



# 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, including, the effects of the COVID-19 pandemic, such as its duration, its unknown long-term economic impact, measures taken by governmental authorities to address it, the rise of variants, the effectiveness, acceptance and distributions of COVID-19 vaccines and the manner in which the pandemic may precipitate or exacerbate other risks and/or uncertainties, 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, 2020 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, impairment 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 amortization of acquired intangible assets, change in the UK statutory tax rate, legacy costs of closed operations, tax on closure of legacy operations, foreign currency exchange losses/(gains), acquisition related costs, adjustment of income tax provisions, restructuring charge and impairment of acquired intangible assets. 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 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.

# Earnings Conference Call Agenda

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**

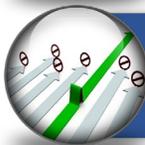
# Summary of 4<sup>th</sup> Quarter Performance



GAAP EPS of 96 cents and adjusted non-GAAP EPS of \$1.30 for the fourth quarter



Performance Chemicals record quarterly sales with operating income up 16 percent



Fuel Specialties record quarterly sales with expected margin improvement



Continued sales, margin and operating income improvement in Oilfield Services



Positioned for growth and margin expansion in all businesses



New \$50 million share repurchase program authorized



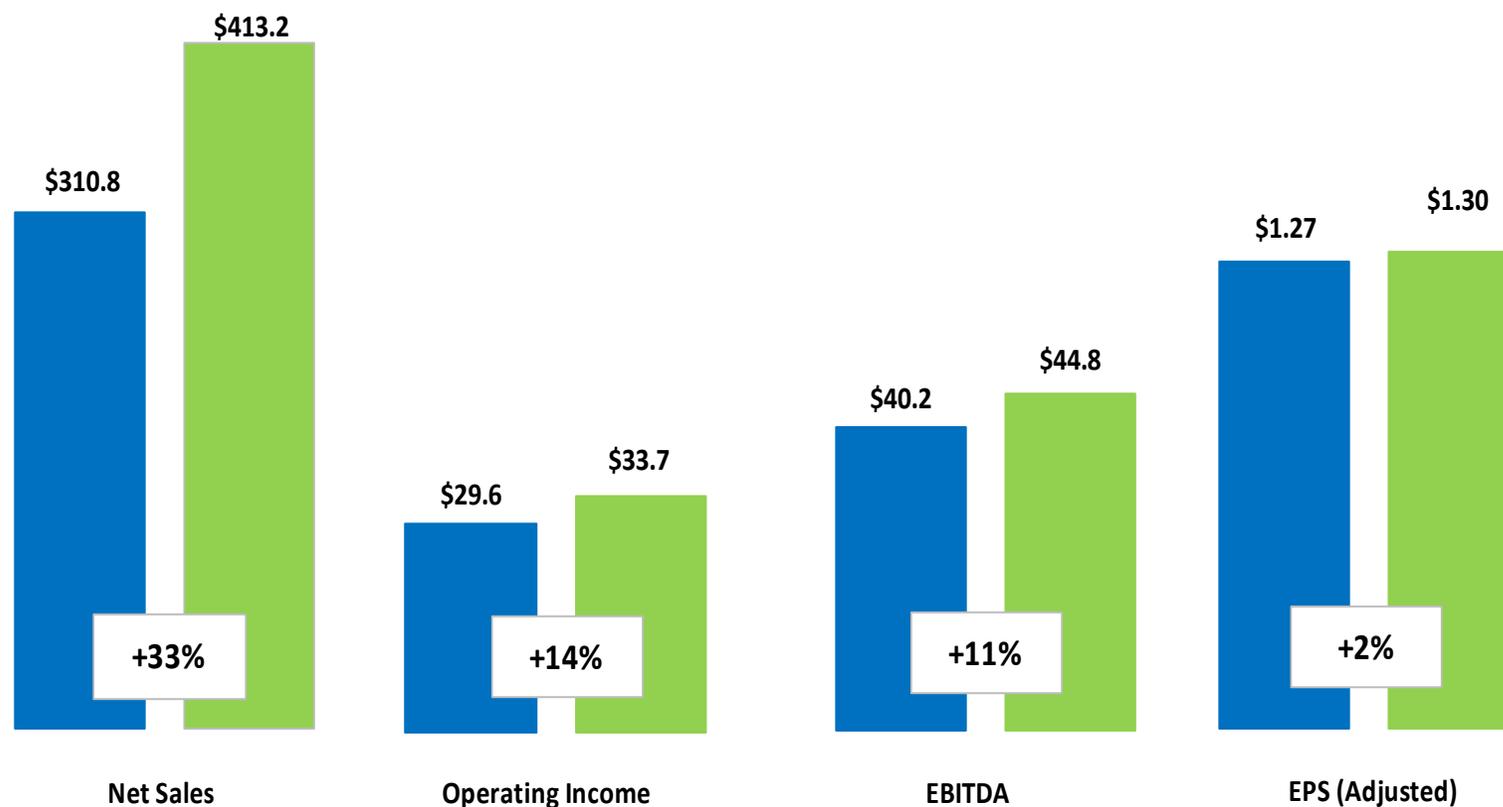
\$68.8 million in net cash from operations; \$141.7 million net cash on balance sheet



# Financial Performance



# Q4 2021 Consolidated Results *(\$ in millions)*

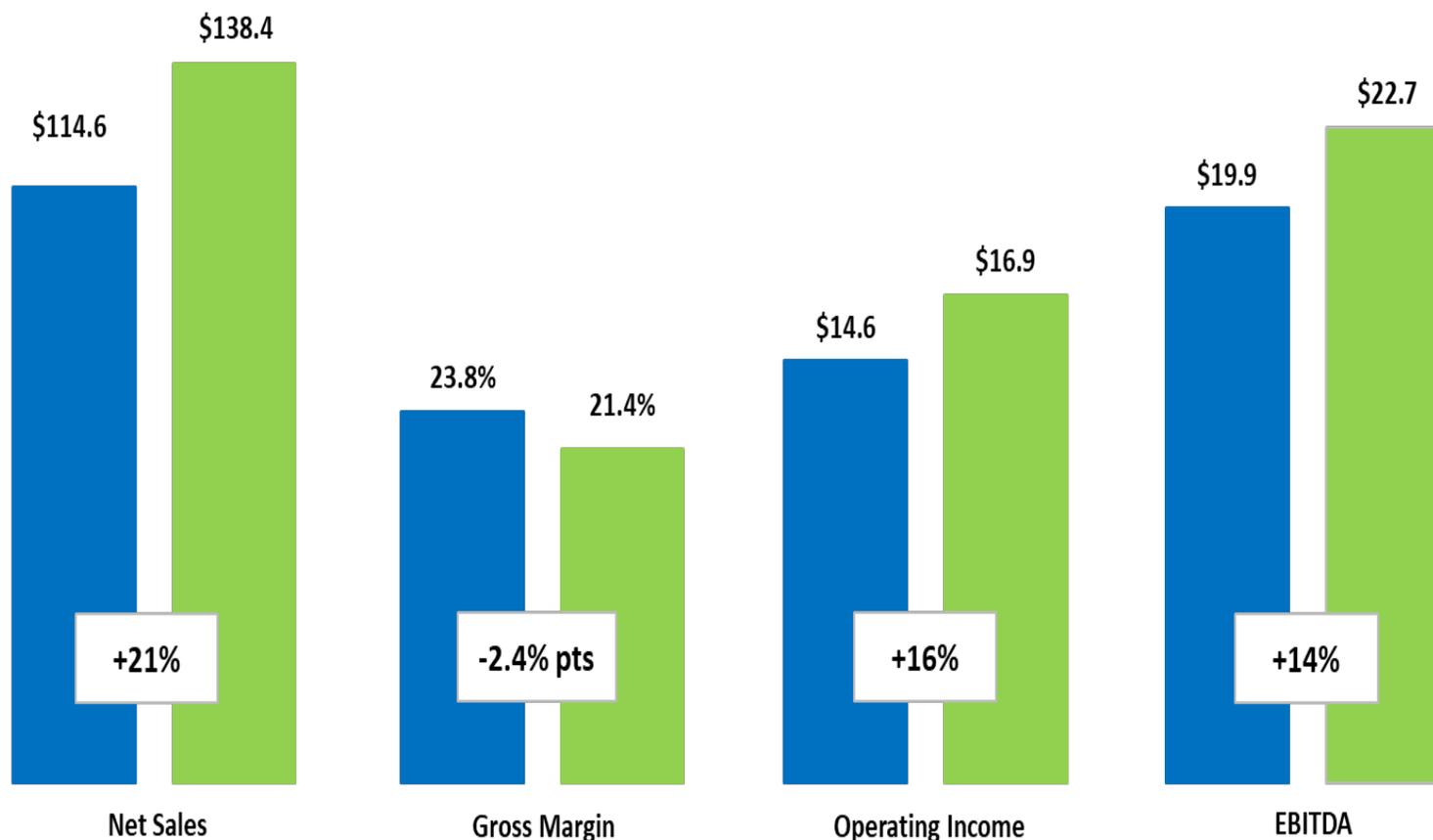


- Record quarterly sales up 33 percent on improving demand in all businesses
- Gross margin down 2 percentage points
- Adjusted EPS of \$1.30

\* Operating Income before profit on disposal and restructuring

■ Q4 2020   ■ Q4 2021

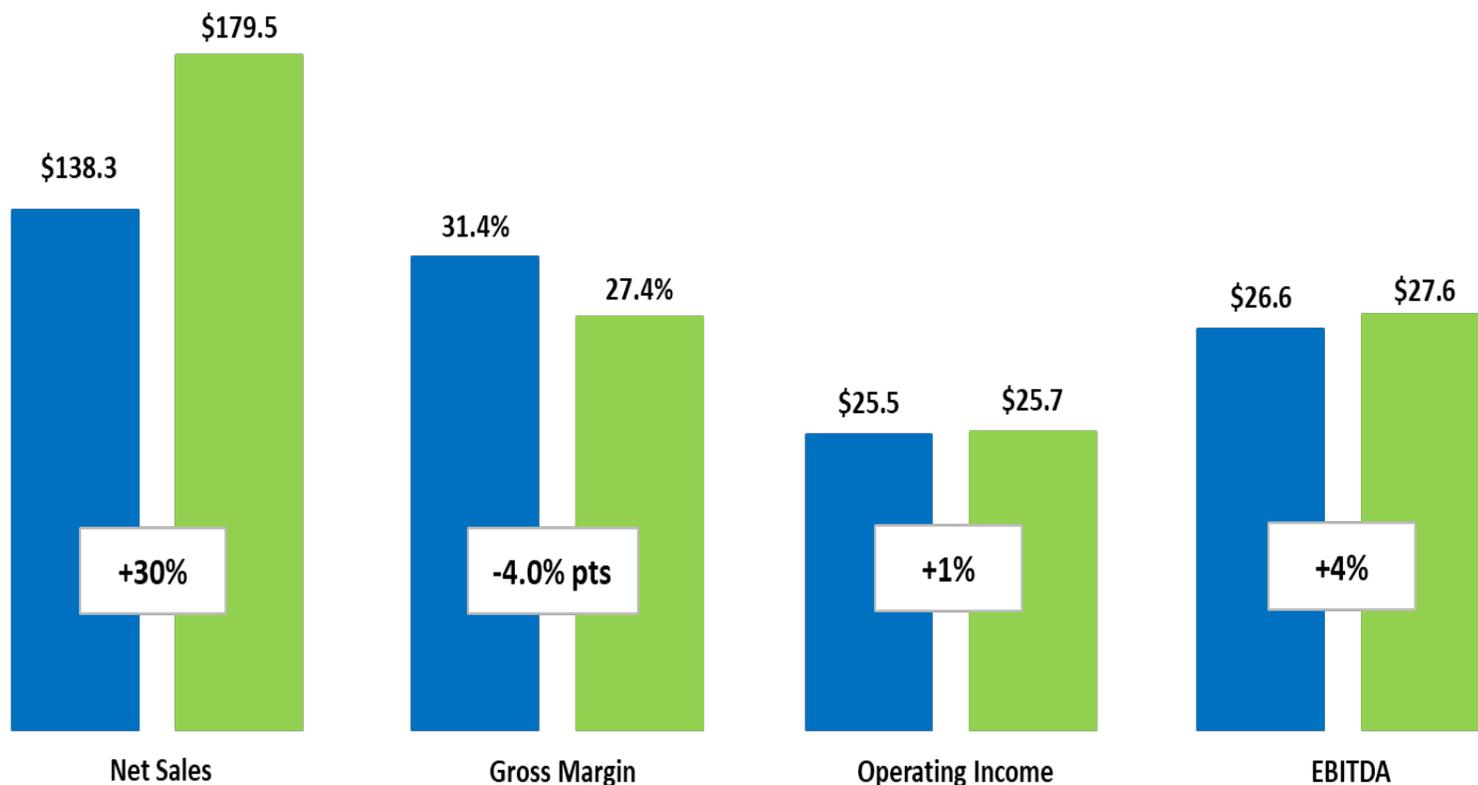
# Q4 2021 Performance Chemicals *(\$ in millions)*



- Record sales up 21 percent
- Gross margin down 2.4 percentage points impacted by one-off provisions
- Operating income up 16 percent
- EBITDA up 14 percent

■ Q4 2020   
 ■ Q4 2021

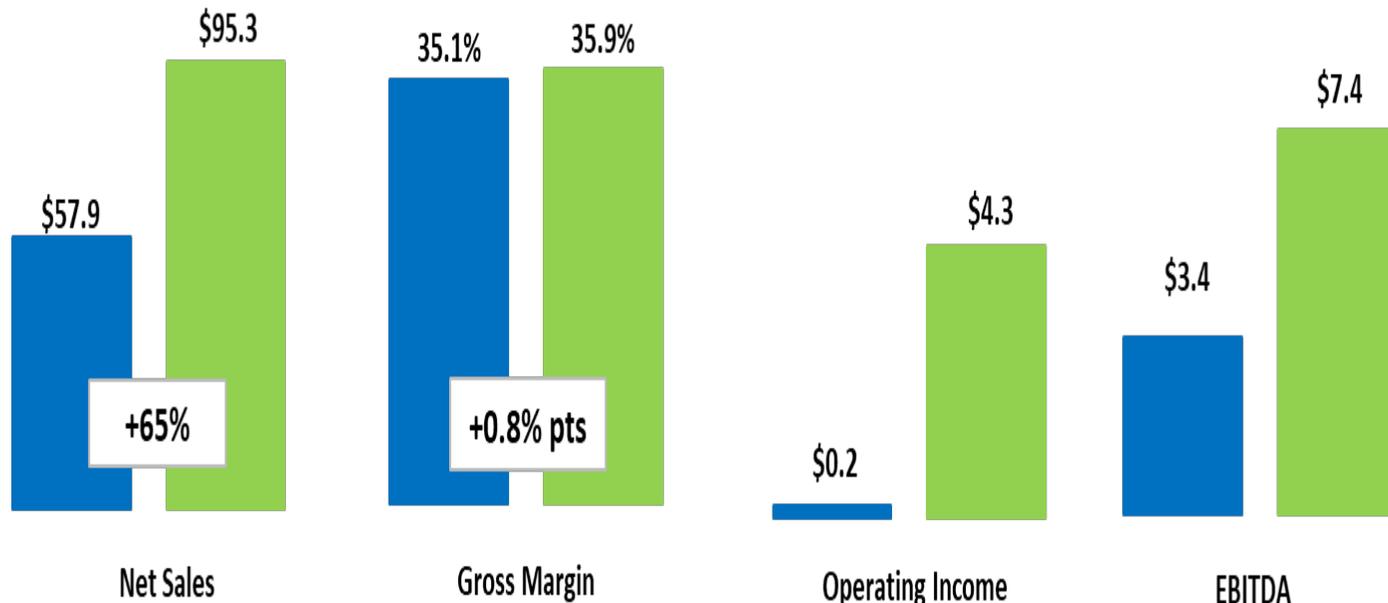
# Q4 2021 Fuel Specialties *(\$ in millions)*



- Sales up 30 percent on recovering demand
- Gross margin down 4 percentage points on mix and contract formula price lag
- Gross margins to return to lower end of expected range in 2022
- Higher margin jet fuel additive demand expected to improve on further reopening

■ Q4 2020 ■ Q4 2021

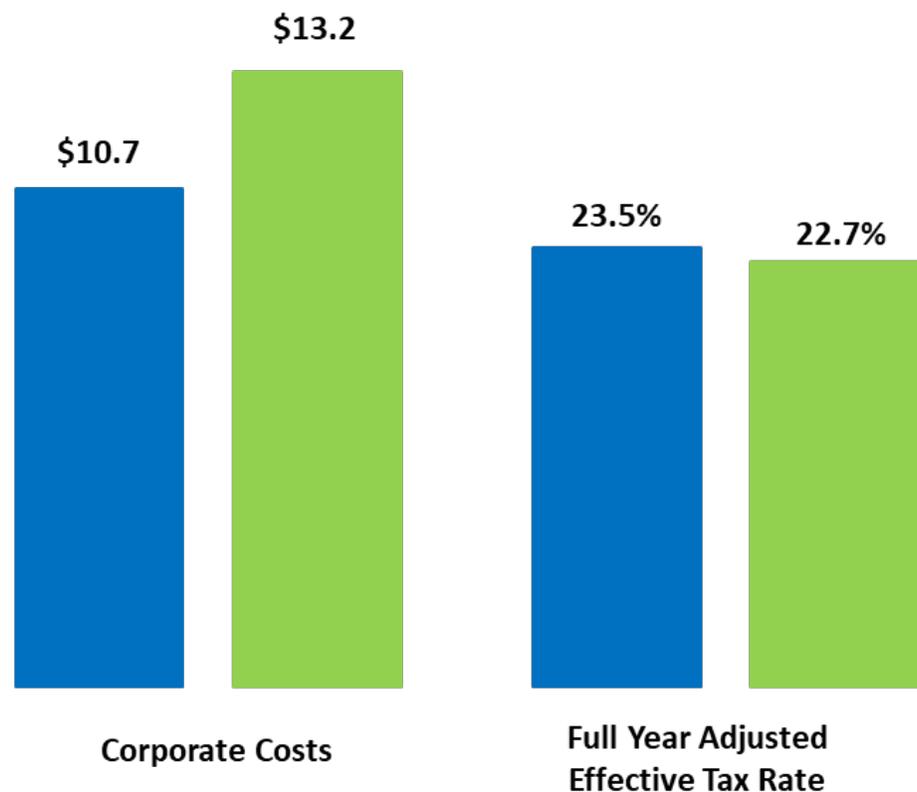
# Q4 2021 Oilfield Services *(\$ in millions)*



- Sales up 65 percent on continued customer activity recovery
- Gross margins up 0.8 percentage points
- Continued sequential operating income and margin improvement
- Improving industry outlook

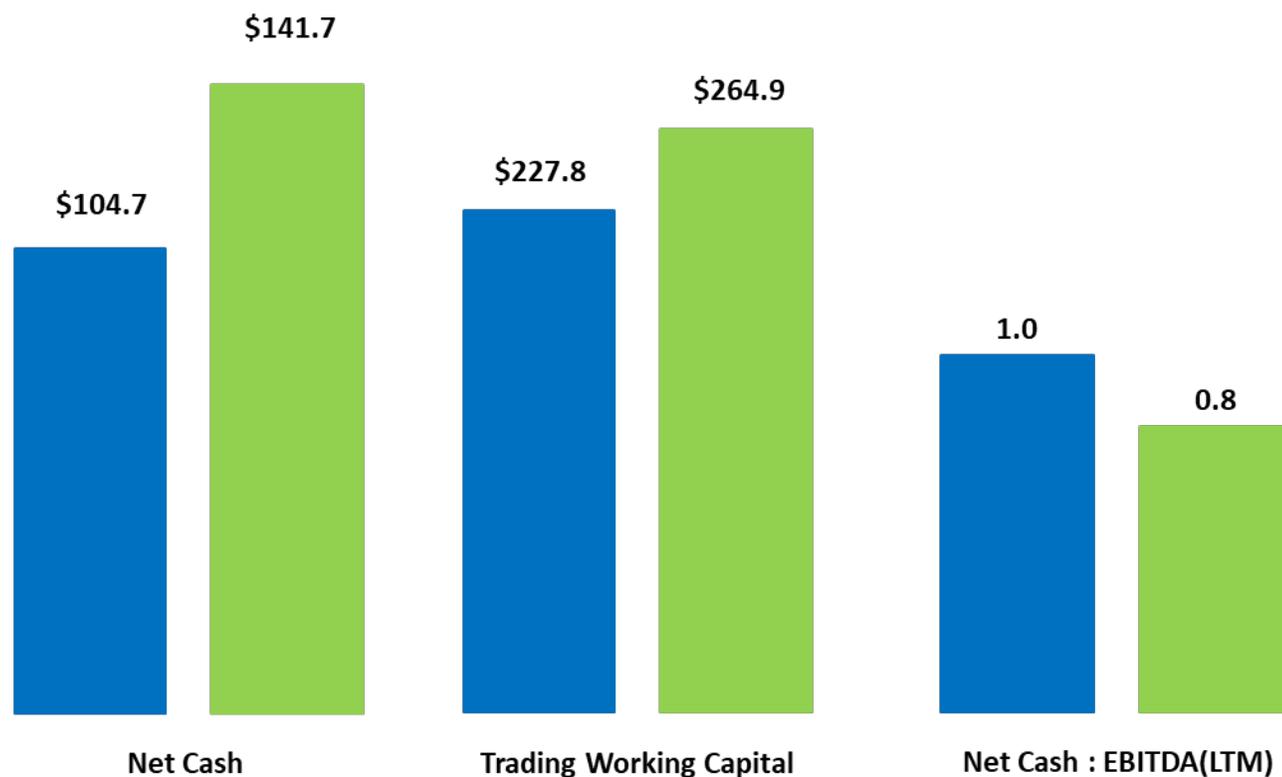
■ Q4 2020   
 ■ Q4 2021

## Q4 2021 Corporate Items *(\$ in millions)*



- Corporate costs up versus prior year on higher personnel-related expenses
- Adjusted effective tax rate of 22.7 percent

# Q4 2021 Balance Sheet *(\$ in millions)*



■ Q4 2020
 ■ Q4 2021

- Excellent operating cash inflow of \$68.8 million
- Net cash balance of \$141.7 million
- Positioned for organic growth and acquisition opportunities
- New \$50 million share repurchase program authorized



# Concluding Comments



Tight supply chain and inflationary conditions to continue



Further price increases announced in all businesses in Q1



Majority of current sales and future growth opportunities directly tied to sustainability



Positioned for continued growth and margin expansion as inflation moderates



Performance Chemicals \$70 million, two-year organic investment program in progress



Disciplined pursuit of M&A opportunities to continue



Focus on increasing capital returns through dividend growth and new \$50 million share buyback facility



**YOUR OPPORTUNITY  
TO ASK QUESTIONS**

**Q & A**



# Final Comments

THANK YOU FOR YOUR CONTINUED SUPPORT

## Q1 2022 RESULTS SCHEDULE

May 2022						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
1	2	<b>3</b>	<b>4</b>	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				

- MAY 3<sup>RD</sup> - RESULTS RELEASE AFTER CLOSE
- MAY 4<sup>TH</sup> - CONFERENCE CALL