

Q4 2022 Earnings

February 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, 2021, Innospec's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 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 amortization of acquired intangible assets, foreign currency exchange losses, legacy costs of closed operations, change in the UK statutory tax rate, tax on the closure of legacy 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. 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.

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David Jones - VP, General Counsel
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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 4th Quarter Performance



Q4

GAAP EPS of \$1.02

Adjusted non-GAAP
EPS of \$1.20

36 cent EPS adverse
tax charge

Double-digit sales and
operating income growth

Improved margins

Strong benefit from
balanced portfolio

Excellent operating
cash flow

Balance sheet has
\$147.1 million in net
cash

Performance Chemicals
aggressive year-end
customer destocking

Expecting negative
impact on volume and
gross margin in H1 2023

Fuel Specialties
operating income up 4
percent

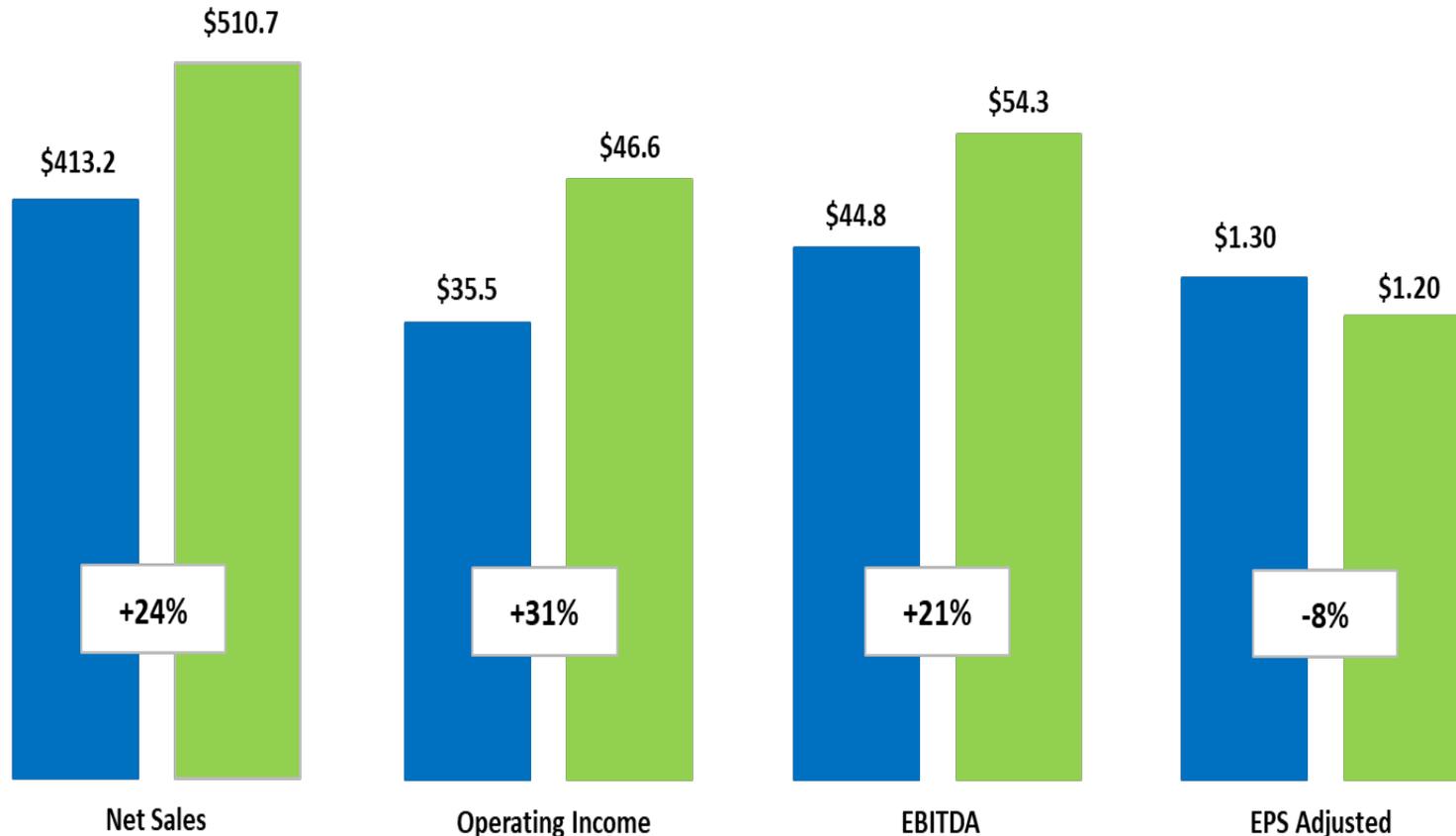
Gross margin
improvement remains
key 2023 opportunity

Oilfield Services
significant operating
income and EBITDA
growth

Financial Performance



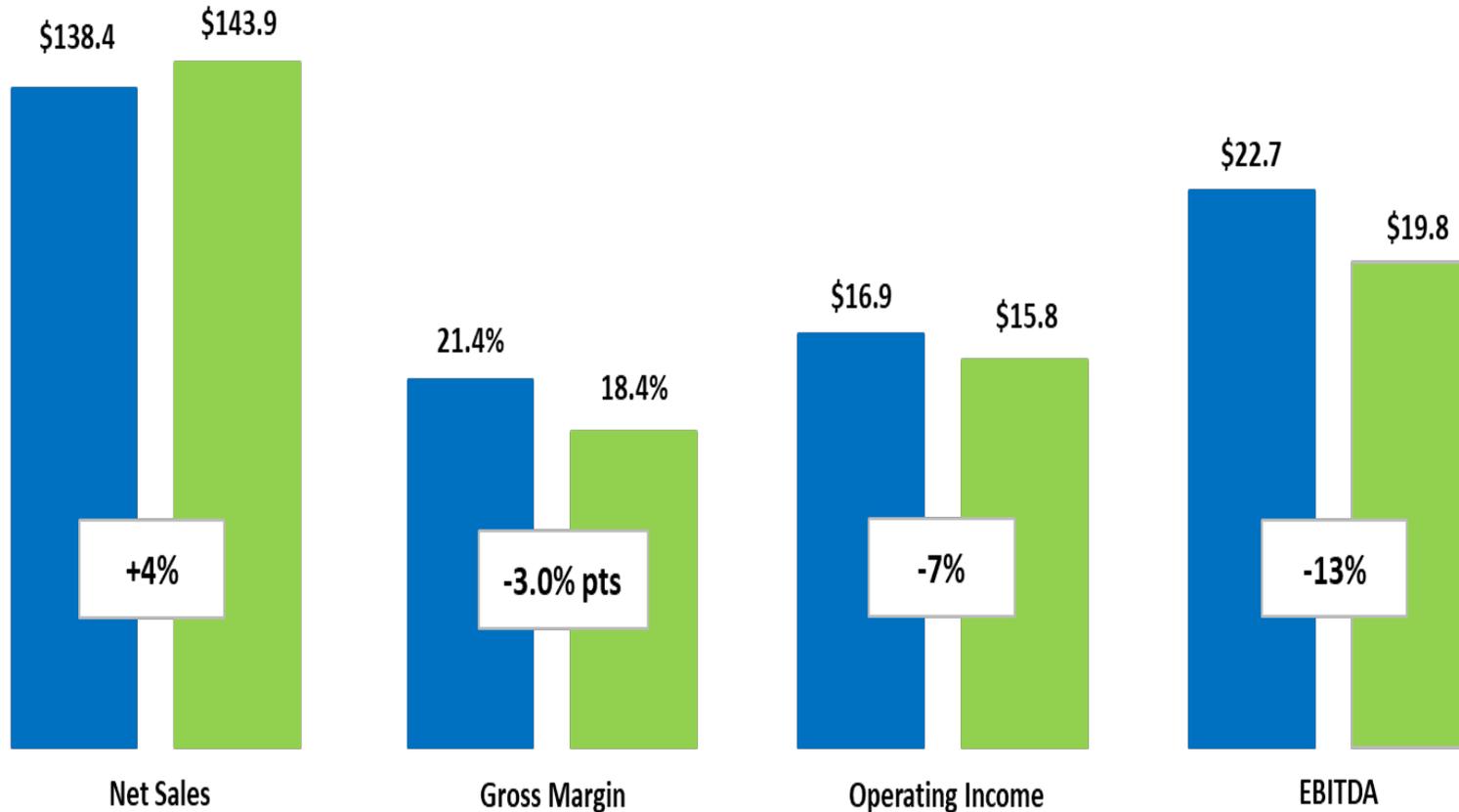
Q4 2022 Consolidated Results (\$ MM)



- Sales up 24 percent
- Gross margin up 2.4 percentage points
- Strong operating income and EBITDA growth over prior year
- Adjusted EPS of \$1.20
- 36 cent EPS adverse tax charge

■ Q4 2021 ■ Q4 2022

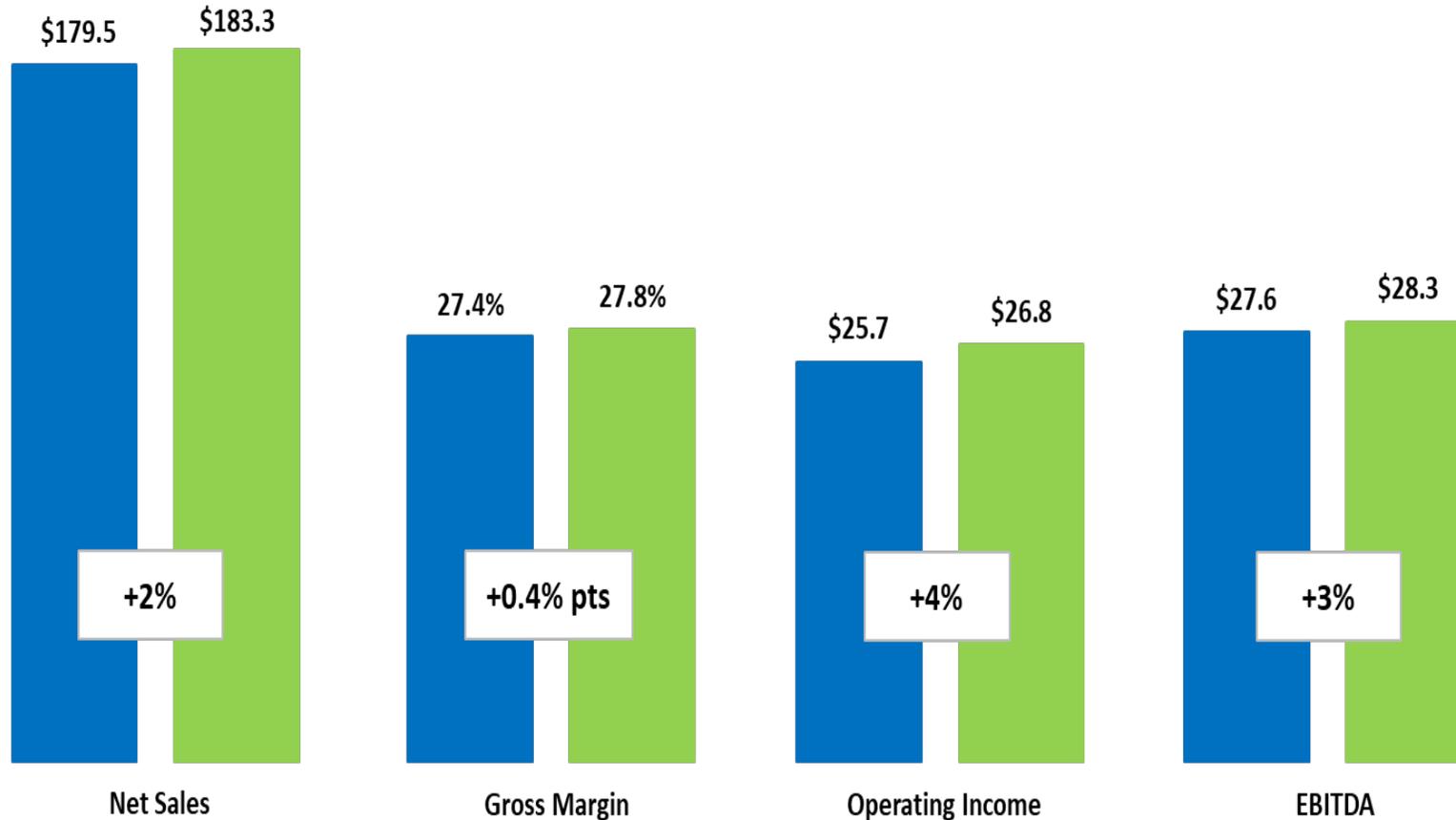
Q4 2022 Performance Chemicals (\$ MM)



- Sales up 4 percent
- Price/mix up 18 percent
- Volumes down 5 percent on customer destocking
- Gross margin down 3.0 percentage points
- Operating income down 7 percent

■ Q4 2021 ■ Q4 2022

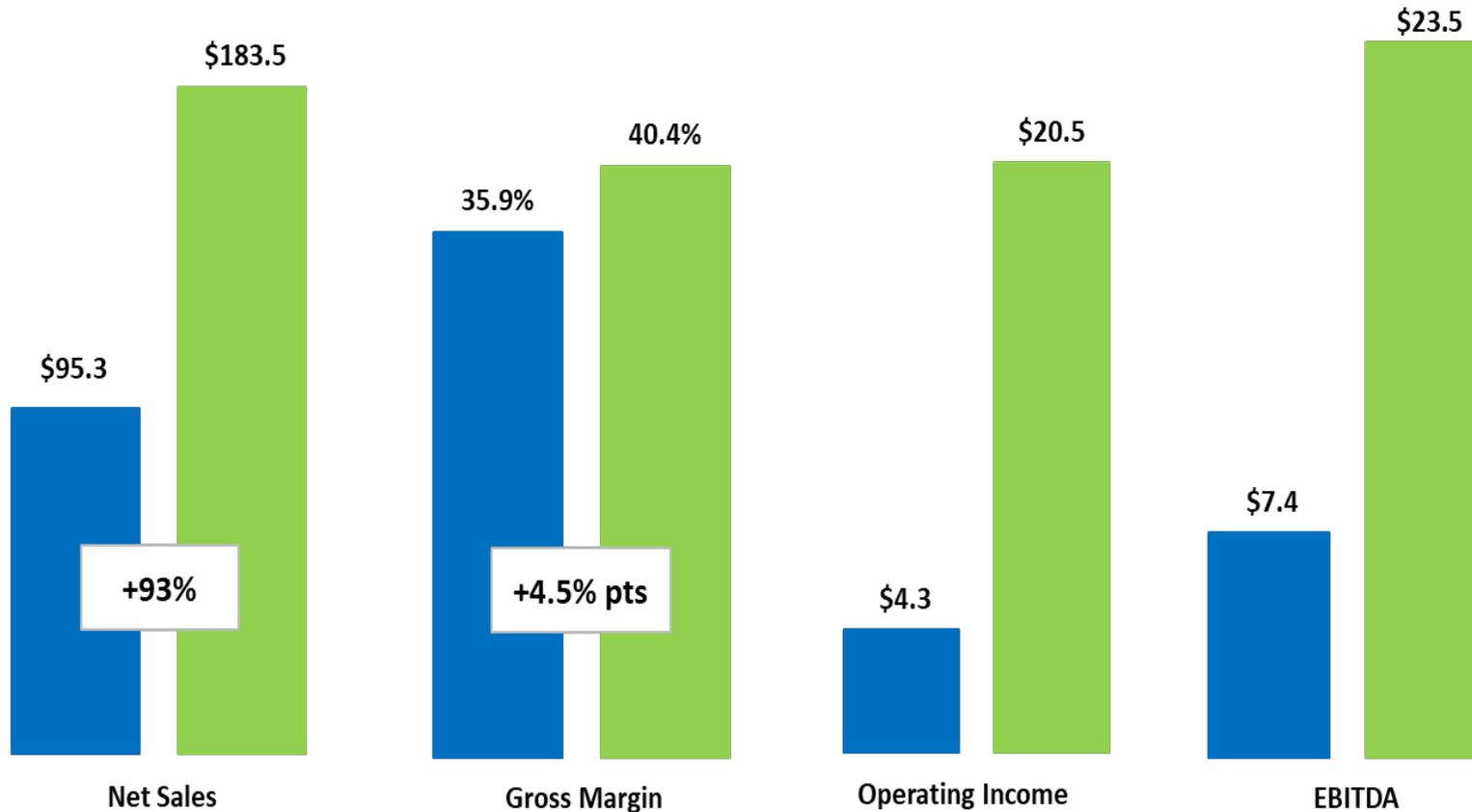
Q4 2022 Fuel Specialties (\$ MM)



- Sales up 2 percent
- Price/mix up 25 percent
- Volumes down 14 percent
- Gross margin up 0.4 percentage points
- Operating income up 4 percent

■ Q4 2021 ■ Q4 2022

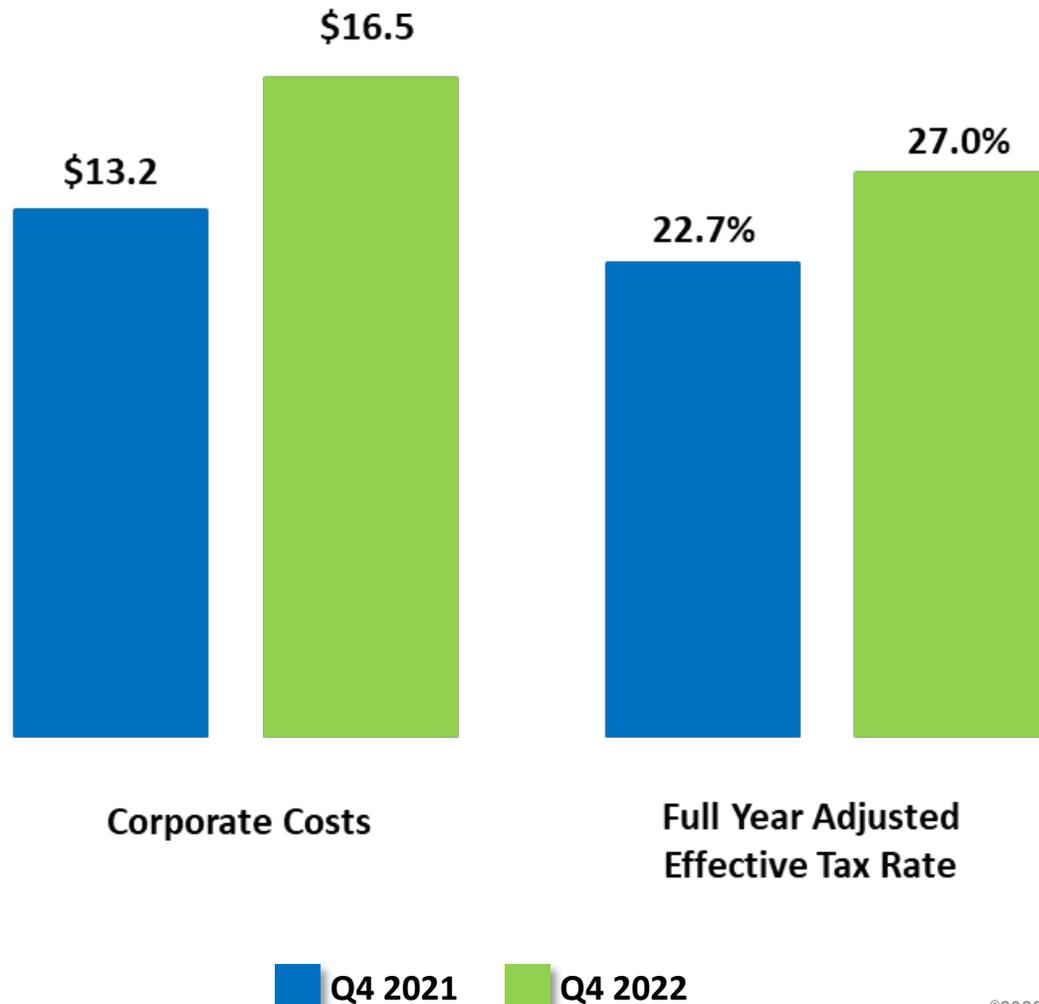
Q4 2022 Oilfield Services (\$ MM)



- Sales up 93 percent
- Gross margin up 4.5 percentage points
- Strong EBITDA and operating income growth

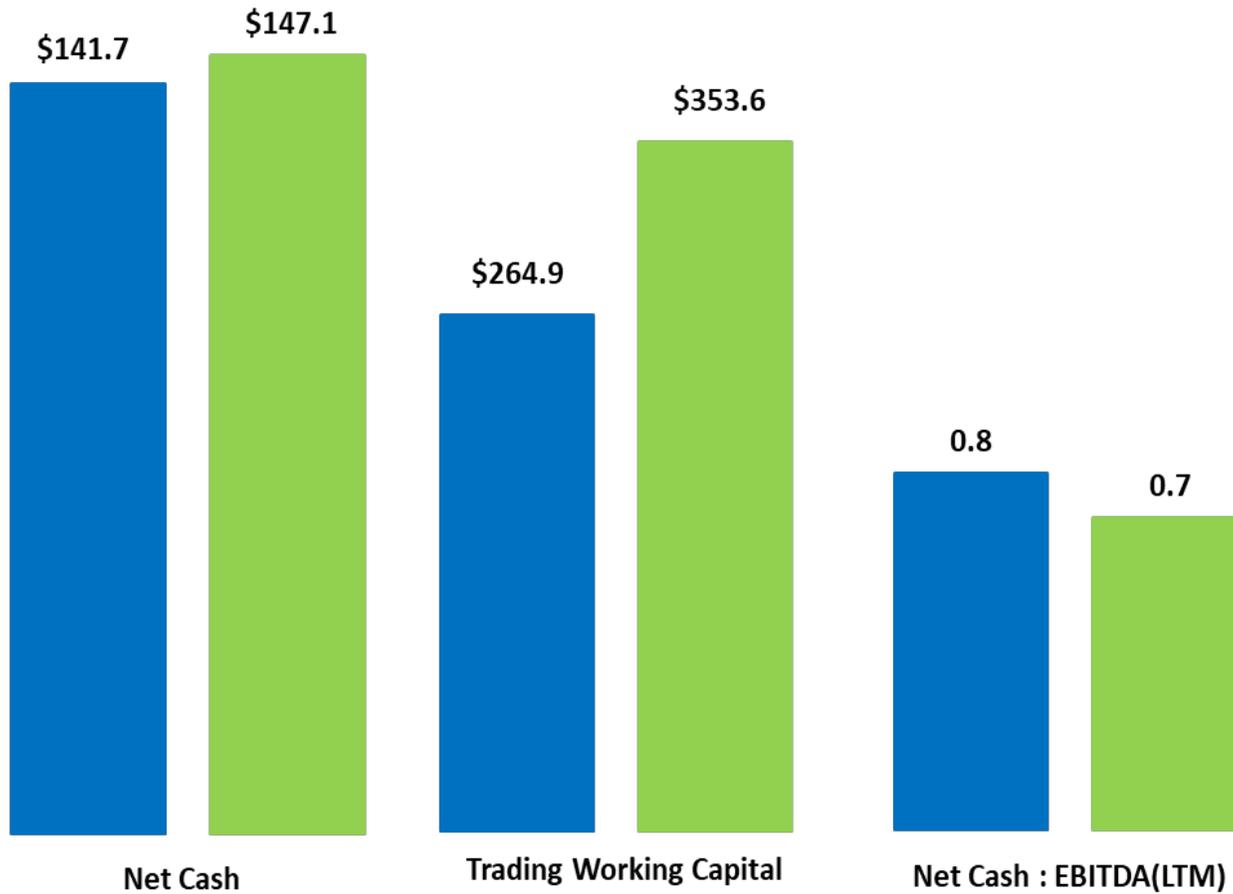
■ Q4 2021 ■ Q4 2022

Q4 2022 Corporate Items (\$ MM)



- Corporate costs up versus prior year on higher performance compensation accruals
- Full year adjusted effective tax rate of 27.0 percent (36 cent EPS impact in the quarter)
- Expected full year effective tax rate to remain at 28.0 percent in 2023

Q4 2022 Balance Sheet (\$ MM)



- Operating cash flow of \$78.4 million
- Net cash balance of \$147.1 million

■ Q4 2021 ■ Q4 2022

Concluding Comments



Summary of 4th Quarter Performance

Strong operating performance in the quarter and full-year

Double digit sales and operating income growth in the quarter and full-year with improved margins

Continued to build customer partnerships with excellent supply-reliability, product innovation and technical service

Positioned to drive margin improvement and income growth as volumes normalize and new contracts begin

\$78.4 million operating cash flow; \$147.1 million net cash on balance sheet

Strong balance sheet to pursue M&A and continue shareholder returns through dividend growth and share repurchases

Q&A



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Final Comments

Thank You for Your
Continued Support

May 2023						
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			

Q1 2023 Results Schedule

- May 3rd – Results Release After Close
- May 4th – Conference Call