Fourth Quarter 2016

Earnings Presentation

February 23, 2017

Ingevity

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Agenda

1. Quarter and Year-End Highlights
2. Segment Performance
3. Outlook
4. Financial Review
5. 2017 Guidance
6. Share Repurchase Program
7. Q&A

Fourth Quarter Highlights

M (USD)	Q415	Q416	Chg	%
Sales	209.1	210.9	1.8	0.9%
Income	9.9	11.7	1.8	18.2%
Adj. EBITDA[1]	30.5[2]	36.0	5.5	18.0%
Adj. EBITDA[1] Margin	14.6%[2]	17.1%	+250 bps	



- Delivered solid revenues in line with our expectations
- Seasonally slower quarter due to paving seasonality and lower auto production related to holidays
- Despite sales that were essentially level, posted adjusted EBITDA 18.0 percent higher than previous year's fourth quarter
- Achieved adjusted EBITDA margin 250 basis points higher than previous year's quarter
- Improved product mix, lower raw material and energy costs, and strong cost reduction and productivity drove margin accretion

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

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Full Year Highlights

M (USD)	2015	2016	Chg	%
Sales	958.3	908.3	(50.0)	(5.2%)
Income	84.3	44.4	(39.9)	(47.3%)
Adj. EBITDA[1]	190.3[2]	202.4	12.1	6.4%
Adj. EBITDA[1] Margin	19.9%[2]	22.3%	+240 bps	



- Remarkable year…
  - Spinoff into independent publicly traded company
  - Strong volume growth in Performance Materials
  - Restructured the Performance Chemicals segment in the face of headwinds
  - Achieved cost reduction target and delivered more than $30 million in savings
- Delivered adjusted EBITDA 6 percent higher than previous year
- Achieved adjusted EBITDA margin 240 basis points higher

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Performance Chemicals

M (USD)	Q415	Q416	Chg	%
Sales	144.0	133.6	(10.4)	(7.2%)
Seg. Op. Profit	5.3[2]	3.4	(1.9)	(35.8%)
Seg. EBITDA[1]	11.2[2]	9.0	(2.2)	(19.6%)
Seg. EBITDA Margin[1]	7.8%[2]	6.7%	(110) bps	

2015	2016	Chg	%
701.9	607.3	(94.6)	(13.5%)
78.7[2]	56.7	(22.0)	(28.0%)
102.1[2]	79.1	(23.0)	(22.6%)
14.5%[2]	13.0%	(150) bps	

FOURTH QUARTER

- Industrial specialties continued to see pricing pressure; sales down 9 percent
- Oilfield sales down 9 percent; revenue sequentially level
- Sales to pavement applications up 7 percent versus prior year period

FULL YEAR

- Significant volume and pricing impacts to industrial specialties, sales down 16 percent, partially offset by new business wins
- Sales to oilfield down 25 percent; new products partially offset lower demand and price
- Pavement sales up 1 percent; U.S. & European growth largely offset by weak demand in China

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Performance Materials

M (USD)	Q415	Q416	Chg	%
Sales	65.1	77.3	12.2	18.7%
Seg. Op. Profit	16.2[2]	22.2	6.0	37.0%
Seg. EBITDA[1]	19.3[2]	27.0	7.7	39.9%
Seg. EBITDA Margin[1]	29.6%[2]	34.9%	+530 bps	

2015	2016	Chg	%
256.4	301.0	44.6	17.4%
77.0[2]	106.9	29.9	38.8%
88.2[2]	123.3	35.1	39.8%
34.4%[2]	41.0%	+660 bps	

FOURTH QUARTER

- Strong volume growth as U.S. & Canada move to 40 percent compliance with Tier 3/LEV III regulations
- NAFTA light truck production up 3 percent; cars down 2 percent
- Record revenues in China as vehicle sales increase ahead of expiration of tax incentives

FULL YEAR

- Each quarter was a record for revenues and earnings over the prior year's period
- NAFTA light truck production up 6 percent in 2016; car production down 4 percent
- Process purification completes a strong year

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2017 Outlook

PERFORMANCE CHEMICALS:

- Expect continued price pressure in industrial specialties, partially offset by modest volume growth
- Potential uptick in oilfield volumes, however, pricing remains under pressure
- Growth in pavement sales led by continued adoption of Evotherm® warm mix asphalt technology in U.S.; EMEA to grow from small base; China expected to be flat
- CTO contracts are set; benefits weighted to back half





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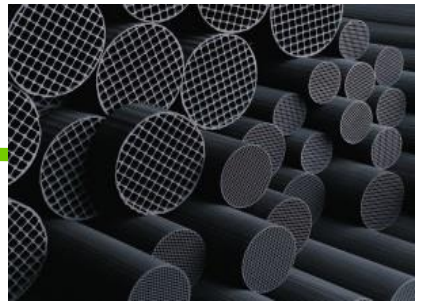
Performance Materials Outlook







	Activated Carbon Canisters	Honeycomb Scrubbers
Market Drivers	**Short-Term** (Modest) ▪ Global auto production (2-3 percent) ▪ NAFTA expected to be flat	**Short-Term** (Rapid) ▪ U.S. & Canada auto production ▪ U.S. & Canada Tier 3 and LEV III regulation • 40% implementation completed
	Long-Term (Strong) *China 6* • Volume increase / favorable mix shift • 100% implementation by July 2020 • Could see impacts by 2018 / 2019 *Euro 6c* • Volume increase / favorable mix shift • 100% implementation by Sept. 2019 • Should see impacts by 2018	**Long-Term** (Strong) *U.S. & Canada Tier 3 and LEV III* • 60% implementation for 2018 models • 80% implementation for 2020 models • 100% implementation for 2022 models
	▪ Covington, Va. ▪ Wickliffe, Ky. ▪ Wujiang, China ▪ Zhuhai, China	70/30 Joint Venture in Waynesboro, Ga. (Expanding capacity to triple production)

Fourth Quarter 2016 Financial Results

Key Income Statement Metrics

$'s in millions, except EPS	2015 Q4	2016 Q4	% Change Q4 vs PY	2015 FY	2016 FY	% Change 2016 vs 2015
Net Sales (GAAP)	209.1	210.9	*0.9%*	958.3	908.3	*(5.2%)*
Adjusted EBITDA (Non-GAAP) [1]	30.5[2]	36.0	*18.0%*	190.3[2]	202.4	*6.4%*
Adjusted EBIT (Non-GAAP) [1]	21.5[2]	25.6	*19.1%*	155.7[2]	163.6	*5.1%*
Interest expense, net (GAAP) [1]	4.8[2]	3.7	*(22.9%)*	19.0[2]	17.9	*(5.8%)*
Provision for income taxes (Non-GAAP) [1]	5.0[2]	5.0	*0.0%*	48.6[2]	48.5	*(0.2%)*
Net Income (loss) (Non-GAAP) [1]	11.7[2]	16.9	*44.4%*	88.1[2]	97.2	*10.3%*
Net income (loss) attributable to noncontrolling interests (GAAP) [1]	1.3[2]	2.6	*100.0%*	4.6[2]	9.2	*100.0%*
Net income (loss) attributable (Non-GAAP) [2]	10.4[2]	14.3	*37.5%*	83.5[2]	88.0	*5.4%*
Diluted adjusted EPS (Non-GAAP) [1]	0.25[2]	0.34	*36.0%*	1.98[2]	2.08	*5.6%*
Diluted EPS (GAAP)	0.32	0.22	*(31.3%)*	2.06	0.83	*(59.7%)*

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Fourth Quarter 2016 Financial Results

Key Balance Sheet & Cash Metrics

in millions	12/31/2015	12/31/2016
Cash & cash equivalents	32.0	30.5
Restricted investment (related to capital lease) (1)	–	69.7
Total debt including capital lease obligation (2)	80.0	491.9
Net Debt (3)	48.0	391.7
Inventories, net	148.9	151.2
Accounts receivable, net	95.2	89.8
Accounts Payable	64.8	79.2
Trade Working Capital (4)	179.3	161.8

in millions	Twelve months ended 12/31/16
Cash Flow from Operations	127.9
Capital expenditures	56.7
Free Cash Flow(5)	71.2

(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) Sum of Cash & cash equivalents, Restricted investment less Total debt including capital lease obligation
(4) Trade Working Capital is defined as Inventory + Accounts Receivable – Accounts Payable
(5) Cash flow from operations less Capital expenditures

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2017 Business Outlook and Guidance

Item	FY16 Actual	FY17 Guidance
Revenue	$908.3	$930M to $950M
Adjusted EBITDA (1)	$202.4	$215M to $225M
Adjusted tax rate (1)	33.3%	33 – 35%
Capital expenditures	$56.7	$60M to $65M
Free Cash Flow(2)	$71.2	$80M to $90M
Net Debt Ratio(3)	1.94x	1.5–1.75x

(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 and further restructuring and other income (charges) incurred in 2017 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) Defined as Cash from Operations expected to range from $140M to $155M 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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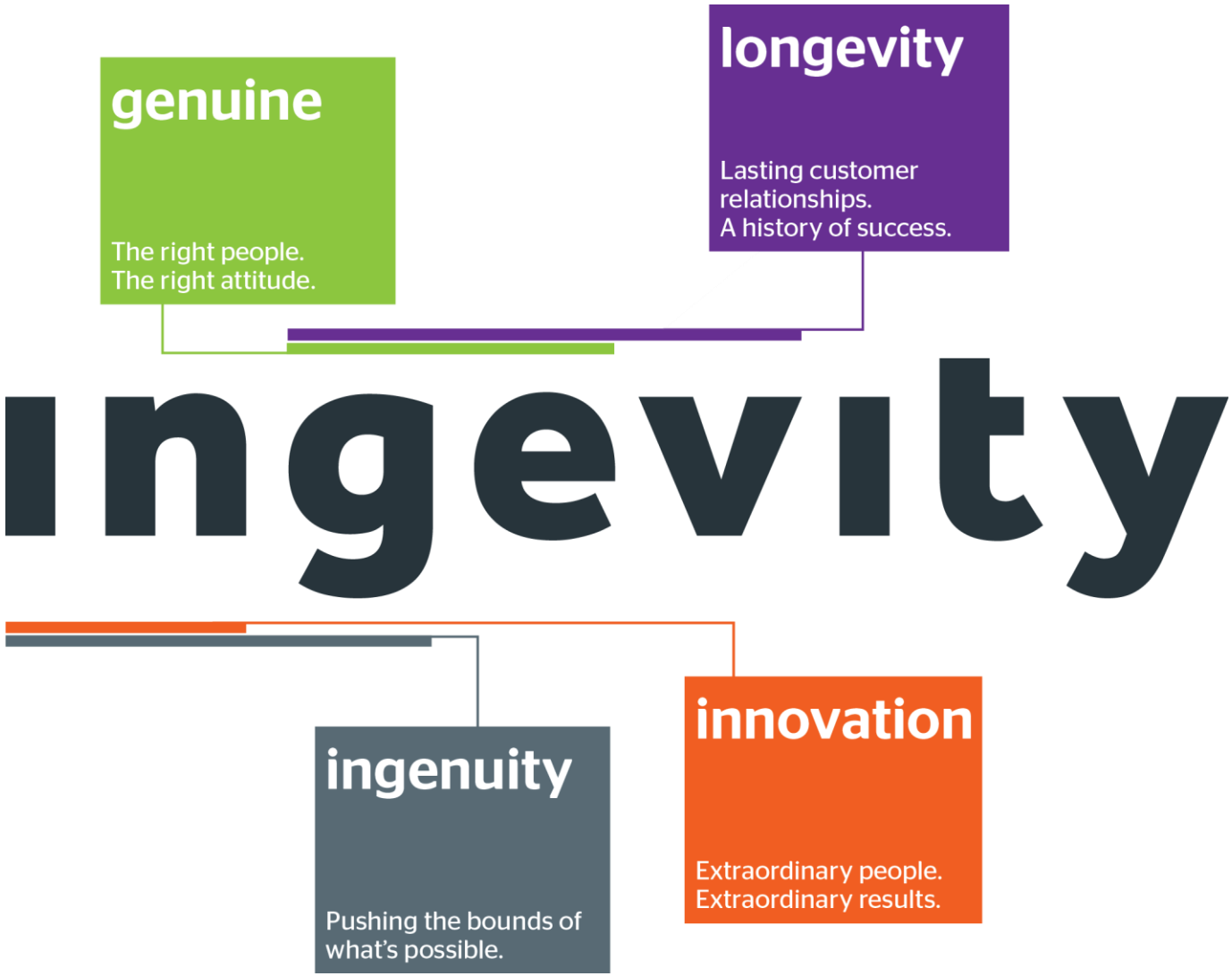
Share Repurchase Program



- Board has authorized management to repurchase up to $100 million of Ingevity's outstanding common stock.
- Repurchases are at management's discretion, either in the open market, through pre-arranged trading plans or in privately negotiated block transactions.
- Initially intended to offset dilution from equity incentives
- Maintain balance sheet strength to fund organic and inorganic growth


genuine
The right people.
The right attitude.
longevity
Lasting customer relationships.
A history of success.
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ingenuity
Pushing the bounds of what's possible.
innovation
Extraordinary people.
Extraordinary results.

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For More Information

Thank you for your interest in Ingevity!

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Appendix

Non-GAAP Financial Measures

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

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

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

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

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

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

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

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

The Company also uses the above financial measures as the primary measures of profitability used by managers of the business and its segments. 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.

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

In millions, except per share amounts	Q4 2015	Q4 2016	YTD 2015	YTD 2016
Net income (loss)	$ 9.9	$ 11.7	$ 84.3	$ 44.4
Less: Net income (loss) attributable to noncontrolling interests	1.3	2.6	4.6	9.2
Net income (loss) attributable to Ingevity stockholders (GAAP)	8.6	9.1	79.7	35.2
Restructuring and other (income) charges	(6.4)	2.9	(7.5)	41.2
Separation costs	5.4	3.9	17.2	17.5
Income tax effect on items above	2.4	(1.6)	0.1	(5.9)
Adjusted earnings (loss) (Non-GAAP)	$ 10.0	$ 14.3	$ 89.5	$ 88.0
Diluted earnings (loss) per common share (GAAP)	$ 0.21	$ 0.22	$ 1.89	$ 0.83
Restructuring and other (income) charges	(0.15)	0.07	(0.18)	0.98
Separation costs	0.13	0.09	0.41	0.41
Income tax effect on items above	0.05	(0.04)	—	(0.14)
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 0.24	$ 0.34	$ 2.12	$ 2.08
Average number of shares outstanding used in diluted adjusted after-tax earnings per share computations	42.1	42.3	42.1	42.3

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

	Q4 2015			YTD 2015		
In millions, except per share amounts		Pro Forma Adjust	Pro Forma		Pro Forma Adjust	Pro Forma
Net income (loss)	$ 9.9	4.6	$ 14.5	$ 84.3	7.2	$ 91.5
Less: Net income (loss) attributable to noncontrolling interests	1.3		1.3	4.6		4.6
Net income (loss) attributable to Ingevity stockholders (GAAP)	8.6	4.6 (A)	13.2	79.7	7.2 (A)	86.9
Restructuring and other (income) charges	(6.4)	—	(6.4)	(7.5)	—	(7.5)
Separation costs	5.4	(5.4)	—	17.2	(17.2)	—
Income tax effect on items above	2.4	1.2	3.6	0.1	4.0	4.1
Adjusted earnings (loss) (Non-GAAP)	$ 10.0		$ 10.4	$ 89.5		$ 83.5
Diluted earnings (loss) per common share (GAAP)	$ 0.21	0.11	$ 0.32	$ 1.89	0.17	$ 2.06
Restructuring and other (income) charges	(0.15)	—	(0.15)	(0.18)	—	(0.18)
Separation costs	0.13	(0.13)	—	0.41	(0.41)	—
Income tax effect on items above	0.05	0.03	0.08	—	0.10	0.10
Diluted adjusted earnings (loss) per share (Non-GAAP)	$ 0.24		$ 0.25	$ 2.12		$ 1.98
Average number of shares outstanding used in diluted adjusted after-tax earnings per share computations	42.1		42.1	42.1		42.1

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

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

In millions	Q4 2015	Q4 2016	YTD 2015	YTD 2016
Net income (loss) (GAAP)	$ 9.9	$ 11.7	$ 84.3	$ 44.4
Provision for income taxes	8.7	3.4	52.2	42.6
Interest expense	6.5	4.2	20.1	19.3
Interest income	—	(0.5)	—	(1.4)
Separation costs	5.4	3.9	17.2	17.5
Depreciation and amortization	9.0	10.4	34.6	38.8
Restructuring and other (income) charges	(6.4)	2.9	(7.5)	41.2
Adjusted EBITDA (Non-GAAP)	$ 33.1	$ 36.0	$ 200.9	$ 202.4
Net sales	$ 209.1	$ 210.9	$ 958.3	$ 908.3
Net income (loss) margin	4.7%	5.5%	8.8%	4.9%
Adjusted EBITDA margin	15.8%	17.1%	21.0%	22.3%

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

	Q4 2015			YTD 2015		
In millions		Pro Forma Adjust	Pro Forma		Pro Forma Adjust	Pro Forma
Net income (loss) (GAAP)	$ 9.9	4.6 (A)	$ 14.5	$ 84.3	7.2 (A)	$ 91.5
Provision for income taxes	8.7	(0.1) (B)	8.6	52.2	0.5 (B)	52.7
Interest expense	6.5	(1.7) (C)	4.8	20.1	(1.1) (C)	19.0
Interest income	—			—		
Separation costs	5.4	(5.4) (D)	—	17.2	(17.2) (D)	—
Depreciation and amortization	9.0		9.0	34.6		34.6
Restructuring and other (income) charges	(6.4)		(6.4)	(7.5)		(7.5)
Adjusted EBITDA (Non-GAAP)	$ 33.1	(E)	$ 30.5	$ 200.9	(E)	$ 190.3
Net sales			$ 209.1			$ 958.3
Net income (loss) margin			6.9%			9.5%
Adjusted EBITDA margin			14.6%			19.9%

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

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

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

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

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

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

In millions	Q4	Q4	YTD	YTD
Performance Materials	2015	2016	2015	2016
Segment operating profit (GAAP)	$ 16.8	$ 22.2	$ 79.7	$ 106.9
Depreciation and amortization	3.1	4.8	11.2	16.4
Segment EBITDA (Non-GAAP)	$ 19.9	$ 27.0	$ 90.9	$ 123.3
Net sales	$ 65.1	$ 77.3	$ 256.4	$ 301.0
Segment operating margin	25.8%	28.7%	31.1%	35.5%
Segment EBITDA margin	30.6%	34.9%	35.5%	41.0%
Performance Chemicals				
Segment operating profit (GAAP)	$ 7.3	$ 3.4	$ 86.6	$ 56.7
Depreciation and amortization	5.9	5.6	23.4	22.4
Segment EBITDA (Non-GAAP)	$ 13.2	$ 9.0	$ 110.0	$ 79.1
Net sales	$ 144.0	$ 133.6	$ 701.9	$ 607.3
Segment operating margin	5.1%	2.5%	12.3%	9.3%
Segment EBITDA margin	9.2%	6.7%	15.7%	13.0%

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

	Q4 2015			YTD 2015		
In millions		Pro Forma Adjust	Pro Forma		Pro Forma Adjust	Pro Forma
Performance Materials						
Segment operating profit (GAAP)	$ 16.8	$ (0.6) [2]	$ 16.2	$ 79.7	$ (2.7) [2]	$ 77.0
Depreciation and amortization	3.1		3.1	11.2		11.2
Segment EBITDA (Non-GAAP)	$ 19.9		$ 19.3	$ 90.9		$ 88.2
Net sales			$ 65.1			$ 256.4
Segment operating margin			24.9%			30.0%
Segment EBITDA margin			29.6%			34.4%
Performance Chemicals						
Segment operating profit (GAAP)	$ 7.3	$ (2.0) [2]	$ 5.3	$ 86.6	$ (7.9) [2]	$ 78.7
Depreciation and amortization	5.9		5.9	23.4		23.4
Segment EBITDA (Non-GAAP)	$ 13.2		$ 11.2	$ 110.0		$ 102.1
Net sales			$ 144.0			$ 701.9
Segment operating margin			3.7%			11.2%
Segment EBITDA margin			7.8%			14.5%

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

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Notes to the Unaudited Pro Forma Adjustments

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

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

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

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

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

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

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

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

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

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

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