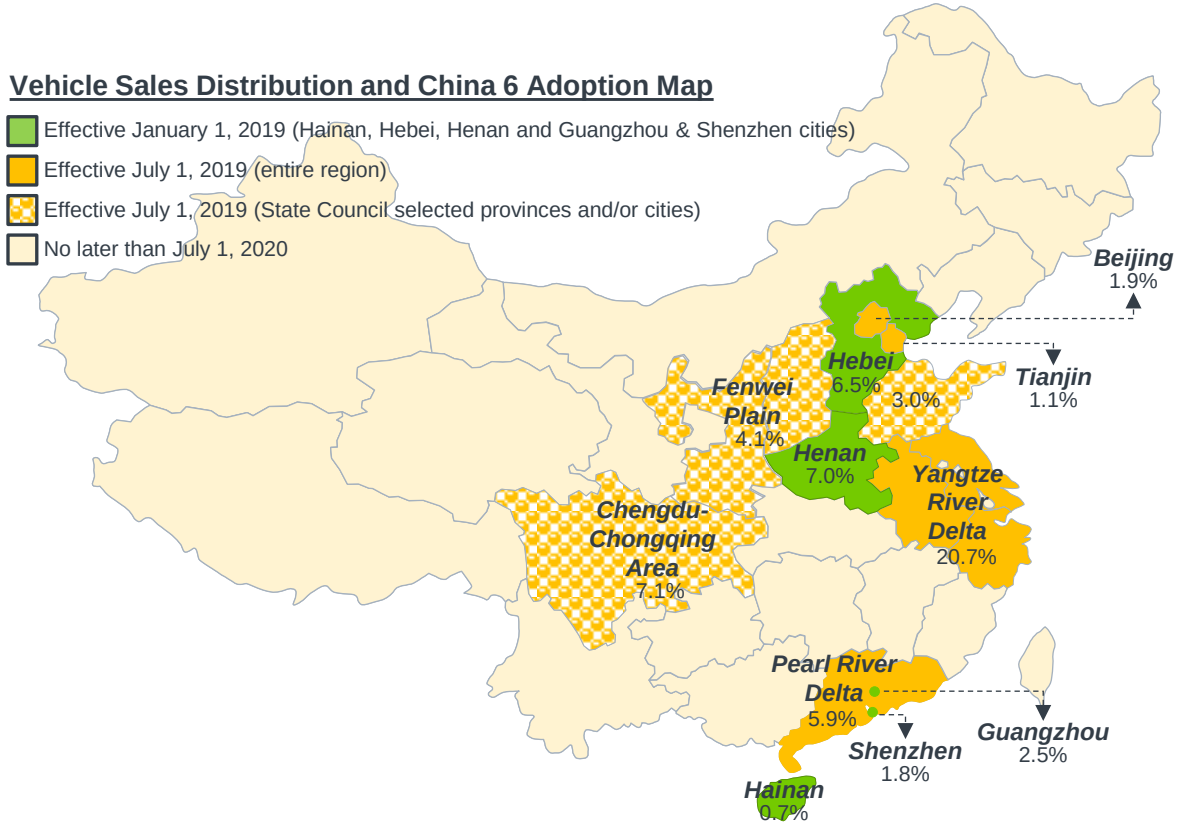


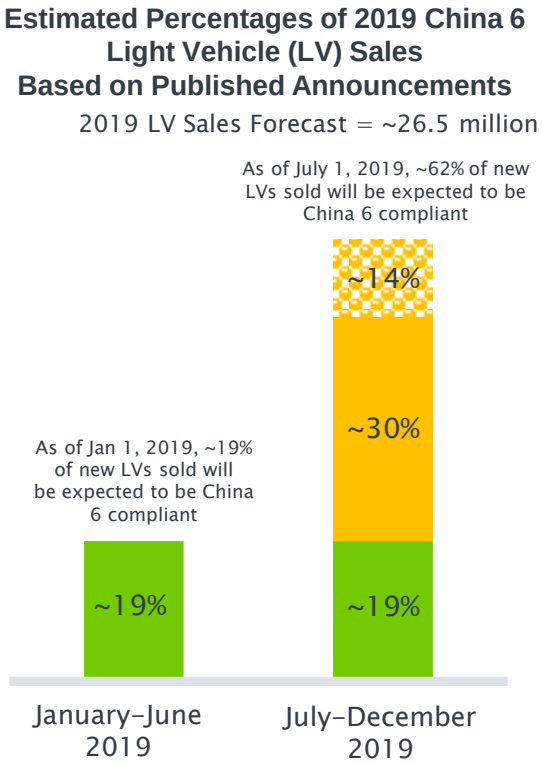




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Estimated Early China 6 Implementation





In addition to the January 1, 2019 announced regions/cities, the China State Council has directed many major cities and areas to adopt China 6 by July 1, 2019

Data Source: IHS, China Car Insurance Data, Ingevity estimate
Methodology: 2018 H1 sales percentages

http://www.gov.cn/zhengce/content/2018-07/03/content_5303158.htm
http://www.gov.cn/xinwen/2018-07/03/content_5303212.htm

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Second Quarter 2018 Financial Results

Key Income Statement Metrics

$ in millions except EPS & shares outstanding	2Q 2018	2Q 2017	vs PY Δ%	1H 2018	1H 2017	vs PY Δ%
Net Sales (GAAP)	308.6	260.3	18.6%	543.8	478.8	13.6%
Adjusted EBITDA (Non-GAAP) (1)	89.4	67.2	33.0%	156.5	117.4	33.3%
Adjusted EBITDA Margin (Non-GAAP) (1)	***29.0%***	***25.8%***	***320 bps***	***28.8%***	***24.5%***	***430 bps***
Performance Chemicals Net Sales (GAAP)	212.5	170.8	24.4%	352.2	305.9	15.1%
Performance Chemicals EBITDA (Non-GAAP) (1)	46.7	31.5	48.3%	71.6	47.2	51.7%
Performance Chemicals EBITDA Margin (Non-GAAP) (1)	***22.0%***	***18.4%***	***360 bps***	***20.3%***	***15.4%***	***490 bps***
Performance Materials Net Sales (GAAP)	96.1	89.5	7.4%	191.6	172.9	10.8%
Performance Materials EBITDA (Non-GAAP) (1)	42.7	35.7	19.6%	84.9	70.2	20.9%
Performance Materials EBITDA Margin (Non-GAAP) (1)	***44.4%***	***39.9%***	***450 bps***	***44.3%***	***40.6%***	***370 bps***
Interest expense, net (GAAP)	7.8	2.8	178.6%	13.9	6.1	127.9%
Provision for income taxes on Adjusted Earnings (Non-GAAP) (1)	12.7	17.3	(26.6)%	23.4	29.0	(19.3)%
Net income (loss) attributable to noncontrolling interests (GAAP)	5.5	3.7	48.6%	10.5	7.7	36.4%
Net income (loss) attributable (GAAP)	46.7	32.1	45.5%	77.5	51.1	51.7%
Adjusted earnings (loss) (Non-GAAP) (1)	47.5	33.3	42.6%	81.3	54.2	50.0%
Diluted Adjusted EPS (Non-GAAP) (1)	$1.12	$0.78	43.6%	$1.91	$1.28	49.2%
Diluted EPS (GAAP) (1)	$1.10	$0.76	44.7%	$1.82	$1.21	50.4%
Basic shares outstanding	42.1	42.1	—%	42.1	42.1	—%
Diluted shares outstanding	42.6	42.4	0.5%	42.6	42.4	0.5%

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Second Quarter 2018 Financial Results

Key Balance Sheet & Cash Flow Metrics

$ in millions	June 30, 2018	December 31, 2017
Cash & cash equivalents	83.0	87.9
Restricted investment (related to capital lease) (1)	71.8	71.3
Total debt including capital lease obligation (2)	755.0	455.0
Net debt (3)	600.2	295.8
Inventories, net	195.1	160.0
Accounts receivable, net	148.1	100.0
Accounts payable	105.8	83.1
Trade Working Capital (4)	237.4	176.9

$ in millions	2Q 2018	2Q 2017	vs Prior Year Δ	vs Prior Year Δ%
Cash Flow from Operations	71.1	52.7	18.4	34.9%
Capital Expenditures	30.4	21.8	8.6	39.4%
Free Cash Flow (5)	40.7	30.9	9.8	31.7%

(1) Capital lease related to the Industrial Development Bond that is part of the financing for our Wickliffe, Kentucky facility.
(2) Excludes deferred finance fees.
(3) Net debt defined as total debt including capital lease obligation excluding deferred financing fees less cash and cash equivalents less restricted investment.
(4) Trade Working Capital is defined as Inventory + Accounts Receivable – Accounts Payable
(5) Non-GAAP measure which represents Cash flow from operations less Capital expenditures

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2018 Outlook - Update

PERFORMANCE CHEMICALS:

- Increased revenues and earnings due to:
  - Strong recovery in oilfield, moderating in second half
  - Global growth in pavement technologies
  - Outlook for industrial specialties industries remains favorable
  - G-P pine chemicals acquisition synergy acceleration
  - Continued CTO tailwinds
- Significant second half outage plan
- Modest inflationary cost pressures
- Double-digit EBITDA growth

PERFORMANCE MATERIALS:

- Strong, but moderating revenue growth throughout the year due to automotive regulatory timing
  - 2019 model year requirement in U.S. and Canada is same as last model year
  - China adoption expected in early 2019; some fourth quarter benefit
- Significant second half outage plan
- Modest inflationary cost pressures
- Double-digit EBITDA growth



2018 Revised Guidance

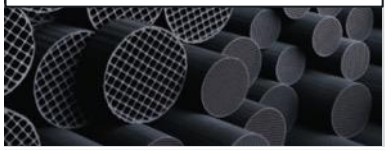
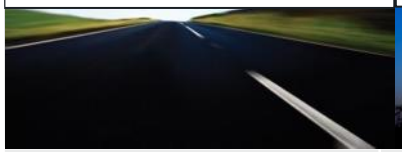
($M; includes G-P pine chemicals acquisition)

Item	Previous FY18 Guidance	2Q Revised FY18 Guidance (07/25/2018)
Revenue	$1,100 to $1,130	$1,100 to $1,130
Adjusted EBITDA (1)	$293 to $307	$302 to $314
Adjusted tax rate (1)	22 - 24%	22 - 24%
Capital expenditures	$80 to $90	$80 to $90
Free Cash Flow (2)	$100 to $110	$105 to $115
Net Debt Ratio (3)	<2.0x	<2.0x

(1) A reconciliation of Net Income to Adjusted EBITDA or Adjusted tax rate as projected for 2018 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, net of tax, include additional separation costs associated with the separation from WestRock; further restructuring and other income (charges); acquisition and other related costs in connection with the acquisition of Georgia-Pacific's pine chemical business; and revisions due to future guidance and assessment of U.S. Tax Reform. 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 $185M to $205M for FY2018 less Capital Expenditures.
(3) Defined as total debt including capital lease obligation excluding deferred financing fees less cash and cash equivalents. Restricted investment divided by annual adjusted EBITDA.

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Where We Compete

	Performance Materials	Performance Chemicals		
	Carbon Technologies	Pavement Technologies	Oilfield Technologies	Industrial Specialties
				
2017 Sales	$349 million	$163 million	$78 million	$382 million
2017 Segment EBITDA [1]	$142 million	$101 million		
Market Position	#1 in automotive	#1 or #2	#1 or #2 in oil-based muds	#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, DRT the Best of Nature, KRATON, RESPOL RESINAS, S.A.		
Select Customers	Arisan, MAHLE, DELPHI	ERGON, FlintGroup, HALLIBURTON, SOLENIS Strong bonds. Trusted solutions.	ENNIS-FLINT	arboris pine tree extracts

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Our Strategy for Realizing Our Vision

- Capture value for shareholders by creating value for our customers
- Expand our geographic reach
- Accelerate innovation
- Pursue strategic, value-creating acquisitions
- Drive continuous improvement in execution
- Maintain returns-oriented financial focus

500
bps margin accretion since 2015 to 25%

~$200 M
generated in free cash flow(1)

23.5
percent return on invested capital(2) in 2017

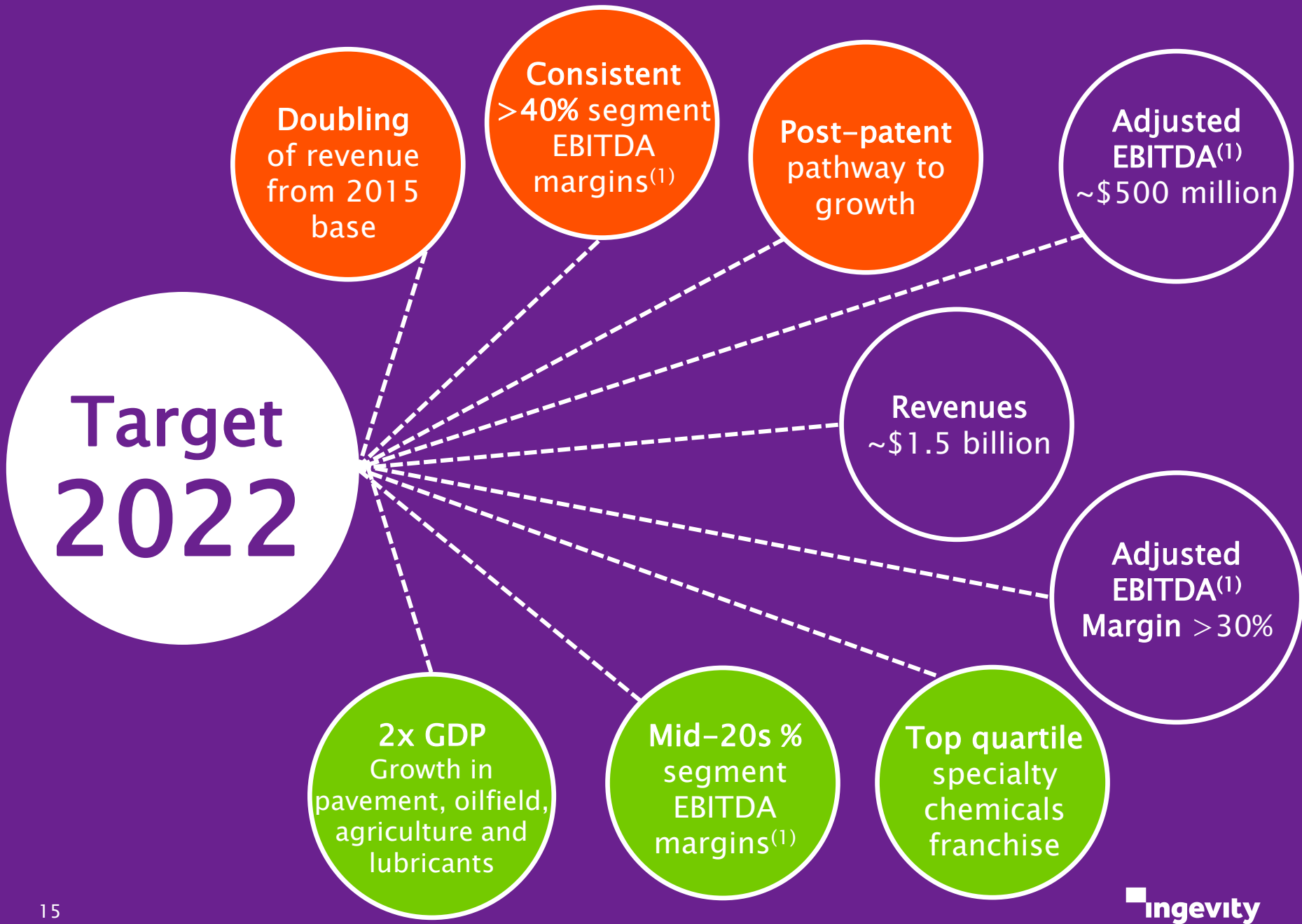
(1) Free cash flow is defined as the sum of cash provided (required) by the following items: operating activities less capital expenditures.

*(2) Return on Invested Capital (ROIC) calculated as Operating income * (1 – Effective Tax Rate) / Book Value of Debt + Equity minus Goodwill; Effective tax rates not adjusted for the impact of the Tax Cuts and Jobs Act*

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2019 and Beyond Takeaways

- Top line growth robust due to organic opportunities
- Strong drop through due to high fixed cost to variable cost ratio and cost discipline drives margin accretion
- Strong free cash flow generation to deploy for inorganic growth (2022+) or capital return
- Growth across both segments to balance concentration of profitability currently associated with honeycombs
- Maintaining leadership position in Performance Materials by developing IP, maintaining long-term customer relationships, consulting with other countries and growing carbon demand
- All courses of action driven to be a leading specialty chemical and materials company



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Building Superior Performance in Performance Chemicals

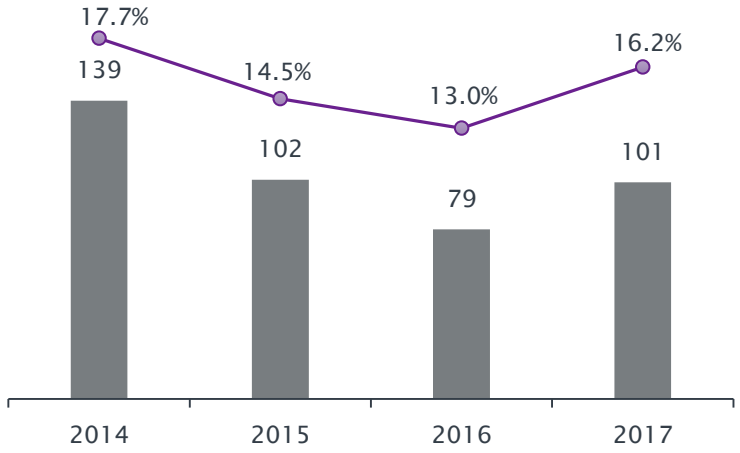
Segment Overview – Performance Chemicals

Segment Description

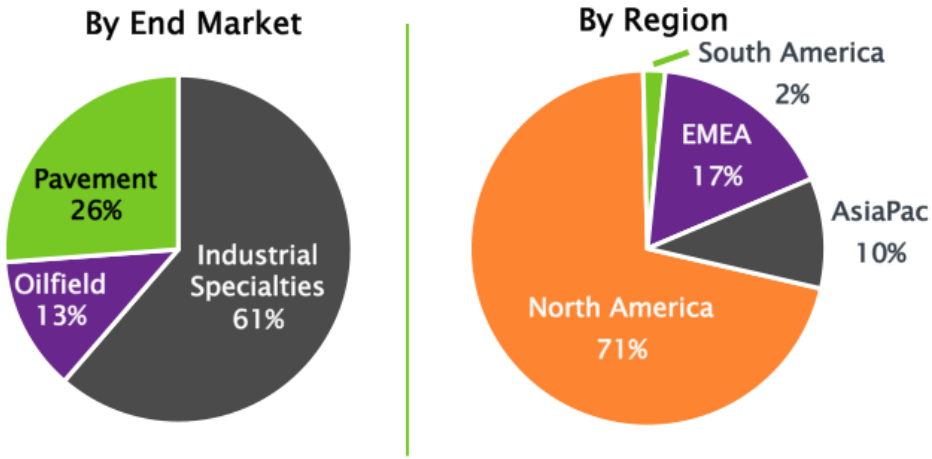
Specialty chemicals derived from co-products of the kraft pulping process, crude tall oil (CTO) and lignin

- Pavement Technologies: road construction, resurfacing, preservation, maintenance and recycling
- Oilfield Technologies: well service additives and chemistry for production and downstream applications
- Industrial Specialties: adhesive tackifiers, printing inks, paper chemicals, rubber, agrochemical dispersants, lubricants and other chemical intermediate applications

Segment EBITDA[(1)] ($M) & EBITDA Margin %[(1)]



2017 Sales – $623M



Global Footprint



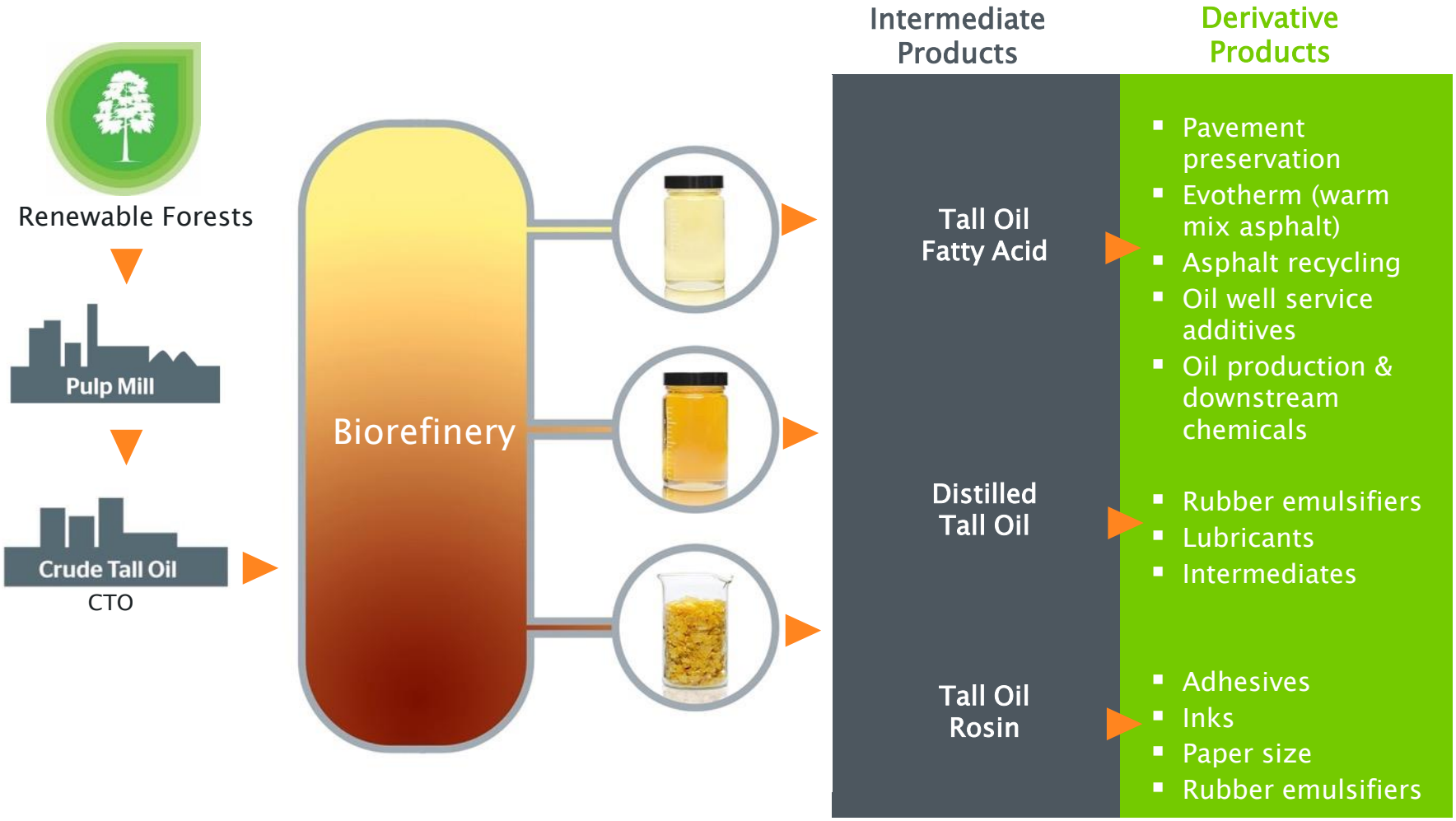
Manufacturing	Laboratories
North Charleston, SC	North Charleston, SC
DeRidder, LA	Lille, France
Crossett, AR (future)	Shanghai, China
	Chennai, India

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Pine Chemicals Value Chain

Enhanced value from intermediates and derivative products



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Performance Chemicals Businesses

Multiple paths to deliver growth and value

	Growth X GDP	Relative Margin	Customer/Innovation Profile
Pavement Technologies	2 – 3 X	High	▪ Deep customer intimacy ▪ Numerous small-med size customers ▪ Customized solutions, global opportunities ▪ Innovation leadership
Oilfield Technologies	1 – 2 X (higher in current rebound)	Medium	▪ Primarily large global service company customers ▪ Technical service requirement ▪ Product performance, consistency and value focus
Industrial Specialties	1X (varies by product segment)	Low to High	▪ Large global customers in key segments (inks, adhesives, agricultural) ▪ Formulation technical requirements vary by customer segment ▪ Cost vs. substitute products critical in some segments and geographies

Performance Chemicals
Strategy

- Continue strong growth in differentiated, high margin products and markets globally
- Improve margins in rosin-based products and TOFA
- Maximize value from Georgia-Pacific pine chemicals acquisition including capture of significant synergy opportunities
- Pursue targeted M&A opportunities which strengthen strategic position and deliver target financial requirements

Segment EBITDA margins(1) of ~20% following G-P integration, target mid-20s % by 2022

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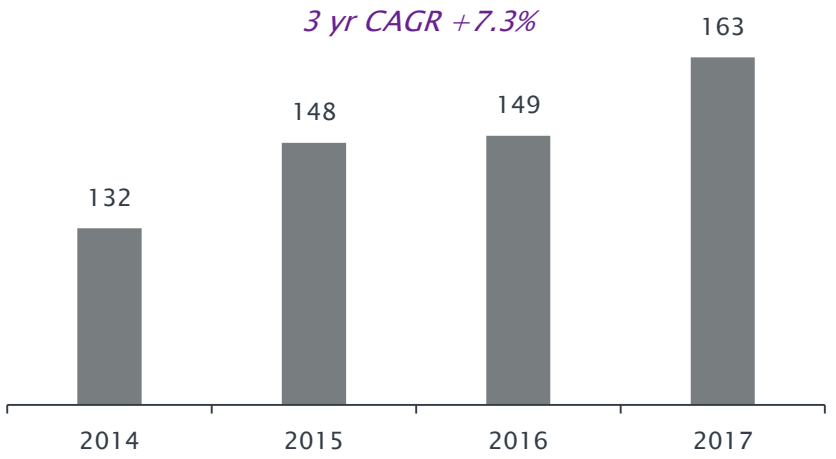
Business Overview – Pavement Technologies

Business Description

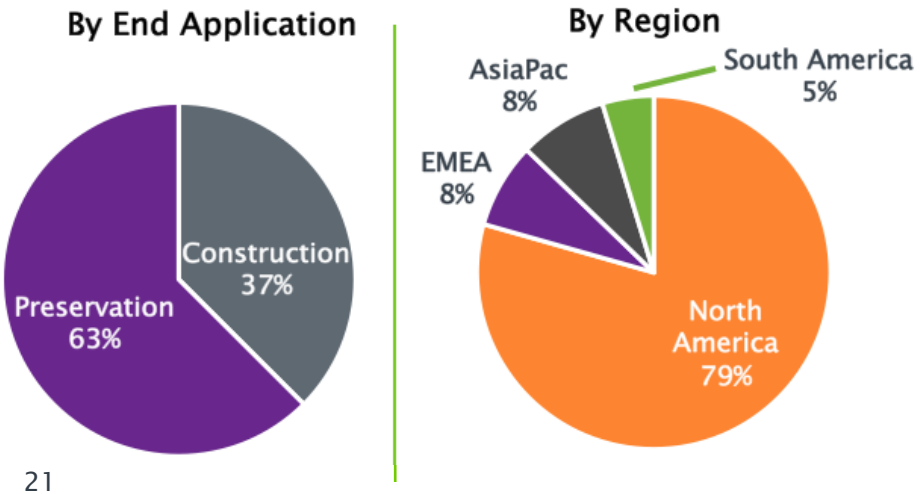
Asphalt additives derived from tall oil fatty acid, lignin, amines, surfactants and polymers

- Pavement Preservation: emulsifiers for specialty ultra-thin maintenance layers
- Evotherm Technologies: additives for road construction in the fast growing category of warm mix asphalt

Business Unit Sales

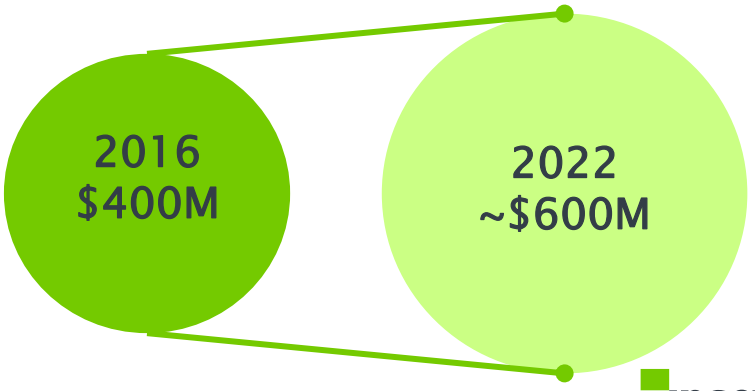


2017 Sales – $163M



Specialty Additives for Global Asphalt Paving(1)

Emulsifiers, engineered modifiers, adhesion promoters, warm mix additives, specialty polymers



(1) Management Estimates

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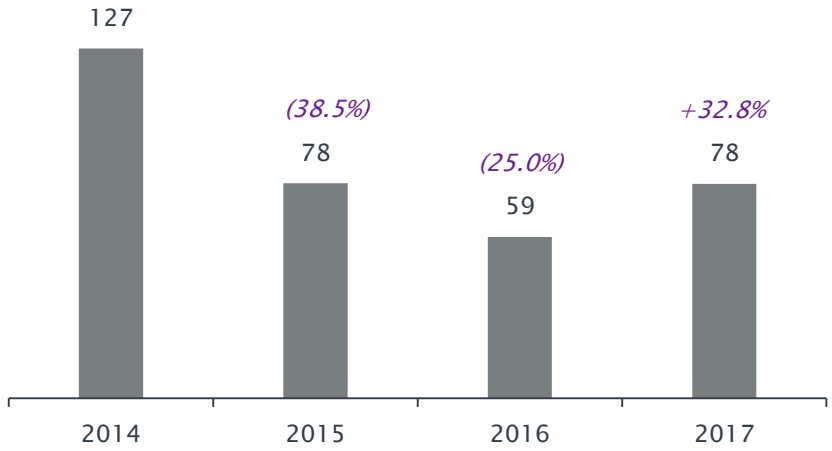
Business Overview – Oilfield Technologies

Business Description

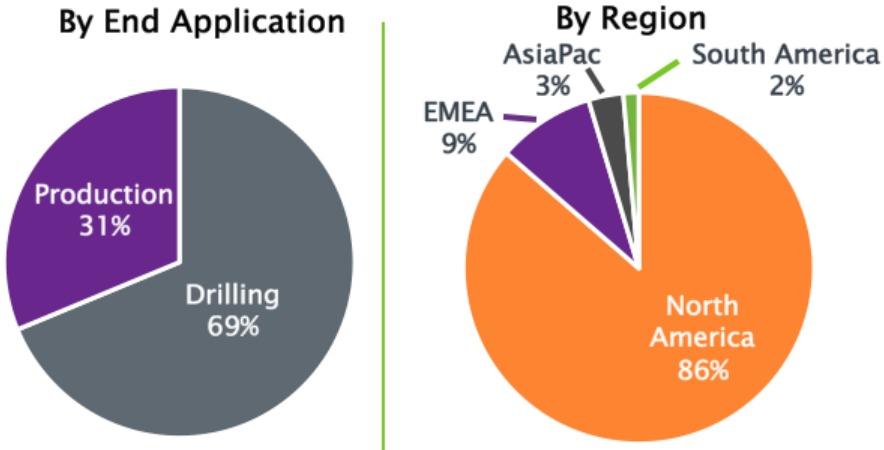
Specialty intermediates and TOFA used in Drilling, Production and Transportation of Crude Oil

- Emulsifiers for manufacture of oil-based muds
- Rheology modifiers and wetting agents for used muds
- Imidazolines and specialty derivatives for corrosion inhibition
- TOFA as raw material by integrated production service companies
- TOFA and dimers part of lubricant packages in water-based muds

Business Unit Sales

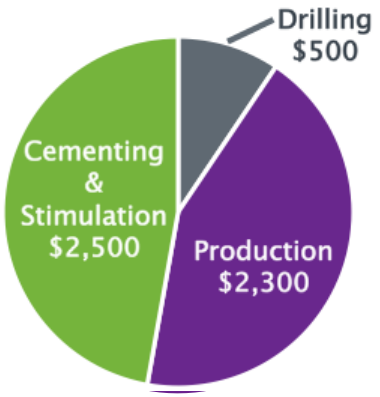


2017 Sales – $78M



2016 Specialty Chemicals for Global Oilfield[1] ($M)

Emulsifiers, rheology modifiers, corrosion inhibitors, cementing agents



(1) Management Estimates

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Business Overview – Industrial Specialties

Business Description

Industrial chemicals based on tall oil fatty acid, tall oil rosin, and lignin for the following applications:

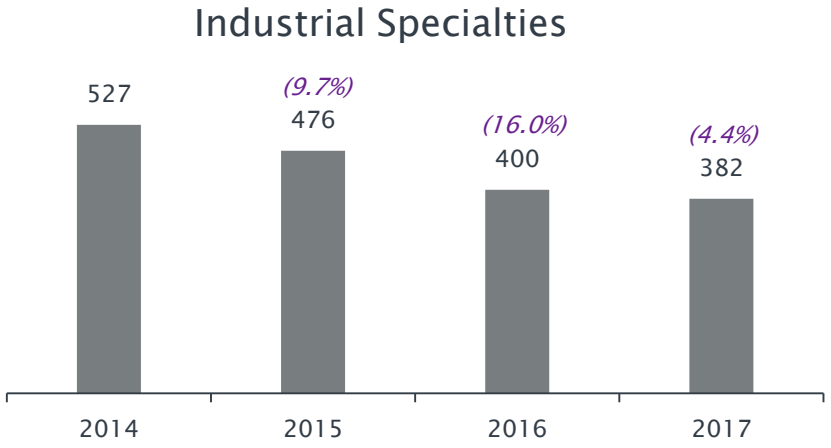
Tall Oil Rosin
- Ink resins
- Adhesives tackifiers
- Paper sizing
- Rubber emulsifiers

Lignin
- Agchem dispersants
- Dyes dispersants

Tall Oil Fatty Acid
- Lubricants
- Coatings
- Cleaners

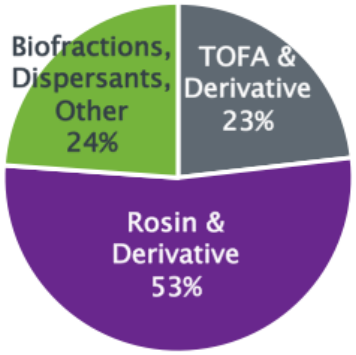
Biofractions
- Pharma phytosterols
- Renewable energy
- Roofing

Business Unit Sales

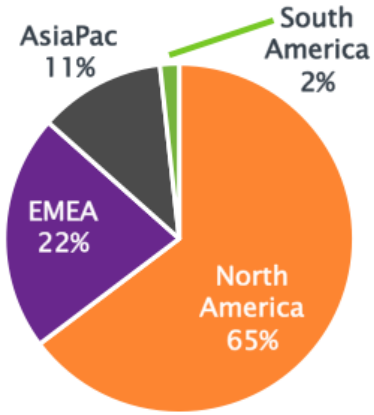


2017 Sales – $382M

By Material

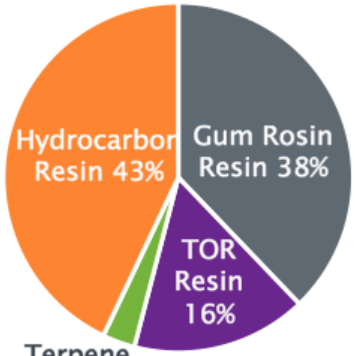


By Region

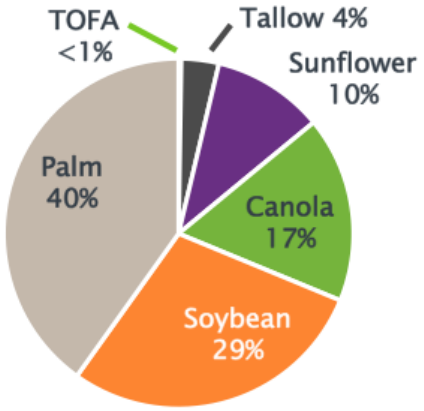


Global Rosin & Fatty Acids(1)

Global Resins – 2,400KT



Select Fatty Acids –175KT



(1) Management Estimates

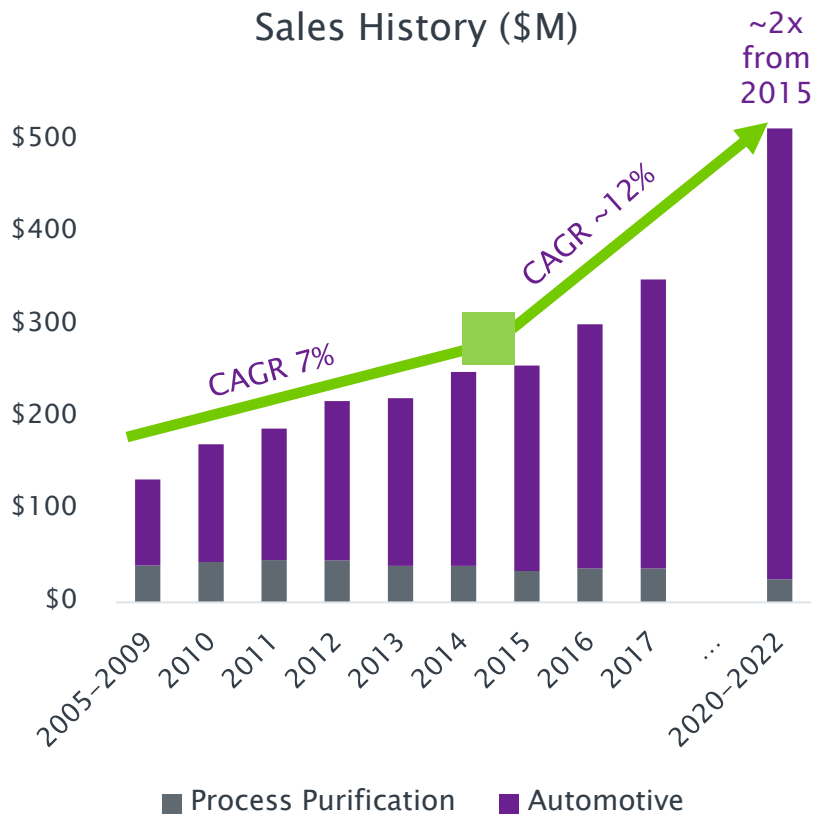
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Capitalizing on Global Growth and New Innovation in Performance Materials

Performance Materials

Strategy supports target of doubling revenues from 2015

- Maintain global leadership in technical and application expertise and regulatory advocacy
- Invest to ensure capacity and supply to meet growing global demand
- Expand our intellectual property portfolio
- Explore new technologies, applications and opportunities
- Continue to refine manufacturing excellence with a keen eye on quality, consistency and reliability



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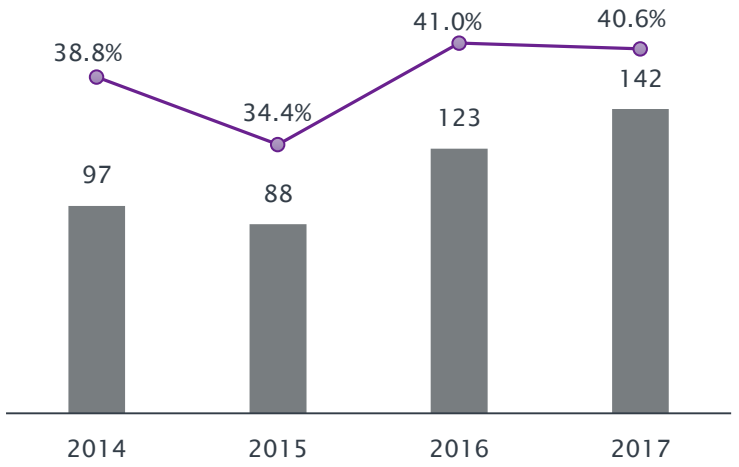
Segment Overview – Performance Materials

Segment Description

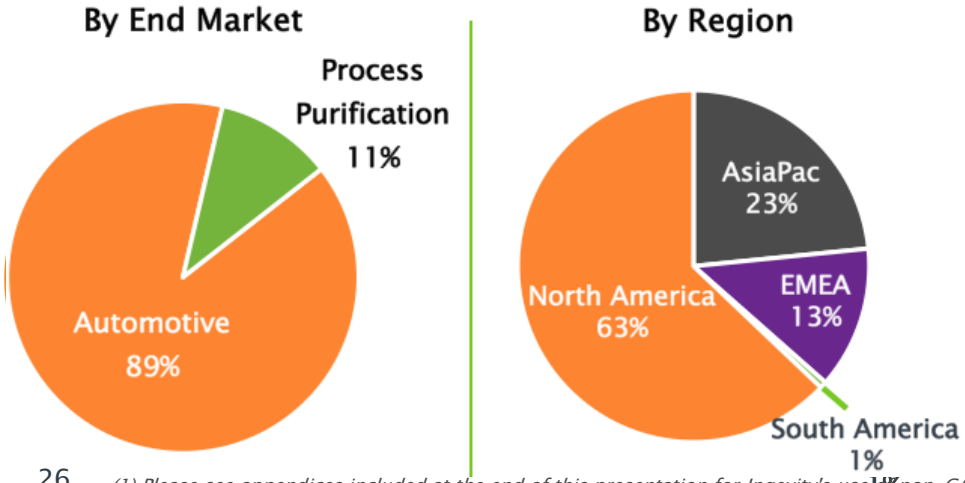
Specialty wood-based, chemically activated carbons engineered to have the optimal porosity for gasoline evaporative emissions control:

- **Canisters** – High capacity and superior durability granular and pellet activated carbons
- **"Near Zero" Canister Solutions** – Activated carbon honeycombs and bulk media to control diffusion emissions
- **Air Intake Systems** – Activated carbon sheets and honeycombs to control engine diffusion emissions
- Powdered activated carbons used in purification processes for water treatment, food & beverage and chemical & pharmaceutical applications

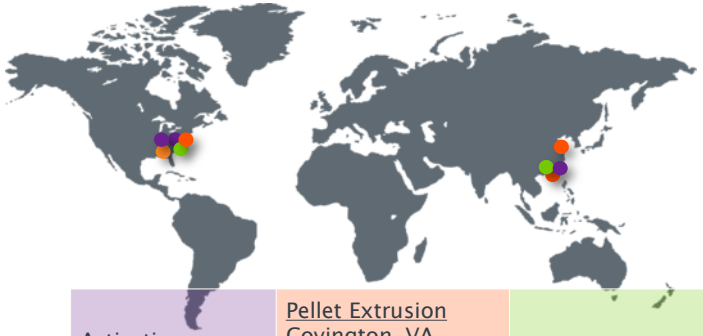
Segment EBITDA[(1)] ($M) & EBITDA Margin %[(1)]



2017 Sales



Global Footprint



Activation Covington, VA Wickliffe, KY Zhuhai, China	Pellet Extrusion Covington, VA Wujiang, China Zhuhai, China Honeycomb Waynesboro, GA (JV)	Labs/Testing: North Charleston, SC Zhuhai, China

(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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“Bleed” Emissions Patent

Applicable only to U.S./Canada “near zero” application

Expiration expected to increase competition for “near zero” solutions…

…But not direct impact on base pellet carbon

New patent coverage estimated to provide narrower protection for future, “near zero” engine designs

Control Technology

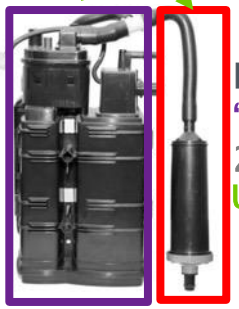


1970-80s technology / 0.5-1.0L
One Day Parking
India – China – Europe
Japan – Brazil – S. Korea



1990s technology / 2.0-3.0L
- Multi-day parking & running loss
- Plus refueling control

US & Canada (current)
China (July 2020)

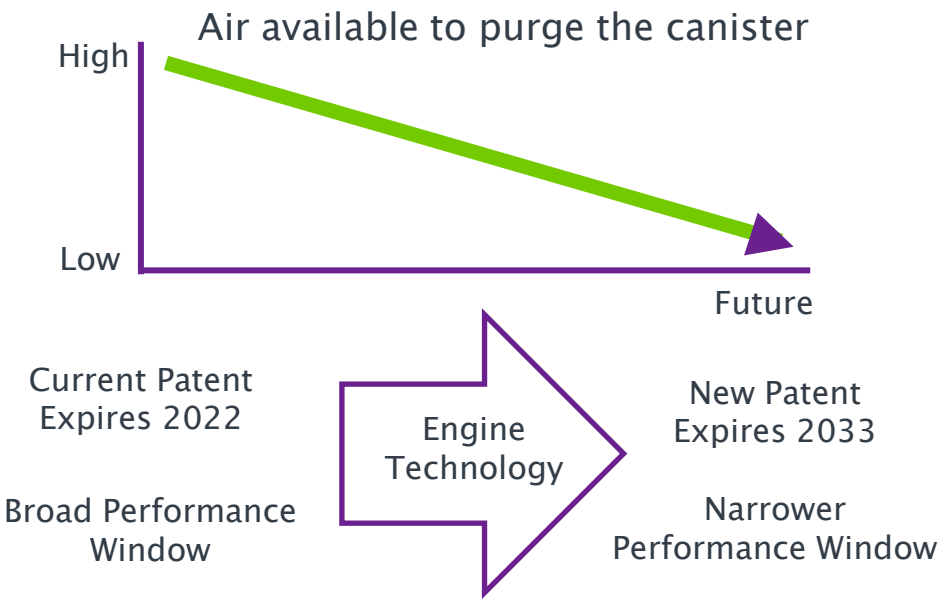


Modern technology
“Near Zero”
2.0-3.0L + scrubber
U.S. & Canada (phase in 2017-2022)

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Intellectual Property Strategy

Building patent and product portfolio to address existing and anticipated challenges with future engine technology



Technology for Low Purge Conditions

- **Patent portfolio** – Addresses canister performance under low purge conditions
- **Product development** – Solves specific canister performance issues under various low purge conditions

New Canister Emissions Patent

- Controls diffusion emissions with specific carbon/device capacity characteristics under low purge conditions

Other Patents Pending

- Aligned with expected future engine technology

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Regulatory Changes Driving Growth

Major countries/regions promulgated; new regulations under evaluation

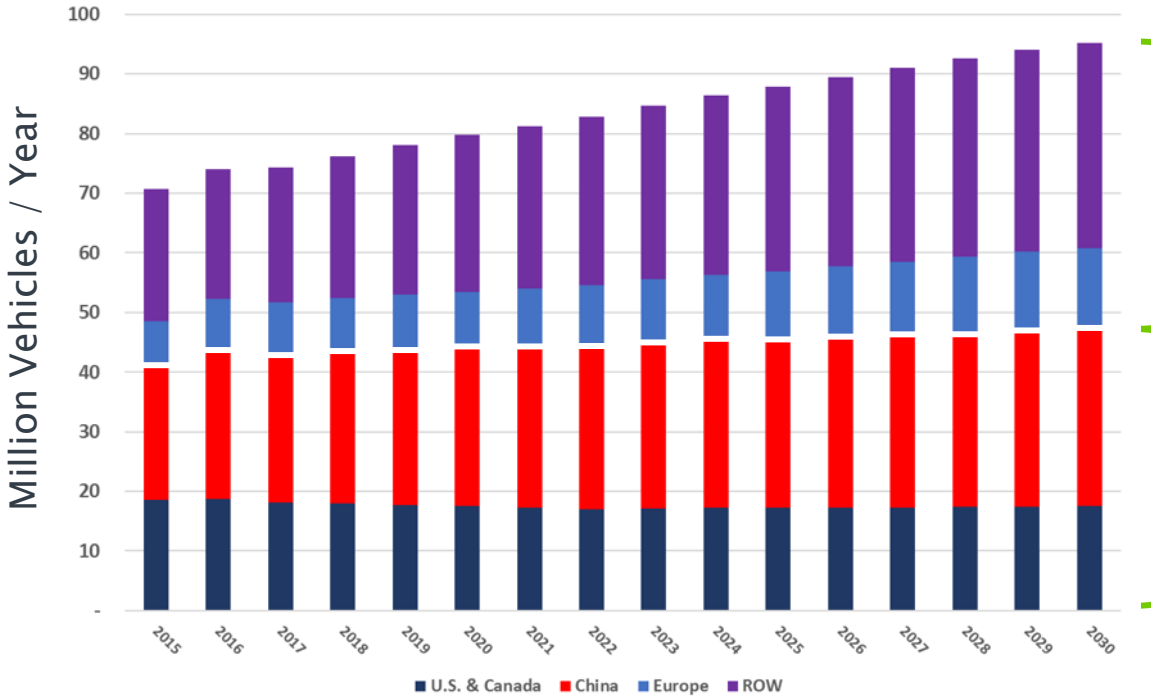
Region / Regulation	2016 Vehicle Sales (M)[5]	2017	2018	2019	2020	2021	2022
✓ US[1] & Canada[2] / Tier 3	18.6	40%[1]	60%[1]	60%[1]	80%[1]	80%[1]	100%[1]
✓ China[3] / Tier 2	25.1	–	–	Potential early adoption[3,5]		100%[3]	100%[3]
✓ Europe[4] / Multi-day	8.4	–	–	Potential early adoption[4,5]	100%[4]	100%[4]	100%[4]
✓ South Korea[6] / Tier 3	1.5	–	30%[6]	30%[6]	80%[6]	80%[6]	100%[6]
Brazil[5] / Tier 2	1.9	–	–	Potential[5] →			
Japan[5] / Multi-Day	4.6	–	–	–	Potential[5] →		

(1) US GPO http://www.ecfr.gov
(2) Canada Justice Laws http://laws-lois.justice.gc.ca
(3) China 6 regulation
(4) Euro 6c regulation
(5) Ingevity management estimate based on company information, IHS, and regulatory discussions in specific country / region
(6) S. Korea regulation, modified U.S. Tier 3 without ORVR (refueling)

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Gasoline Using Vehicles – 2015 to 2030

Vehicle sales grow an additional 25M/year primarily in regions where regulations are weak and content per vehicle is low



Regulatory Advancement Opportunity
ROW = +3.0% CAGR
EU = +3.7% CAGR
Vehicle sales grow from 30M/yr to 48M/yr

Modern, Higher US$ Content Regulations
China = +2.0% CAGR
U.S. & Canada = (0.4%) CAGR
Vehicle sales grow from 41M/yr to 47M/yr

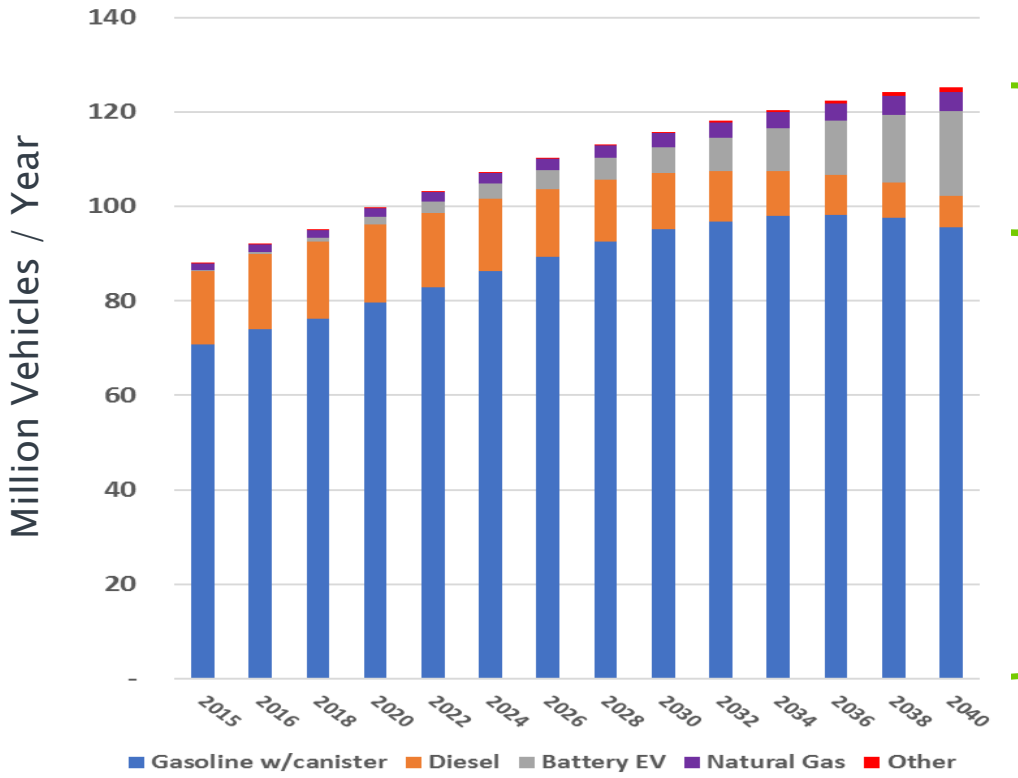
Source: IHS Q3 2017 Rivalry Scenario

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Global Vehicle Mix Shifts – 2015 to 2040

Carbon Canisters – Gasoline-using vehicles (standard ICE and electric hybrids) continue to be the primary power source for the next decades

Powertrain Mix Shifts – By 2030, gasoline-using vehicles' and battery electric vehicles' market shares increase 200 and 440 bps respectively; diesel vehicles' share declines 740 bps



Non-Gasoline

Diesel = 328 million vehicles, 11%
Battery EVs = 154 million vehicles, 5%
Natural Gas = 71 million vehicles, 2%
Other = 7 million vehicles, 0.2%

Gasoline (ICE and Hybrids)

2.3 billion gasoline-using vehicles (including hybrids) with an evaporative emissions canister – 80% of all vehicle sales

Source: IHS Q3 2017 Rivalry Scenario

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Adsorbed Natural Gas (ANG)

Market drivers provide tremendous growth potential and deliver value across a range of vehicle users

Safety — Ingevity's carbon adsorbents enable safe, low-pressure storage of natural gas

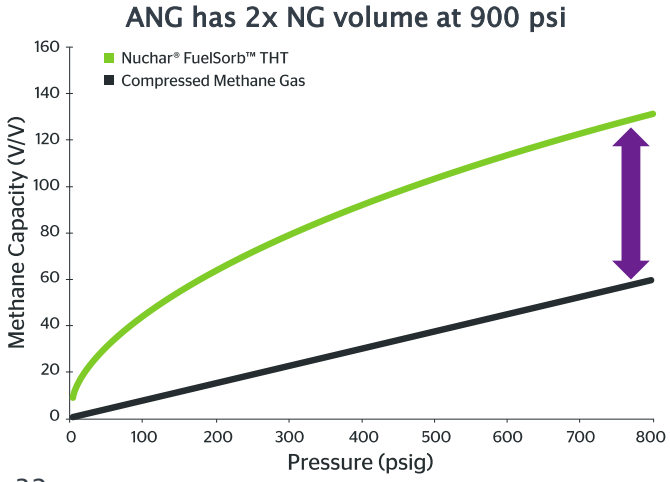
Range — A hybrid, bi-fuel vehicle can service 75% of daily usage miles with natural gasoline

Convenience — "At home" refueling leverages the infrastructure network already available in nearly 60 million U.S. homes and over 5 million businesses

Value — Fuel savings for natural gas users range from $1.00 to $1.50 per gasoline gallon equivalent (GGE) compared to conventional gasoline[1]

Per-vehicle carbon content for ANG is **100x** an automotive emissions control canister

- Auto Canister: 2 pounds
- ANG Monolith: 200 pounds



Value delivered to key stakeholders

- **Natural Gas Producer** → Increased gas demand
- **Natural Gas Utility** → Infrastructure utilization
- **Automotive OEM** →
  a) Alternative fuel option where EVs are challenged
  b) Bi-fuel with a single powertrain
- **Vehicle Owner** → Sustainable fuel savings for individual and fleet operations

[1]Assumes $2.50/gal average gasoline price and $1.00/GGE natural gas cost (US Energy Information Administration)

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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:

Adjusted earnings (loss) is defined as net income (loss) attributable to Ingevity stockholders plus restructuring and other (income) charges, separation costs, acquisition and other related charges, and the income tax expense (benefit) on those items, less the tax benefit from U.S. Tax Reform.

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 and other related charges per share, and the income tax expense (benefit) per share on those items, less the per share tax benefit from U.S. Tax Reform.

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. 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 Earnings (Loss) (Non-GAAP)

In millions, except per data (unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Net income (loss)	$ 52.2	$ 35.8	$ 88.0	$ 58.8
Less: Net income (loss) attributable to noncontrolling interests	5.5	3.7	10.5	7.7
Net income (loss) attributable to Ingevity stockholders (GAAP)	46.7	32.1	77.5	51.1
Restructuring and other (income) charges [1]	—	1.1	(0.6)	3.4
Separation costs [2]	—	0.2	—	0.5
Acquisition and other related costs [3]	1.1	—	5.7	—
Tax effect on items above	(0.3)	(0.1)	(1.3)	(0.8)
Adjusted earnings (loss) (Non-GAAP)	$ 47.5	$ 33.3	$ 81.3	$ 54.2
Diluted earnings (loss) per common share (GAAP)	$ 1.10	$ 0.76	$ 1.82	$ 1.21
Restructuring and other (income) charges	—	0.02	(0.01)	0.08
Separation costs	—	—	—	0.01
Acquisition and other related costs	0.03	—	0.13	—
Tax effect on items above	(0.01)	—	(0.03)	(0.02)
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 1.12	$ 0.78	$ 1.91	$ 1.28
Weighted average common shares outstanding - Diluted	42.6	42.4	42.6	42.4

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(1) Income for the six months ended June 30, 2018 include $0.6 million related to proceeds from the sale of assets from our Performance Chemicals' derivatives operations in Duque De Caxias, Rio de Janeiro, Brazil facility, which was closed in 2016. Charges for the three months ended June 30, 2017 include $1.1 million in costs primarily associated with the exit of our Performance Chemicals' manufacturing operations in Palmeira, Santa Catarina, Brazil. Charges incurred for the six months ended June 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 $2.1 million in miscellaneous costs primarily associated with the exit of our Performance Chemicals' manufacturing operations in Palmeira, Santa Catarina, Brazil.

(2) 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.

(3) Charges primarily relate to legal and professional fees and inventory step-up amortization incurred associated with the acquisition of Georgia Pacific's Pine Chemicals Business. For the three months ended June 30, 2018, the legal and professional fees of $0.5 million and the inventory step-up amortization of $0.6 million are included in "Acquisition-related costs" and "Cost of sales" on the condensed statement of operations, respectively. For the six months ended June 30, 2018, the legal and professional fees of $4.3 million and the inventory step-up amortization of $1.4 million are included in "Acquisition-related costs" and "Cost of sales" on the condensed statement of operations, respectively.

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

In millions (unaudited)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Net income (loss) (GAAP)	$ 52.2	$ 35.8	$ 88.0	$ 58.8
Provision (benefit) for income taxes	12.4	17.2	22.1	28.2
Interest expense, net	7.8	2.8	13.9	6.1
Separation costs	—	0.2	—	0.5
Depreciation and amortization	15.9	10.1	27.4	20.4
Restructuring and other (income) charges, net	—	1.1	(0.6)	3.4
Acquisition and other related costs	1.1	—	5.7	—
Adjusted EBITDA (Non-GAAP)	$ 89.4	$ 67.2	$ 156.5	$ 117.4
Net sales	$ 308.6	$ 260.3	$ 543.8	$ 478.8
Net income (loss) margin	16.9%	13.8%	16.2%	12.3%
Adjusted EBITDA margin	29.0%	25.8%	28.8%	24.5%

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

In millions (unaudited)	Three Months Ended June 30, 2018	Three Months Ended June 30, 2017	Six Months Ended June 30, 2018	Six Months Ended June 30, 2017
Adjusted EBITDA (Non-GAAP)	$ 89.4	$ 67.2	$ 156.5	$ 117.4
Depreciation and amortization	15.9	10.1	27.4	20.4
Interest expense, net	7.8	2.8	13.9	6.1
Adjusted income before taxes (Non-GAAP)	$ 65.7	$ 54.3	$ 115.2	$ 90.9
Provision (benefit) for income taxes (GAAP)	$ 12.4	$ 17.2	$ 22.1	$ 28.2
Tax effect on certain items	(0.3)	(0.1)	(1.3)	(0.8)
Provision for Income Taxes on Adjusted Earnings (Non-GAAP)	$ 12.7	$ 17.3	$ 23.4	$ 29.0
Adjusted Tax Rate (Non-GAAP)	19.3%	31.9%	20.3%	31.9%

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

In millions (unaudited)	Three Months Ended June 30,		Six Months Ended June 30,	
Performance Materials	2018	2017	2018	2017
Segment operating profit (GAAP)	$ 36.6	$ 30.7	$ 73.5	$ 60.2
Depreciation and amortization	6.1	5.0	11.4	10.0
Segment EBITDA (Non-GAAP)	$ 42.7	$ 35.7	$ 84.9	$ 70.2
Net sales	$ 96.1	$ 89.5	$ 191.6	$ 172.9
Segment operating margin	38.1%	34.3%	38.4%	34.8%
Segment EBITDA margin	44.4%	39.9%	44.3%	40.6%
Performance Chemicals				
Segment operating profit (GAAP)	$ 36.9	$ 26.4	$ 55.6	$ 36.8
Depreciation and amortization	9.8	5.1	16.0	10.4
Segment EBITDA (Non-GAAP)	$ 46.7	$ 31.5	$ 71.6	$ 47.2
Net sales	$ 212.5	$ 170.8	$ 352.2	$ 305.9
Segment operating margin	17.4%	15.5%	15.8%	12.0%
Segment EBITDA margin	22.0%	18.4%	20.3%	15.4%

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Supplemental Historical Quarterly Pro Forma Financial Information

The following unaudited pro forma condensed combined financial information has been prepared to illustrate the effect of the acquisition of substantially all the assets primarily used in the pine chemical business of Georgia-Pacific LLC and Georgia-Pacific Chemicals LLC ("Georgia-Pacific"), by Ingevity Corporation and Ingevity Arkansas, LLC ("Ingevity" or the "Company"). On March 8, 2018, pursuant to the terms and conditions set forth in the Asset Purchase Agreement ("Asset Purchase Agreement"), Ingevity acquired Georgia-Pacific's pine chemical business ("Pine Chemical Business"), including assets and facilities related to tall oil fractionation operations and the production or modification of tall oil fatty acids, tall oil rosins, rosin derivatives and formulated products (the "Acquisition"). The purchase price for the Acquisition was $315.0 million, which includes an adjustment for working capital of $5.0 million. Total purchase consideration was funded primarily through the issuance of $300.0 million aggregate principal amount of 4.50 percent senior unsecured notes and cash on hand. The unaudited pro forma condensed combined financial information gives effect to the Acquisition and the incurrence of additional debt used to fund the Acquisition. The unaudited pro forma condensed combined financial information gives effect to the Acquisition and related borrowing as if it had been consummated on January 1, 2017, and combines Ingevity's historical results for the period presented.

The unaudited pro forma condensed combined financial information gives effect to the Acquisition under the acquisition method of accounting in accordance with Financial Accounting Standards Board Accounting Standard Codification Topic 805, Business Combinations. The historical financial information has been adjusted in the unaudited pro forma condensed combined financial information to give effect to pro forma adjustments that are (1) directly attributable to the Acquisition, (2) factually supportable, and (3) with respect to the statements of operations, expected to have a continuing impact. In addition, the historical combined financial statements of the Pine Chemical Business have been adjusted to reflect certain reclassifications to conform to Ingevity's financial statement presentation.

The unaudited pro forma financial information included herein has been prepared by management in accordance with the regulations of the United States Securities and Exchange Commission ("SEC") and are not necessarily indicative of the combined financial position or results of operations that would have been realized had the Acquisition occurred as of the date indicated, nor are they meant to be indicative of any anticipated financial position or future results of operations that Ingevity will experience after the Acquisition. In addition, the accompanying unaudited pro forma financial information does not include any expected cost savings, operating synergies, or revenue enhancement, which may be realized subsequent to the Acquisition or the impact of any nonrecurring activity and one-time transaction-related costs. The ultimate recognition of such costs and liabilities would affect amounts in the unaudited pro forma condensed combined financial information, and such costs and liabilities could be material.

The estimated fair values used for the purpose of adjusting for the Acquisition within the unaudited pro forma condensed combined financial information are preliminary, as the determination of fair value of the Pine Chemical Business assets and liabilities requires extensive use of estimates and management's judgment. Final valuations will be performed and management anticipates that the values assigned to the assets acquired and liabilities assumed may be adjusted during the one-year measurement period following the date of completion of the Acquisition. Differences between these preliminary estimates and the final acquisition accounting may occur and could have a material impact on the accompanying unaudited pro forma condensed combined financial information. The pro forma adjustments are based on information available to management and assumptions that management believes are factually supportable. The unaudited pro forma condensed combined financial information is for illustrative and informational purposes only and is not intended to reflect what Ingevity's consolidated financial position would have been had the Acquisition occurred on January 1, 2017, and is not necessarily indicative of Ingevity's future consolidated financial position.

For more information regarding Ingevity's unaudited pro forma condensed combined financial information for the year ended December 31, 2017, see "Unaudited Pro Forma Condensed Combined Financial Information" in Ingevity's Current Report on Form 8-K/A ("Form 8-K/A") filed with the U.S. Securities and Exchange Commission on May 10, 2018, 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 Condensed Combined Financial Information" gives effect as if the Acquisition and the incurrence of additional debt used to fund the Acquisition had occurred on January 1, the first day of fiscal year 2017. Presented below is a quarterly impact of certain pro forma adjustments for the fiscal year ended December 31, 2017.

Reconciliation of Condensed Statement of Operations to Pro Forma Condensed Statement of Operations
Quarter Ended June 30, 2017

In millions, except per share data	Historical Ingevity	Pro Forma Adjustment		Pro Forma
Net sales	$ 260.3	$ 23.3	A	$ 283.6
Cost of sales	170.5	17.4	B	187.9
Gross profit	89.8	5.9		95.7
Selling, general and administrative expenses	26.3	4.9	C	31.2
Research and technical expenses	4.7	—		4.7
Separation costs	0.2	—		0.2
Restructuring and other (income) charges, net	1.1	—		1.1
Other (income) expense, net	1.7	—		1.7
Interest expense, net	2.8	3.6	D	6.4
Income (loss) before income taxes	53.0	(2.6)		50.4
Provision (benefit) for income taxes	17.2	(1.0)	E	16.2
Net income (loss)	35.8	(1.6)		34.2
Less: Net income (loss) attributable to noncontrolling interests	3.7	—		3.7
Net income (loss) attributable to Ingevity stockholders	$ 32.1	$ (1.6)		$ 30.5
Diluted earnings (loss) per common share attributable to Ingevity stockholders				
Diluted	$ 0.76			$ 0.72

A, B, C, D, and E - Refer to the "Notes to the Unaudited Pro Forma Adjustments" included herein for a description of these adjustments.

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Reconciliation of Net Income (Loss) to Pro Forma Adjusted EBITDA
Quarter Ended June 30, 2017

In millions, expect percentages (unaudited)	Historical Ingevity	Pro Forma Adjustment [A]	Pro Forma
Net income (loss)	$ 35.8	$ (1.6)	$ 34.2
Provision (benefit) for income taxes	17.2	(1.0)	16.2
Interest expense, net	2.8	3.6	6.4
Separation costs	0.2	—	0.2
Depreciation and amortization	10.1	4.6	14.7
Restructuring and other (income) charges, net	1.1	—	1.1
Acquisition and other related costs	—	—	—
Adjusted EBITDA	$ 67.2	$ 5.6	$ 72.8
Net sales	$ 260.3	$ 23.3	$ 283.6
Net income (loss) margin	13.8%		12.1%
Adjusted EBITDA margin	25.8%		25.7%
Performance Chemicals operating profit	$ 26.4	$ 1.0	$ 27.4
Depreciation and amortization	5.1	4.6	9.7
Segment EBITDA	$ 31.5	$ 5.6	$ 37.1
Net sales	$ 170.8	$ 23.3	$ 194.1
Segment operating margin	15.5%		14.1%
Segment EBITDA margin	18.4%		19.1%

A - Refer to the "Notes to the Unaudited Pro Forma Adjustments" included herein for a description of these adjustments.

Comparison of Quarter Ended June 30, 2018 to Pro Forma June 30, 2017

In millions, expect percentages (unaudited)		Q2 2018	Pro Forma Q2 2017	$ Change	% Change
Total Ingevity	**Net sales**	$ 308.6	$ 283.6	$ 25.0	8.8%
	Adjusted EBITDA	89.4	72.8	16.6	22.8%
Performance Chemicals Segment	Net sales	$ 212.5	$ 194.1	$ 18.4	9.5%
	Adjusted EBITDA	46.7	37.1	9.6	25.9%

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Notes to the Unaudited Pro Forma Adjustments

A - Net sales
Represents the historical sales of the Pine Chemical Business.

B - Cost of sales
Adjustments to cost of sales were as follows:

In millions (unaudited)	Q2 2017
Pine Chemical Business historical results [1]	$ 20.1
Depreciation of acquired property, plants and equipment [2]	0.1
Pro forma adjustment to remove historical amortization[3]	(0.3)
Adjustment for long term supply agreement [4]	(2.5)
Total pro forma adjustment to cost of sales	$ 17.4

(1) Represents the historical results of the Pine Chemical Business, adjusted to align with Ingevity's presentation.

(2) Represents the adjustment to Pine Chemical Business historical depreciation as a result of preliminary fair value adjustments to the acquired depreciable assets and adjustments to their respective estimated remaining useful lives.

(3) Represents the adjustment to Pine Chemical Business historical amortization of planned major maintenance activities costs that were determined to have a preliminary acquisition date fair value of zero.

(4) Represents an adjustment from historical transfer pricing to market-based pricing per long term supply agreement. Relates to a long-term supply agreement between Ingevity and Georgia-Pacific for the purchase of crude tall oil ("CTO"). The supply agreement was entered into on March 8, 2018 whereby Ingevity has agreed to purchase CTO originating from Georgia-Pacific mills at market-based prices for a term of 20 years.

C - Selling, general and administrative expenses
Adjustments to selling, general and administrative expenses ("SG&A") were as follows:

In millions (unaudited)	**Q2 2017**
Pine Chemical Business historical results [1]	$ 1.7
Amortization of acquired intangible assets [2]	3.2
Total pro forma adjustment to SG&A	$ 4.9

(1) Represents the historical results of the Pine Chemical Business, adjusted to align with Ingevity's presentation.

(2) Represents the adjustment to Pine Chemical Business historical depreciation as a result of preliminary fair value adjustments to the acquired depreciable assets and adjustments to their respective estimated remain

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Notes to the Unaudited Pro Forma Adjustments

D - Interest expense

On January 24, 2018, Ingevity issued $300.0 million aggregate principal amount of 4.50 percent senior unsecured notes (the "Notes") due 2026. The net proceeds from the sale of the Notes, after deducting deferred financing fees and other expenses of $5.7 million, were $294.3 million. Ingevity used the net proceeds from the sale of the Notes to finance the Acquisition.

Interest payments on the Notes are due semiannually in arrears on February 1st and August 1st of each year, beginning on August 1, 2018, at a rate of 4.50 percent per year. The Notes will mature on February 1, 2026.

For the preparation of the unaudited condensed combined pro forma financial information, interest expense was estimated using the interest rate of 4.50 percent.

In millions (unaudited)	Q2 2017
Interest expense on new long term debt	$ 3.4
Amortization of new debt issuance costs	0.2
Total pro forma adjustment to Ingevity's interest expense	$ 3.6

E - Provision (benefit) for income taxes

Represents a combination of the Pine Chemical Business's historical results and the tax impact from the pro forma adjustments. A blended statutory rate of 37.2 percent was applied to the pro forma adjustments. The total effective tax rate of the combined company is subject to change based upon post-acquisition income by jurisdiction and other factors.

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

In millions, except per data (unaudited)	Twelve Months Ended December 31, 2017	2016
Net income (loss)	$ 145.0	$ 44.4
Less: Net income (loss) attributable to noncontrolling interests	18.7	9.2
Net income (loss) attributable to Ingevity stockholders (GAAP)	126.3	35.2
Restructuring and other (income) charges [(1)]	3.7	41.2
Separation costs [(2)]	0.9	17.5
Acquisition costs [(3)]	7.1	—
Tax effect on items above	(3.6)	(5.9)
Tax benefit from U.S. Tax Reform	(24.5)	—
Adjusted earnings (loss) (Non-GAAP)	$ 109.9	$ 88.0
Diluted earnings (loss) per common share (GAAP)	$ 2.97	$ 0.83
Restructuring and other (income) charges	0.09	0.98
Separation costs	0.02	0.41
Acquisition costs	0.17	—
Tax effect on items above	(0.09)	(0.14)
Tax benefit from U.S. Tax Reform	(0.58)	—
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 2.58	$ 2.08
Average number of shares outstanding used in diluted adjusted after-tax earnings per share computations	42.5	42.3

(1) In January 2017, we initiated a reorganization to streamline our leadership team, flatten the organization and reduce costs. As a result of this reorganization, we recorded zero and $1.3 million, in severance and other employee-related costs for the three and twelve months ended December 31, 2017, respectively. During the three and twelve months ended December 31, 2017, respectively, we also recorded $0.2 million and $2.4 million of additional miscellaneous exit costs primarily associated with the exit of our Performance Chemicals' manufacturing operations in Palmeira, Santa Catarina, Brazil which began in the fourth quarter of 2016. Charges incurred during 2016 primarily related to restructuring activities within our Brazilian Performance Chemicals operations. Charges for the three months ended December 31, 2016 were comprised of miscellaneous exit costs of $2.9 million. Charges for the twelve months ended December 31, 2016 were comprised of asset write-downs, including the asset impairment charge of $30.2 million, accelerated depreciation of $0.4 million, $7.0 million in severance related charges, and miscellaneous exit costs of $3.6 million.

(2) 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.

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

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

In millions, unaudited	Years Ended December 31, 2017	2016
Net income (loss) (GAAP)	$ 145.0	$ 44.4
Provision (benefit) for income taxes	29.8	42.6
Interest expense, net	15.8	17.9
Separation costs	0.9	17.5
Depreciation and amortization	40.4	38.8
Restructuring and other (income) charges, net	3.7	41.2
Acquisition costs	7.1	—
Adjusted EBITDA (Non-GAAP)	$ 242.7	$ 202.4
Net sales	$ 972.4	$ 908.3
Net income (loss) margin	14.9%	4.9%
Adjusted EBITDA margin	25.0%	22.3%

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

In millions (unaudited)	Years Ended December 31, 2017	2016 [1]
Adjusted EBITDA (Non-GAAP)	$ 242.7	$ 202.4
Depreciation and amortization	40.4	38.8
Interest expense, net	15.8	17.9
Adjusted income before taxes (Non-GAAP)	$ 186.5	$ 145.7
Provision (benefit) for income taxes (GAAP)	$ 29.8	$ 42.6
Tax effect on certain items	(3.6)	(5.9)
Tax benefit from U.S. Tax Reform	(24.5)	—
Provision for Income Taxes on Adjusted Earnings (Non-GAAP)	$ 57.9	$ 48.5
Adjusted Tax Rate (Non-GAAP)	31.0%	33.3%

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

In millions (unaudited)	Years Ended December 31,	
Performance Materials	**2017**	**2016**
Segment operating profit (GAAP)	$ 122.0	$ 106.9
Depreciation and amortization	19.8	16.4
Segment EBITDA (Non-GAAP)	$ 141.8	$ 123.3
Net sales	$ 349.3	$ 301.0
Segment operating margin	34.9%	35.5%
Segment EBITDA margin	40.6%	41.0%
Performance Chemicals		
Segment operating profit (GAAP)	$ 80.3	$ 56.7
Depreciation and amortization	20.6	22.4
Segment EBITDA (Non-GAAP)	$ 100.9	$ 79.1
Net sales	$ 623.1	$ 607.3
Segment operating margin	12.9%	9.3%
Segment EBITDA margin	16.2%	13.0%

Unaudited Pro Forma Segment EBITDA

The following unaudited pro forma measures are derived from the historical financial statements of Ingevity, prepared in accordance with U.S. generally accepted accounting principles. These unaudited pro forma measures include adjustments required by SEC Staff Accounting Bulletin Topic 1:B-3 and Article 11 of SEC Regulation S-X. 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. Pro forma adjustments give effect as if the adjustments had occurred on January 1, the first day of each respective fiscal year.

Reconciliation of Segment Operating Profit (GAAP) to Pro Forma Segment EBITDA (Non-GAAP)
Year Ended December 31, 2015

Performance Materials

In millions		Pro Forma Adjustments		Unaudited Pro Forma
Segment operating profit (GAAP)	$ 79.7	$ (2.7)	(A)	$ 77.0
Depreciation and amortization	11.1			11.1
Segment EBITDA (Non-GAAP)	$ 90.8			$ 88.1

Performance Chemicals

In millions		Pro Forma Adjustments		Unaudited Pro Forma
Segment operating profit (GAAP)	$ 86.6	$ (7.9)	(A)	$ 78.7
Depreciation and amortization	23.5			23.5
Segment EBITDA (Non-GAAP)	$ 110.1			$ 102.2
Adjusted EBITDA (Non-GAAP) (B)	$ 200.9			$ 190.3

(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 will also enter into agreements to obtain insurance coverage according to quotations we have received based on our individual loss history, credit profile and selected insurance coverage. These expenses will represent recurring costs in excess of the amounts historically allocated to Ingevity.

(B) Adjusted EBITDA is the sum of Performance Materials and Performance Chemicals Segment EBITDA

Unaudited Pro Forma Segment EBITDA

Reconciliation of Segment Operating Profit (GAAP) to Pro Forma Segment EBITDA (Non-GAAP)
Year Ended December 31, 2014

Performance Materials

In millions		Pro Forma Adjustments	Unaudited Pro Forma
Segment operating profit (GAAP)	$ 89.5	$ (2.6) (A)	$ 86.9
Depreciation and amortization	9.9		9.9
Segment EBITDA (Non-GAAP)	$ 99.4		$ 96.8

Performance Chemicals

In millions		Pro Forma Adjustments	Unaudited Pro Forma
Segment operating profit (GAAP)	$ 123.8	$ (7.2) (A)	$ 116.6
Depreciation and amortization	22.4		22.4
Segment EBITDA (Non-GAAP)	$ 146.2		$ 139.0
Adjusted EBITDA (Non-GAAP) (B)	$ 245.6		$ 235.8

(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 will also enter into agreements to obtain insurance coverage according to quotations we have received based on our individual loss history, credit profile and selected insurance coverage. These expenses will represent recurring costs in excess of the amounts historically allocated to Ingevity.

(B) Adjusted EBITDA is the sum of Performance Materials and Performance Chemicals Segment EBITDA

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