

Q3 2023 Earnings

November 2023



Forward Looking Statements



This presentation contains certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical facts included or incorporated herein may constitute forward-looking statements. Such forward-looking statements include statements (covered by words like "expects," "estimates," "anticipates," "may," "could," "believes," "feels," "plans," "intends" or similar words or expressions, for example) which relate to earnings, growth potential, operating performance, events or developments that we expect or anticipate will or may occur in the future. Although forward-looking statements are believed by management to be reasonable when made, they are subject to certain risks, uncertainties and assumptions, and our actual performance or results may differ materially from these forward-looking statements. Additional information regarding risks, uncertainties and assumptions relating to Innospec and affecting our business operations and prospects are described in Innospec's Annual Report on Form 10-K for the year ended December 31, 2022, Innospec's Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 and other reports filed with the U.S. Securities and Exchange Commission. You are urged to review our discussion of risks and uncertainties that could cause actual results to differ from forward-looking statements under the heading "Risk Factors" in such reports. Innospec undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Use of Non-GAAP Financial Measures



The information presented in this presentation includes financial measures that are not calculated or presented in accordance with Generally Accepted Accounting Principles in the United States (GAAP). These non-GAAP financial measures comprise EBITDA, income before income taxes excluding special items, net income excluding special items and related per share amounts together with net cash. EBITDA is net income per our consolidated financial statements adjusted for the exclusion of charges for interest expense, net, income taxes, depreciation and amortization. Income before income taxes, net income and diluted EPS, excluding special items, per our consolidated financial statements are adjusted for the exclusion of foreign currency exchange (gains)/losses, amortization of acquired intangible assets, legacy costs of closed operations, acquisition related costs and adjustment of income tax provisions. Net cash is cash and cash equivalents less total debt. The Company believes that such non-GAAP financial measures provide useful information to investors and may assist them in evaluating the Company's underlying performance and identifying operating trends. In addition, these non-GAAP measures address questions the Company routinely receives from analysts and investors and the Company has determined that it is appropriate to make this data available to all investors. While the Company believes that such measures are useful in evaluating the Company's performance, investors should not consider them to be a substitute for financial measures prepared in accordance with GAAP. Also, these non-GAAP financial measures may differ from similarly-titled non-GAAP financial measures used by other companies and do not provide a comparable view of the Company's performance relative to other companies in similar industries. Management uses adjusted EPS (the most directly comparable GAAP financial measure for which is GAAP EPS) and adjusted net income and EBITDA (the most directly comparable GAAP financial measure for which is GAAP net income) to allocate resources and evaluate the performance of the Company's operations. Management believes the most directly comparable GAAP financial measure is GAAP net income and has provided a reconciliation of EBITDA and net income excluding special items, and related per share amounts, to GAAP net income in our earnings release.

- 1** | Introduction
David Jones - VP, General Counsel
- 2** | Business Commentary
Patrick S. Williams - President & CEO
- 3** | Financial Performance
Ian Cleminson - Executive Vice President & CFO
- 4** | Questions & Answers
Patrick S. Williams and Ian Cleminson

Summary of 3rd Quarter Performance



Q3

GAAP EPS of \$1.57

Adjusted non-GAAP
EPS of \$1.59

Semi-annual dividend
increased to 72 cents
per share

Full year dividend up 10
percent to \$1.41

Excellent \$58.1 million
cash from operations
in the quarter

Strong balance sheet
has \$207.2 million in
net cash

Performance Chemicals
strong sequential
improvement in
operating income and
margins

Volume improvement

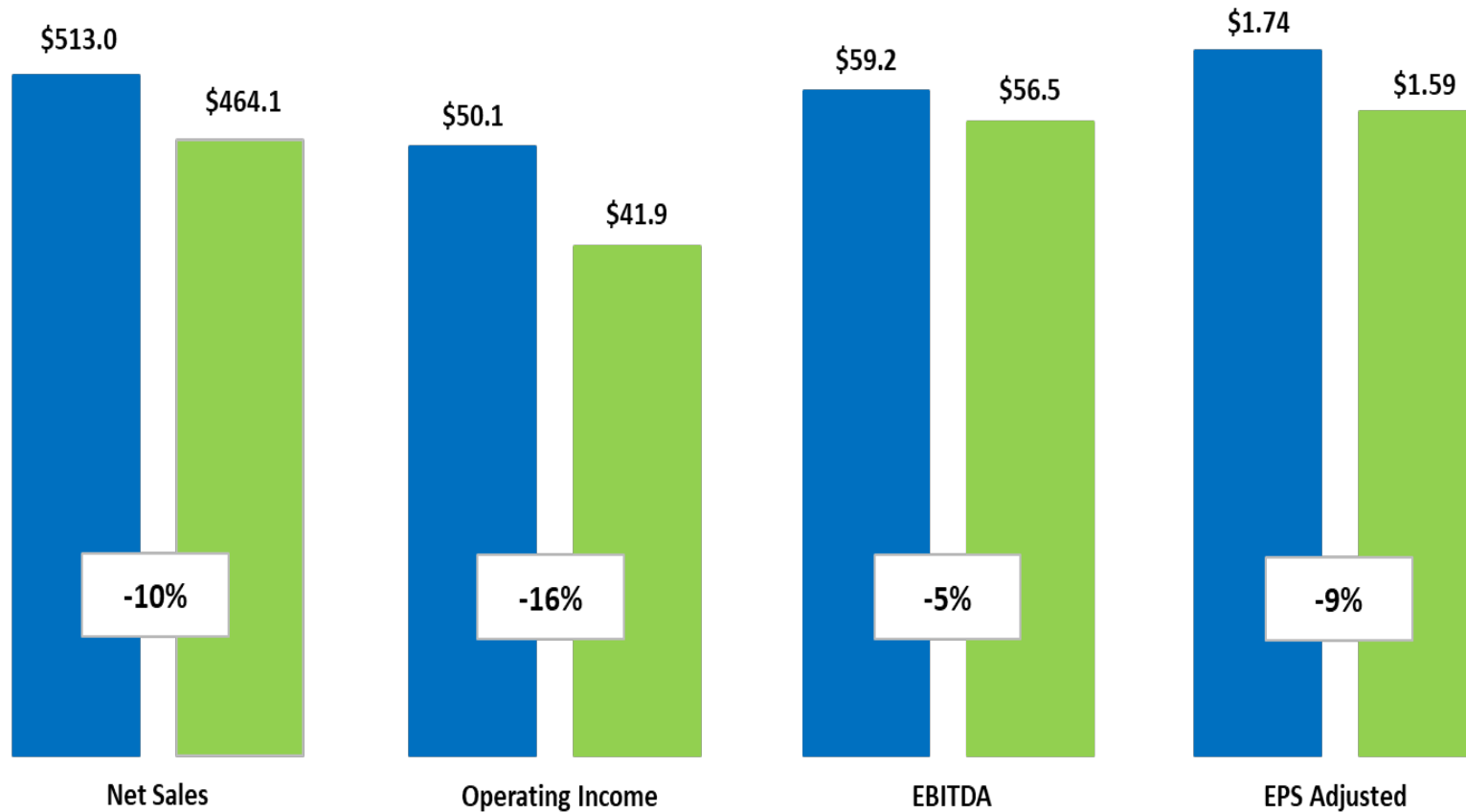
Fuel Specialties
consistent performance
with improved margins

Oilfield Services
continued excellent
results

Financial Performance



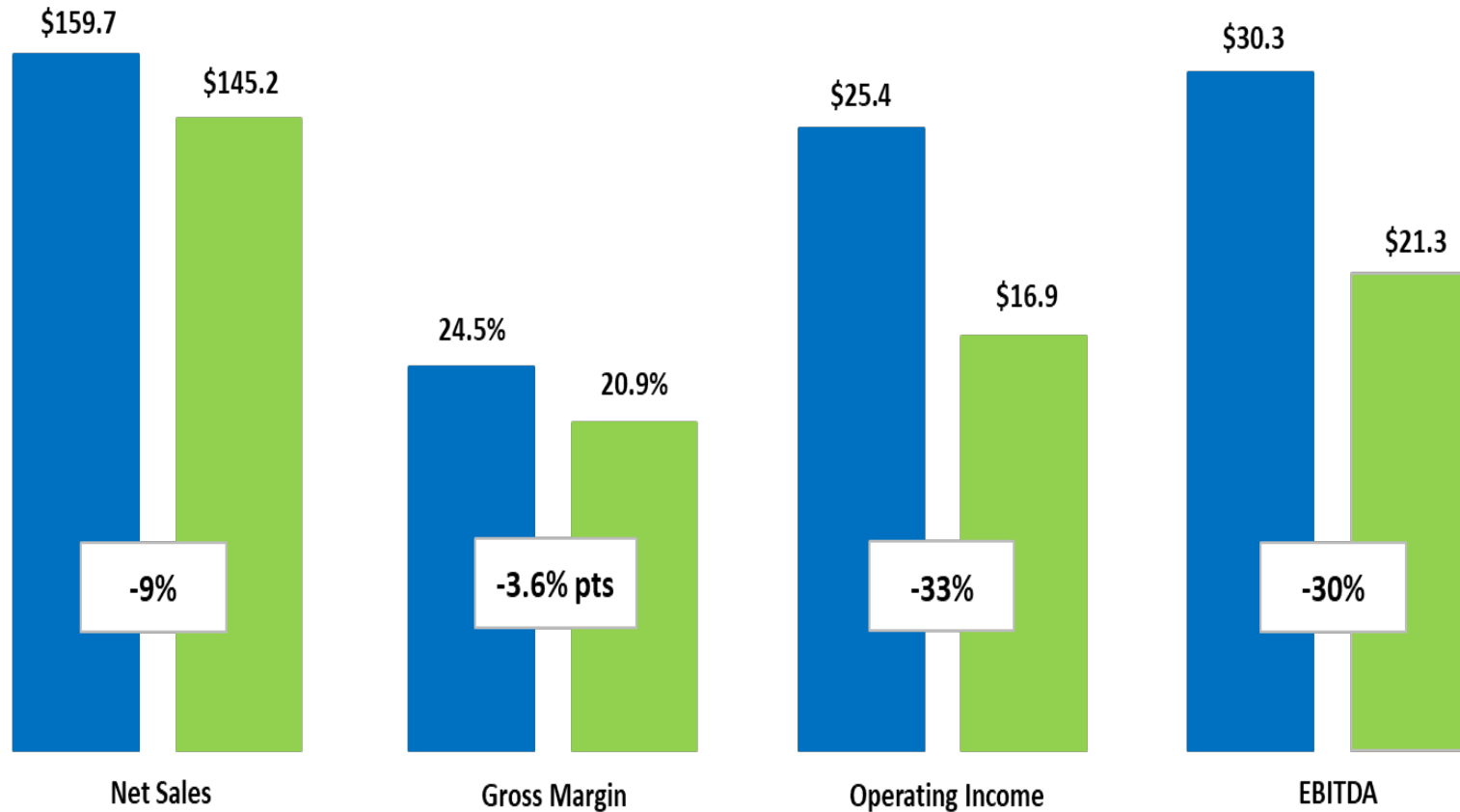
Q3 2023 Consolidated Results (\$ MM)



- Sales down 10 percent
- Gross margin down 0.8 percentage points
- Operating income down 16 percent
- EBITDA down 5 percent

■ Q3 2022 ■ Q3 2023

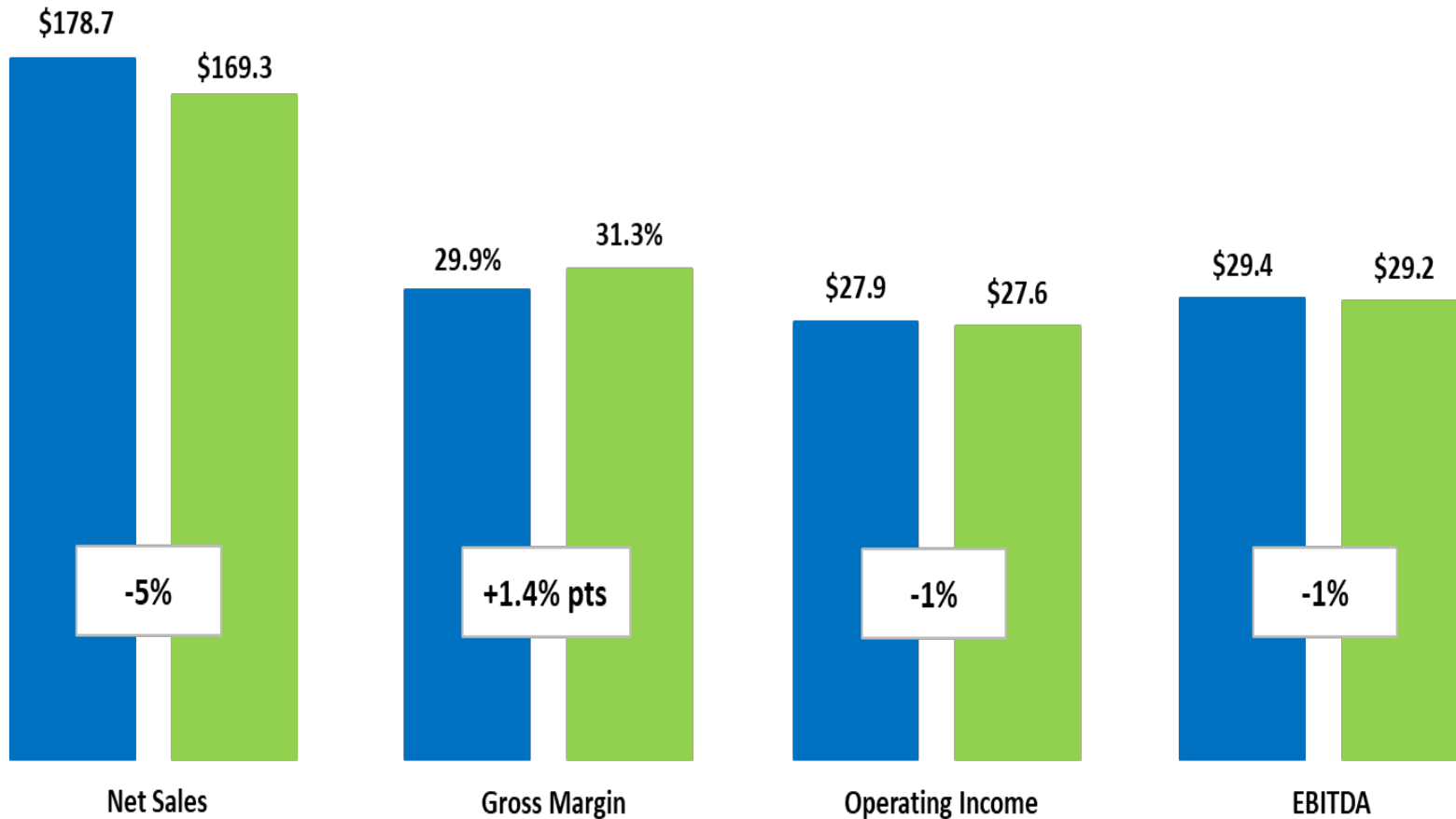
Q3 2023 Performance Chemicals (\$ MM)



- Sales down 9 percent
- Price/mix down 19 percent
- Volumes up 7 percent
- Gross margin down 3.6 percentage points
- Operating income down 33 percent

■ Q3 2022 ■ Q3 2023

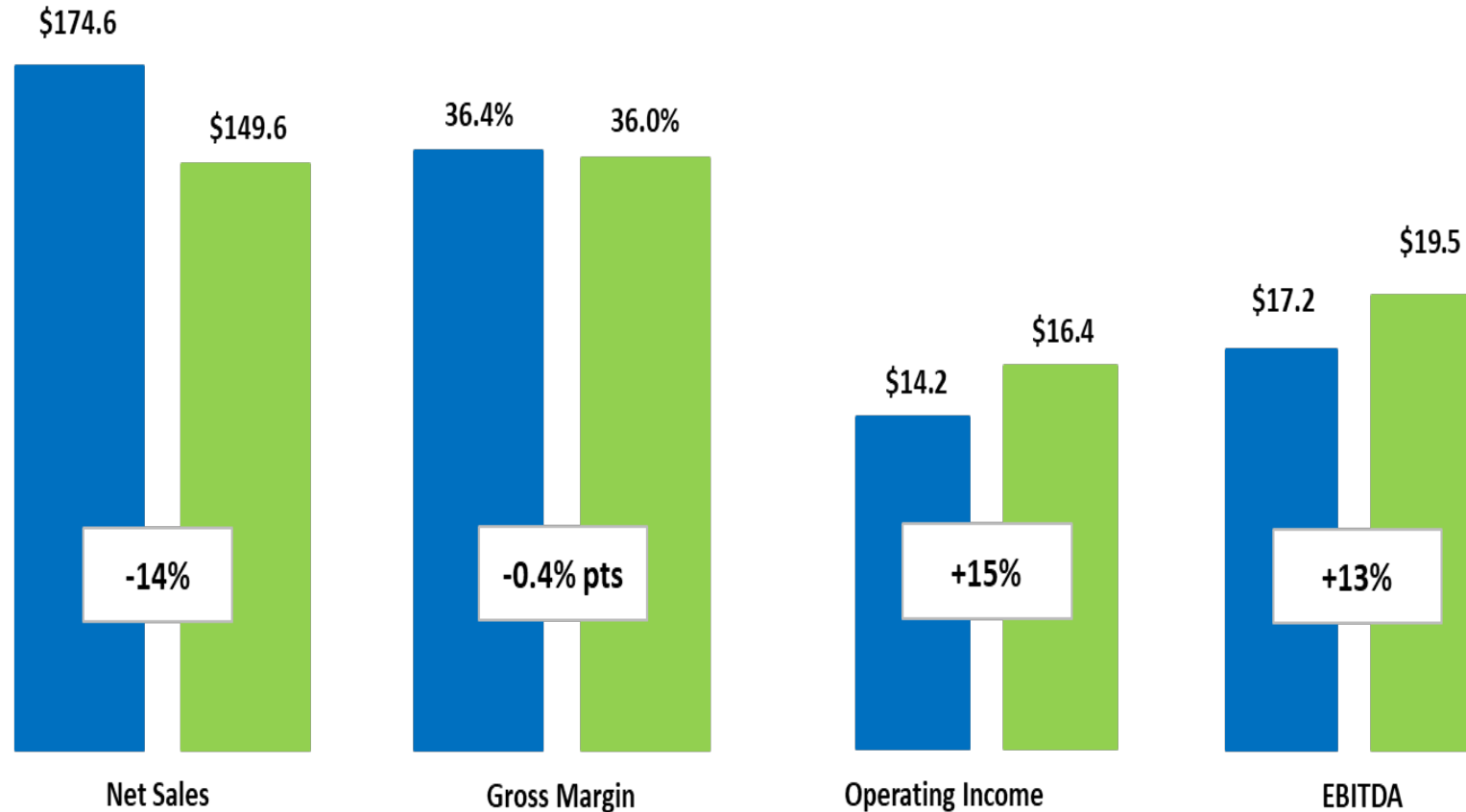
Q3 2023 Fuel Specialties (\$ MM)



- Sales down 5 percent
- Price/mix down 4 percent
- Volumes down 4 percent
- Gross margin up 1.4 percentage points
- Operating income similar to prior year

■ Q3 2022 ■ Q3 2023

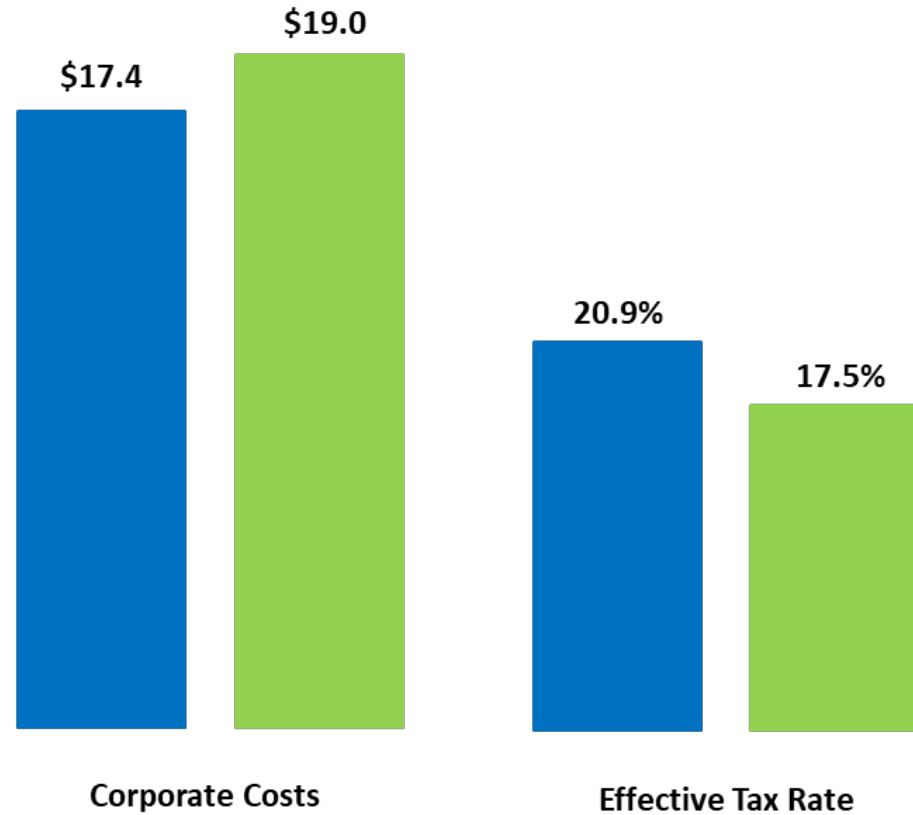
Q3 2023 Oilfield Services (\$ MM)



- Sales down 14 percent
- Gross margin down 0.4 percentage points
- Operating income up 15 percent

■ Q3 2022 ■ Q3 2023

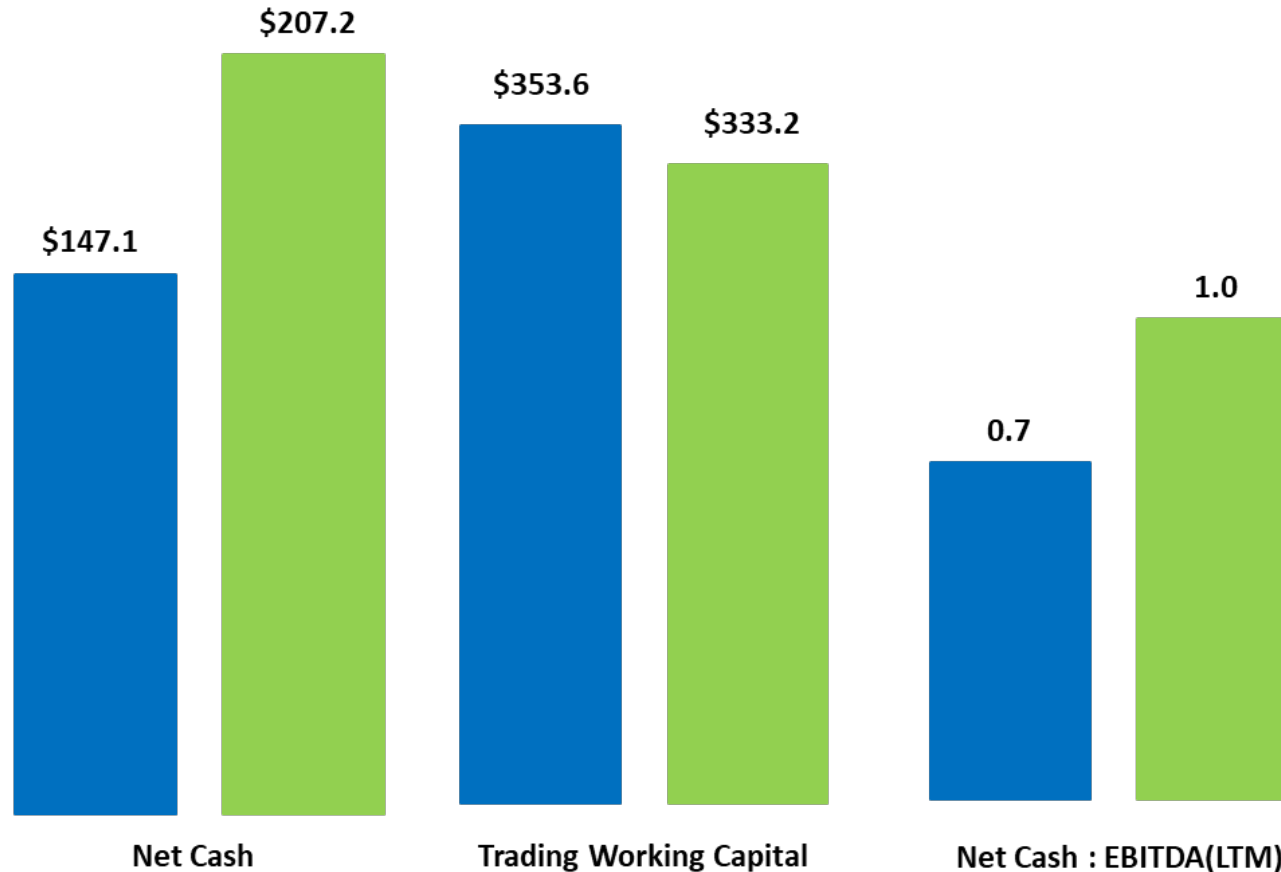
Q3 2023 Corporate Items (\$ MM)



- Corporate costs within expected range
- Effective tax rate of 17.5 percent

■ Q3 2022 ■ Q3 2023

Q3 2023 Balance Sheet (\$ MM)



- Excellent operating cash inflow of \$58.1 million
- Capital expenditures of \$16.7 million
- Strong net cash balance of \$207.2 million

■ Q4 2022 ■ Q3 2023

Concluding Comments



Summary of 3rd Quarter Performance

Entering fourth quarter with good momentum in all businesses

Continued benefits from balanced portfolio

Consumer and regulatory trends driving organic growth opportunities

Flexible, debt-free balance sheet; Consistent shareholder returns

Semi-annual dividend increased to 72 cents per share; Annual dividend now \$1.41, up 10 percent annually

\$207.2 million net cash on balance sheet to pursue organic growth and M&A

Q&A



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Final Comments

Thank You for Your Continued Support

February 2024						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

Q4 2023 Results Schedule

- February 13th – Results Release After Close
- February 14th – Conference Call