

Q1 2024 Earnings

May 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 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, net, income taxes, depreciation and amortization, foreign currency exchange gains, legacy costs of closed operations and adjustment to fair value of contingent consideration. 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, foreign currency exchange gains, legacy costs of closed operations, adjustment to fair value of contingent consideration 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. 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 adjusted net income 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. Management believes the most directly comparable GAAP financial measure is GAAP net income 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 1st Quarter Performance



Q1

GAAP EPS of \$1.65

Adjusted non-GAAP
EPS of \$1.75

Excellent performance
across all our
businesses

Operating income up 23
percent

Balance sheet has
\$270.1 million in net
cash

Continued capital
allocation flexibility

Performance Chemicals
continued sequential
improvement in gross
margin and operating
income

Fuel Specialties steady
results with continued
progress on margin
improvement

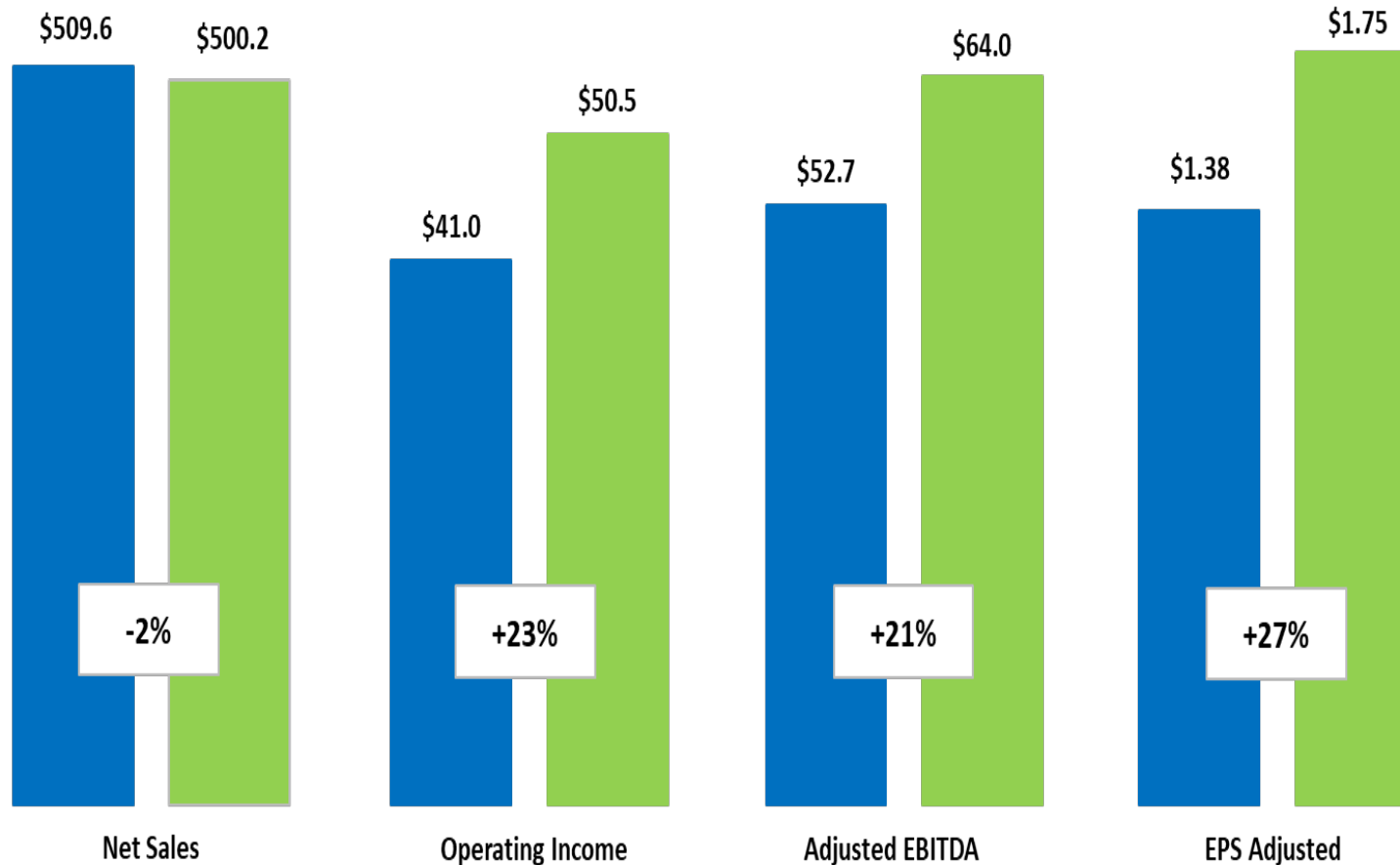
Oilfield Services
balanced growth and
margin improvement

Expecting lower Q2
performance with
second-half recovery

Financial Performance



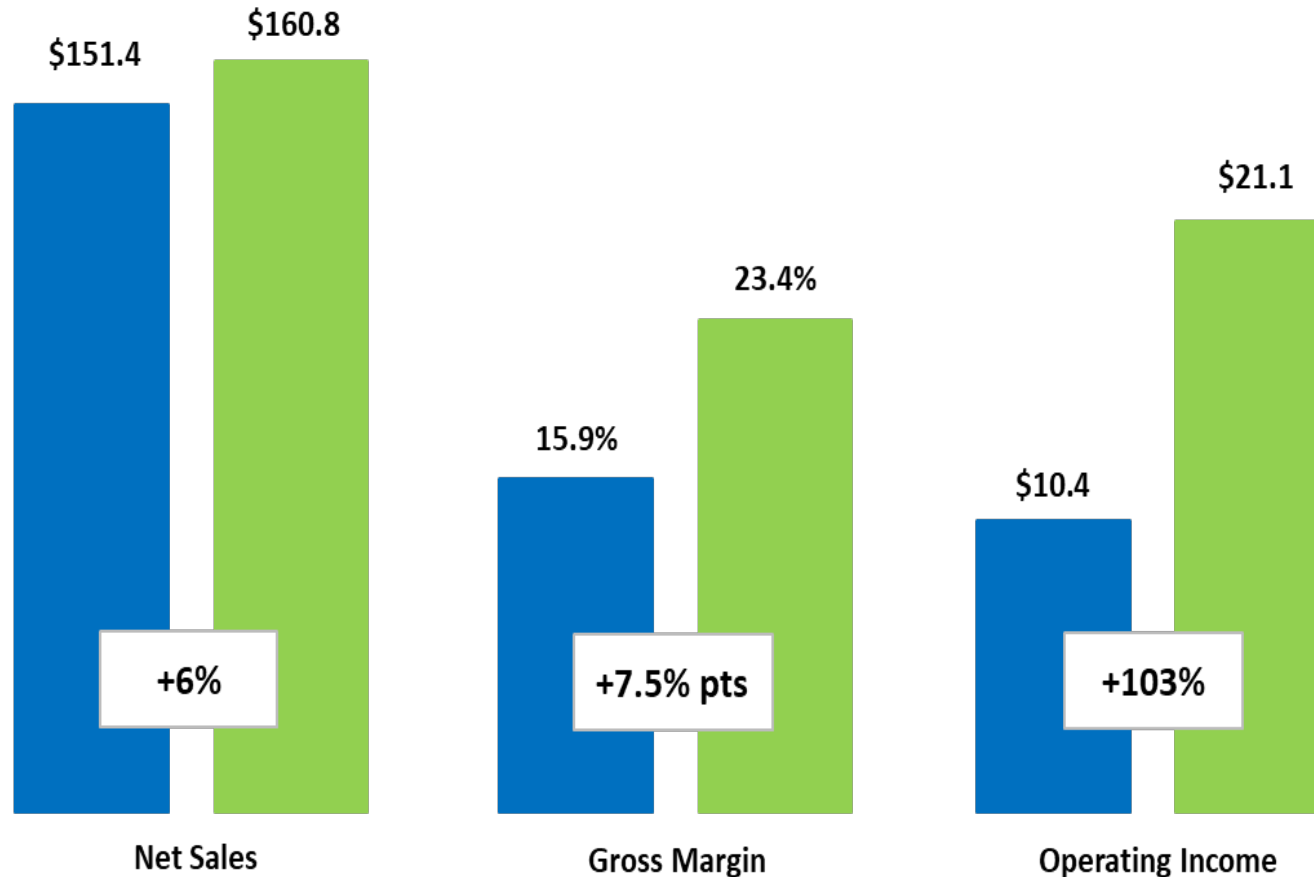
Q1 2024 Consolidated Results (\$ MM)



- Sales down 2 percent
- Gross margin up 2.1 percentage points
- Operating income up 23 percent
- Adjusted EBITDA up 21 percent
- Adjusted EPS of \$1.75

■ Q1 2023 ■ Q1 2024

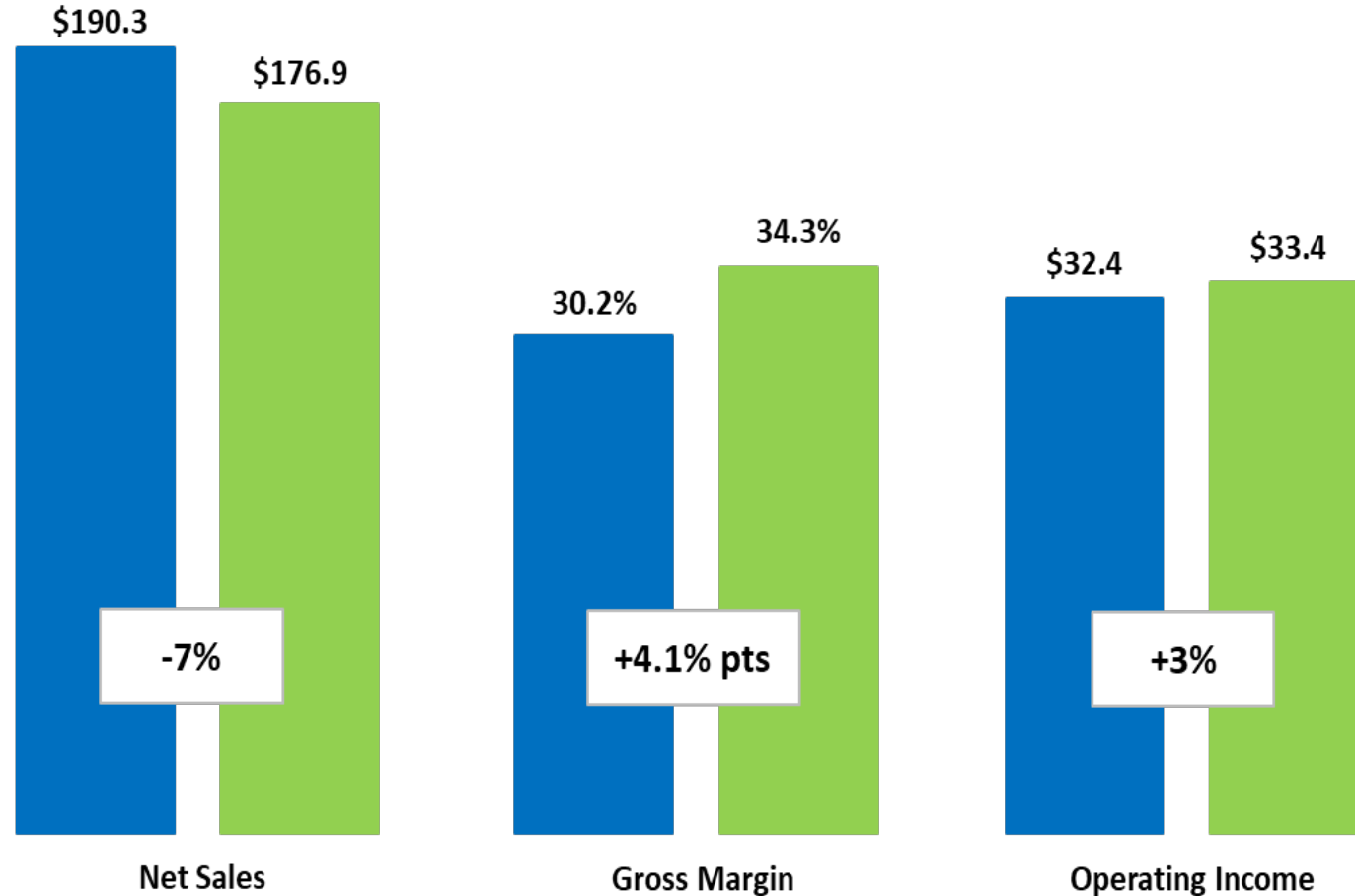
Q1 2024 Performance Chemicals (\$ MM)



- Sales up 6 percent
- Acquisition growth of 6 percent
- Price/mix down 14 percent
- Volumes up 13 percent
- Gross margin up 7.5 percentage points
- Operating income approximately doubled

■ Q1 2023 ■ Q1 2024

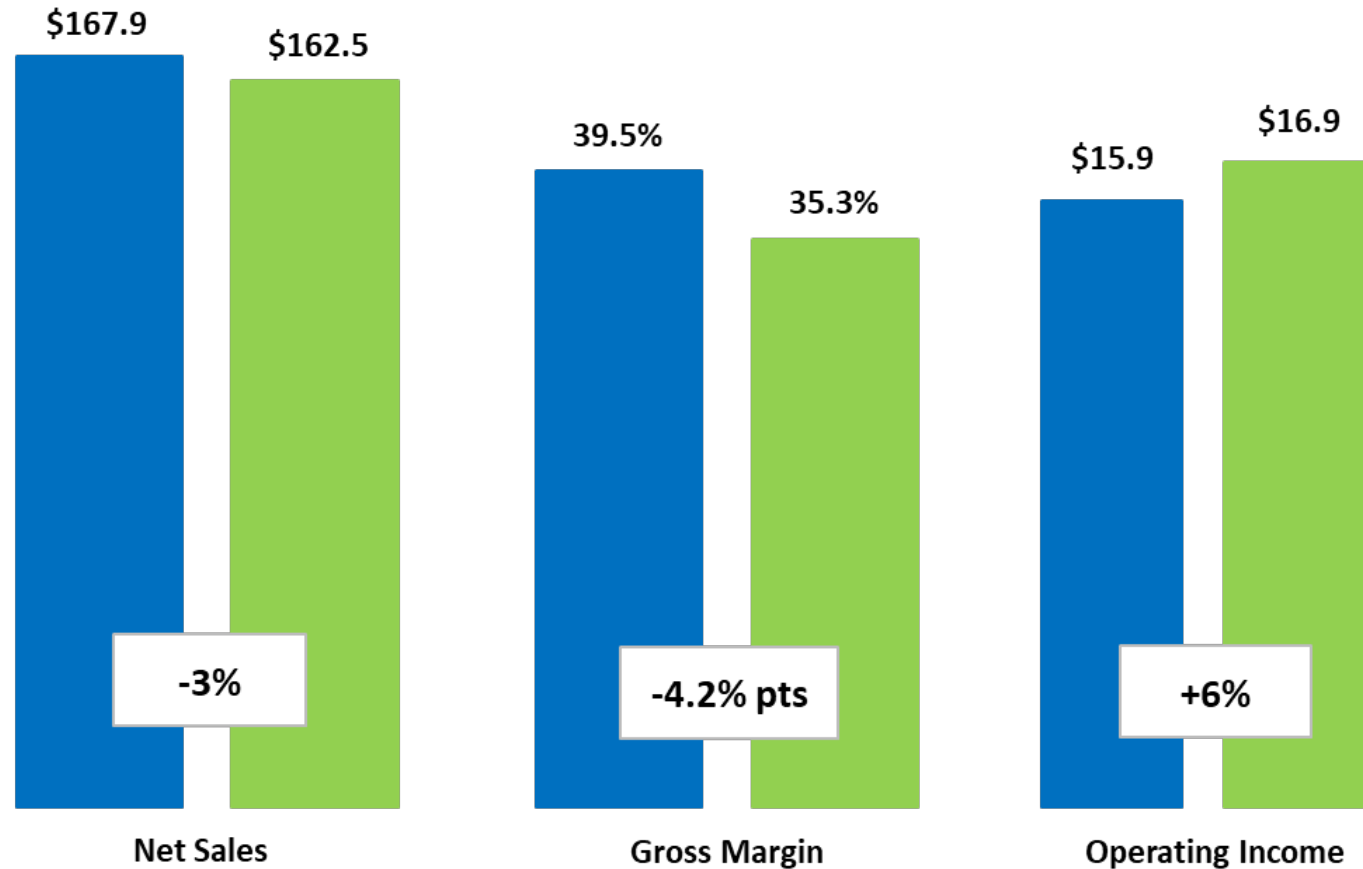
Q1 2024 Fuel Specialties (\$ MM)



- Sales down 7 percent
- Price/mix down 6 percent
- Volumes down 2 percent
- Gross margin up 4.1 percentage points
- Operating income up 3 percent

■ Q1 2023 ■ Q1 2024

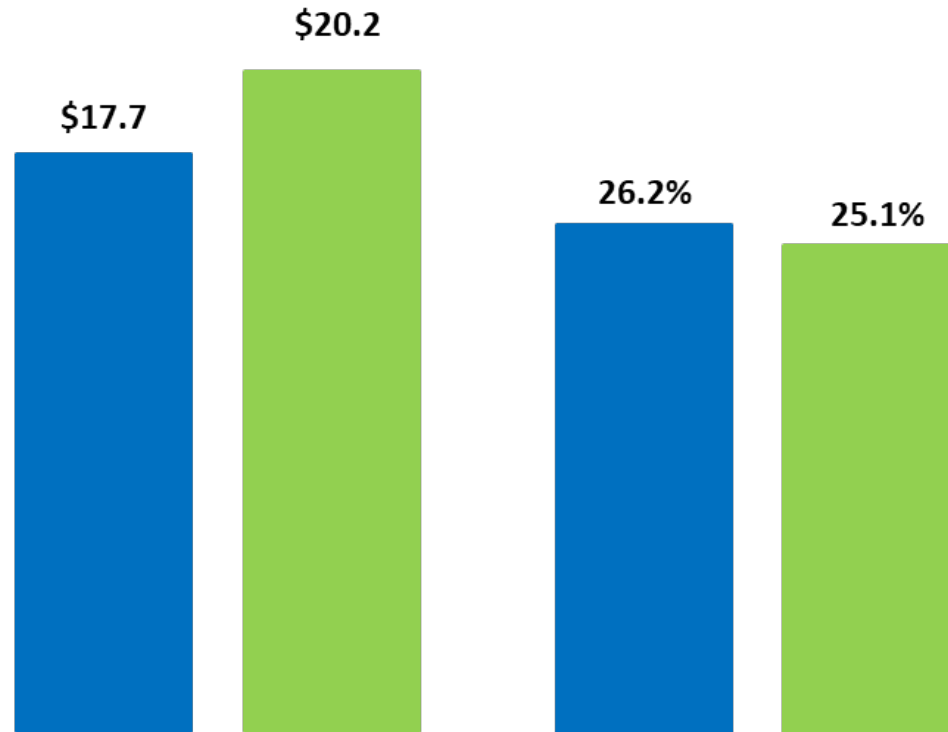
Q1 2024 Oilfield Services (\$ MM)



■ Q1 2023 ■ Q1 2024

- Sales down 3 percent
- Gross margin down 4.2 percentage points on weaker sales mix
- Operating income up 6 percent
- Expecting materially lower Q2 production chemicals activity
- Cautiously optimistic that operating income run rates return to targeted \$15 to \$20 million per quarter range in the second half of this year

Q1 2024 Corporate Items (\$ MM)



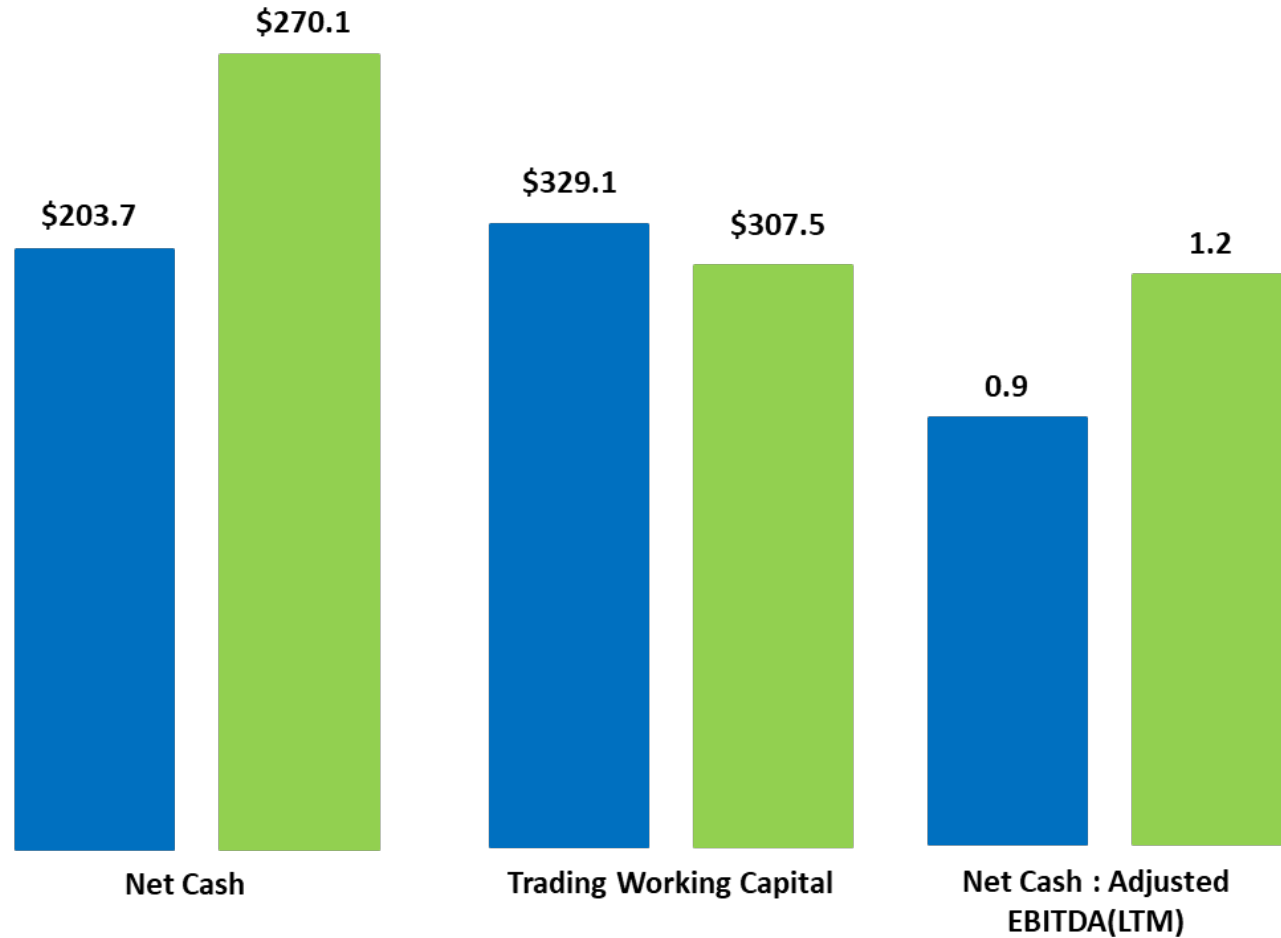
Corporate Costs

Effective Tax Rate

■ Q1 2023 ■ Q1 2024

- Corporate costs up versus prior year on higher IT expenditure and performance-related remuneration
- Effective tax rate of 25.1 percent

Q1 2024 Balance Sheet (\$ MM)



- Operating cash inflow of \$80.6 million
- Capital expenditures of \$14.3 million
- Net cash balance \$270.1 million

■ Q4 2023 ■ Q1 2024

Concluding Comments



Summary of 1st Quarter Performance

Strong operating performance in the quarter; Excellent contribution from all our businesses

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

Steady results in Fuel Specialties; Continued progress on margin improvement

Growth and margin improvement in Oilfield Services; Expecting weak production activity to impact Q2 operating income

Expect continued strength in Fuel Specialties and Performance Chemicals to offset a weaker Q2 Oilfield Services result

\$270.1 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

August 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	31

Q2 2024 Results Schedule

- August 6th – Results Release After Close
- August 7th – Conference Call