

Q2 2024 Earnings

August 2024



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, 2023, Innospec's Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 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 adjusted EBITDA, income before income taxes excluding special items, net income excluding special items and related per share amounts together with net cash. Adjusted EBITDA is net income per our consolidated financial statements adjusted for the exclusion of interest (income)/expense, net, income taxes, depreciation and amortization, foreign currency exchange losses/(gains), legacy costs of closed operations, adjustment to fair value of contingent consideration and acquisition related costs. Income before income taxes, net income and diluted EPS, excluding special items, per our consolidated financial statements are adjusted for the exclusion of amortization of acquired intangible assets, legacy costs of closed operations, adjustment to fair value of contingent consideration, adjustment of income tax provisions, foreign currency exchange losses/(gains) and acquisition related costs. 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. In addition, 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 net income excluding special items and adjusted 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 and has provided a reconciliation of adjusted 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 2nd Quarter Performance



Q2

GAAP EPS of \$1.24

Adjusted non-GAAP
EPS of \$1.39

Fuel Specialties and
Performance Chemicals
deliver strong results

Operating income up 19
percent

Balance sheet has
\$240.2 million in net
cash

Continued capital
allocation flexibility

Performance Chemicals
operating income more
than doubles primarily
on personal care growth

Fuel Specialties operating
income up double digits
with margin expansion

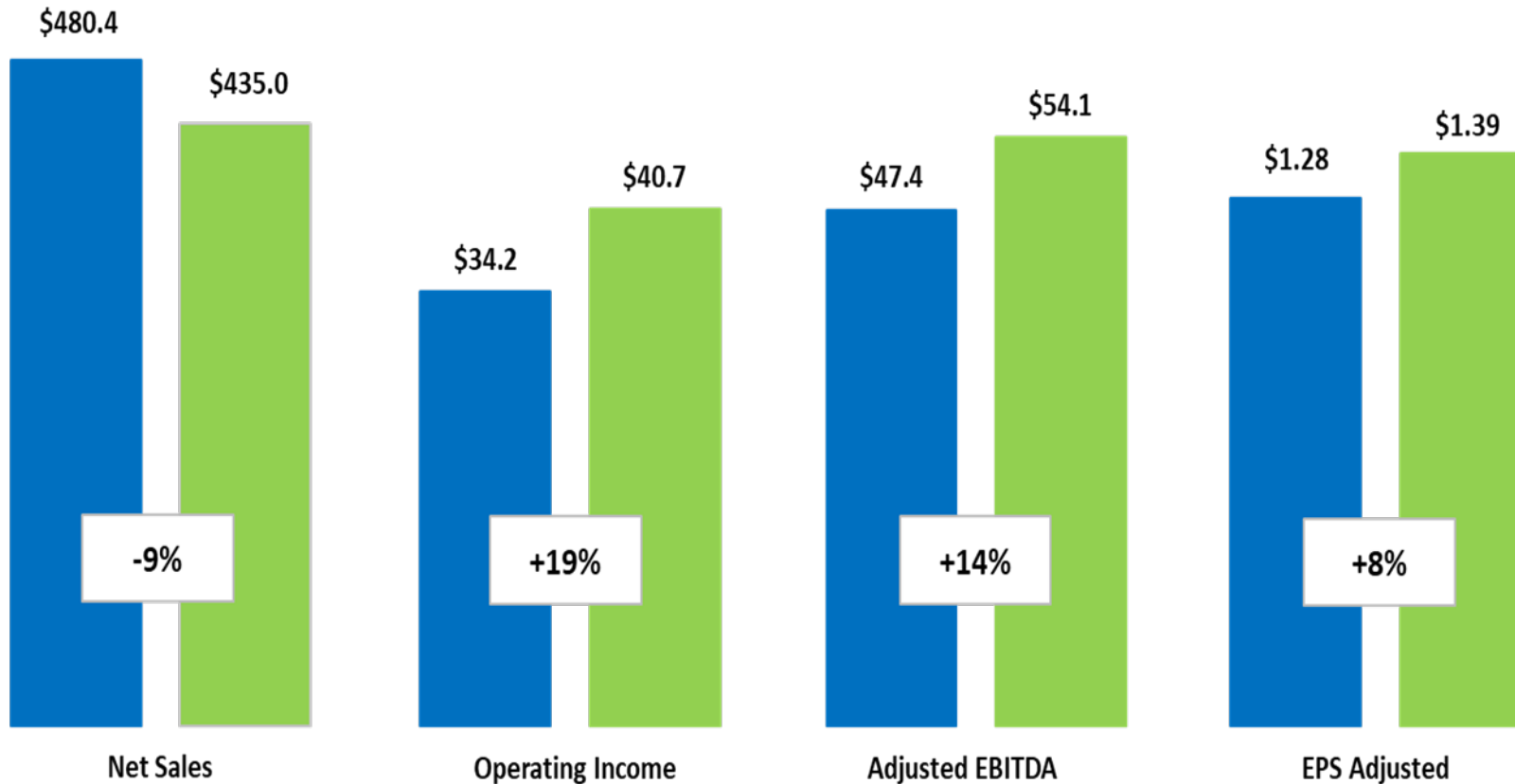
As expected, Oilfield
Services impacted by
lower production chemical
activity

Lower activity levels
extending into second half

Financial Performance



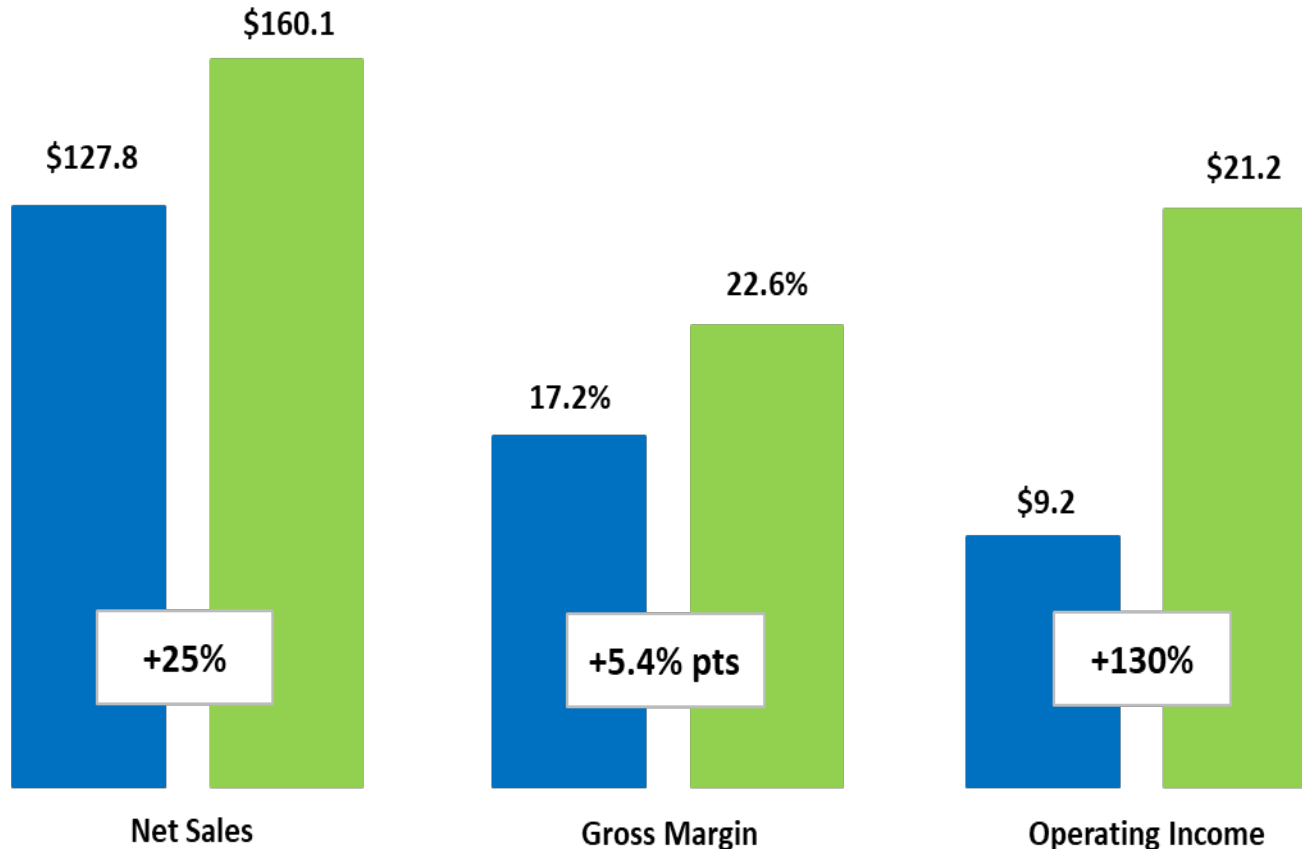
Q2 2024 Consolidated Results (\$ MM)



- Sales down 9 percent
- Gross margin down 2.1 percentage points
- Operating income up 19 percent
- Adjusted EBITDA up 14 percent
- Adjusted EPS of \$1.39

■ Q2 2023 ■ Q2 2024

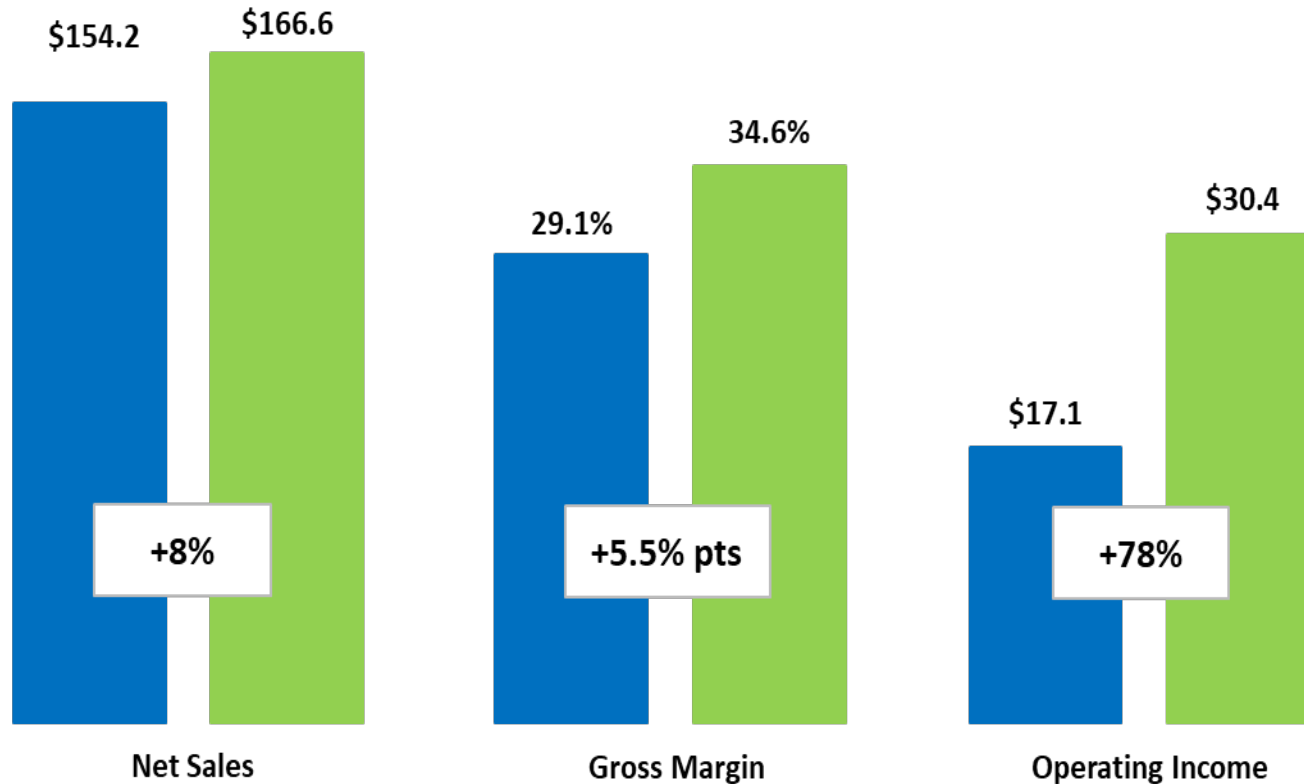
Q2 2024 Performance Chemicals (\$ MM)



- Sales up 25 percent
- Acquisition growth of 7 percent
- Volumes up 29 percent
- Price/mix down 11 percent
- Gross margin up 5.4 percentage points
- Operating income more than doubled

■ Q2 2023 ■ Q2 2024

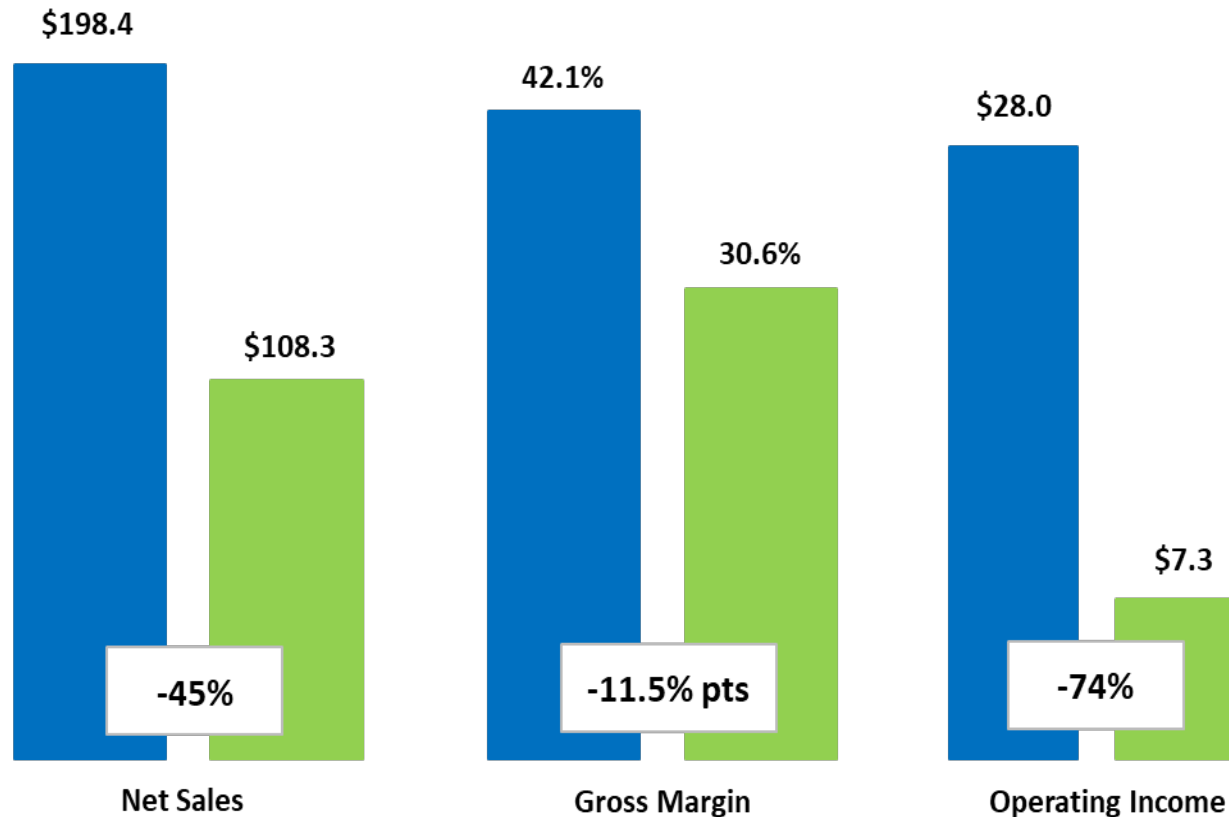
Q2 2024 Fuel Specialties (\$ MM)



- Sales up 8 percent
- Volumes up 20 percent
- Price/mix down 12 percent
- Gross margin up 5.5 percentage points
- Operating income up 78 percent

■ Q2 2023 ■ Q2 2024

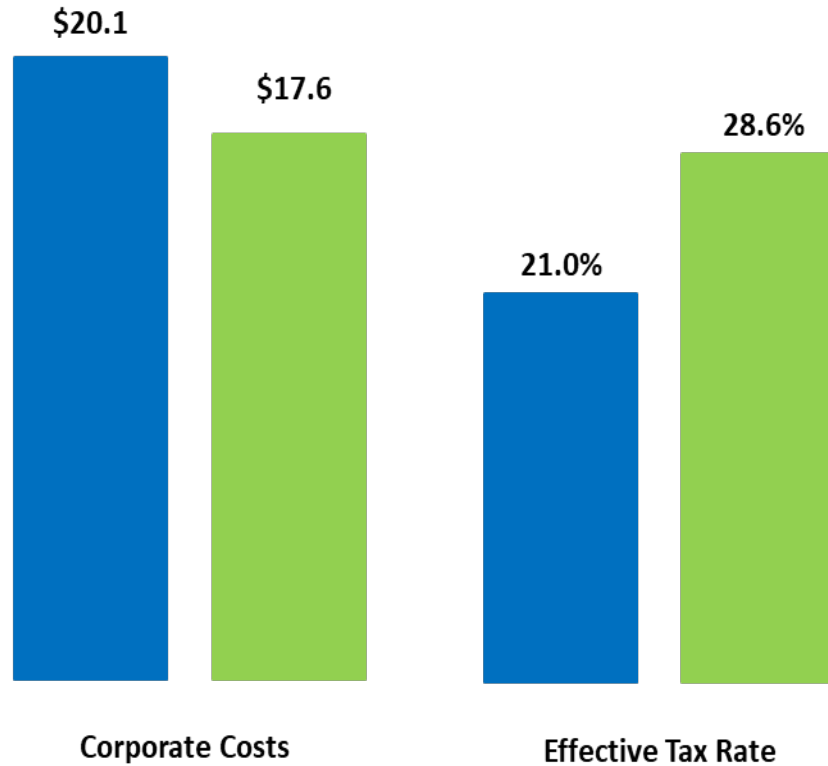
Q2 2024 Oilfield Services (\$ MM)



■ Q2 2023 ■ Q2 2024

- Sales down 45 percent
- Gross margin down 11.5 percentage points on weaker sales mix
- Operating income down 74 percent
- Lower sales levels will persist through the third quarter and possibly through the remainder of the year

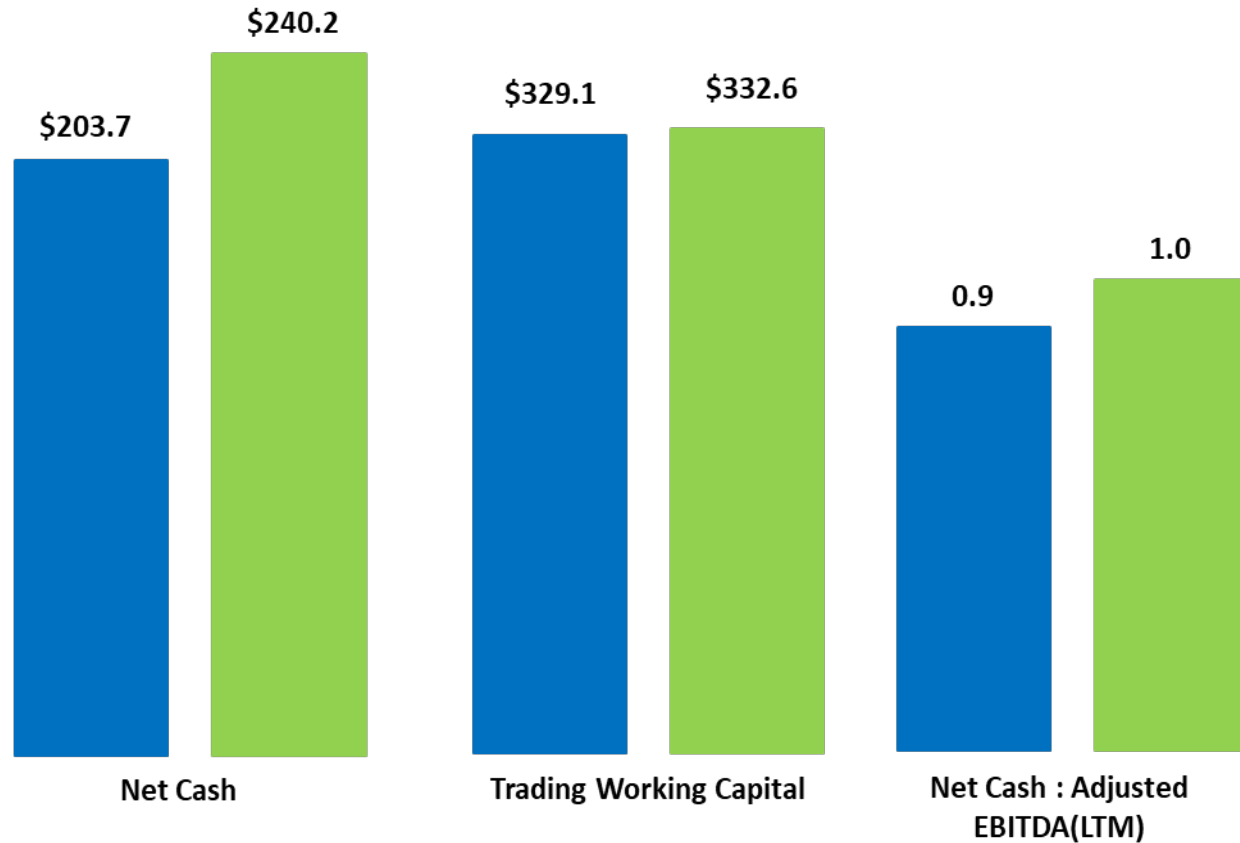
Q2 2024 Corporate Items (\$ MM)



- Corporate costs down to \$17.6 million
- Effective tax rate of 28.6 percent
- Full year tax rate expected to be 27 percent

■ Q2 2023 ■ Q2 2024

Q2 2024 Balance Sheet (\$ MM)



- Operating cash inflow of \$4.7 million
- Capital expenditures of \$15.2 million
- Net cash balance of \$240.2 million

■ Q4 2023 ■ Q2 2024

Concluding Comments



Summary of 2nd Quarter Performance

**Strong results in Fuel Specialties and Performance Chemicals;
Overall 19 percent operating income growth**

**Further improvement in Performance Chemicals; QGP acquisition
performing in-line with expectations**

**Double digit operating income growth in Fuel Specialties;
Continued progress on margin improvement**

**Lower results in Oilfield Services driven by continued low
inventory levels and reduced treat rates**

**Consistent focus on service and innovation to drive long-term
strength in all businesses**

**\$240.2 million net cash on balance sheet to pursue further M&A,
organic opportunities and consistent dividend growth**

Q&A



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Final Comments

Thank You for Your Continued Support

November 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	30

Q3 2024 Results Schedule

- November 5th – Results Release After Close
- November 6th – Conference Call