

Q2 2023 Earnings

August 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 March 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 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, acquisition related costs, foreign currency exchange (gains)/losses, legacy costs of closed operations 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.

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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 2nd Quarter Performance



Q2

GAAP EPS of \$1.16

Adjusted non-GAAP
EPS of \$1.28

Excluding the \$8.0 million Brazil charge which reduced our EPS by 21 cents, sales and EBITDA grew and gross margins improved on the prior year

Balance sheet has \$165.9 million in net cash after \$17.2 million dividend and \$0.6 million share repurchase

Performance Chemicals continued destocking as expected

Expect sequential operating income and sales growth

Fuel Specialties \$8.0 million Brazil charge

Adjusted gross margin at 32.3 percent

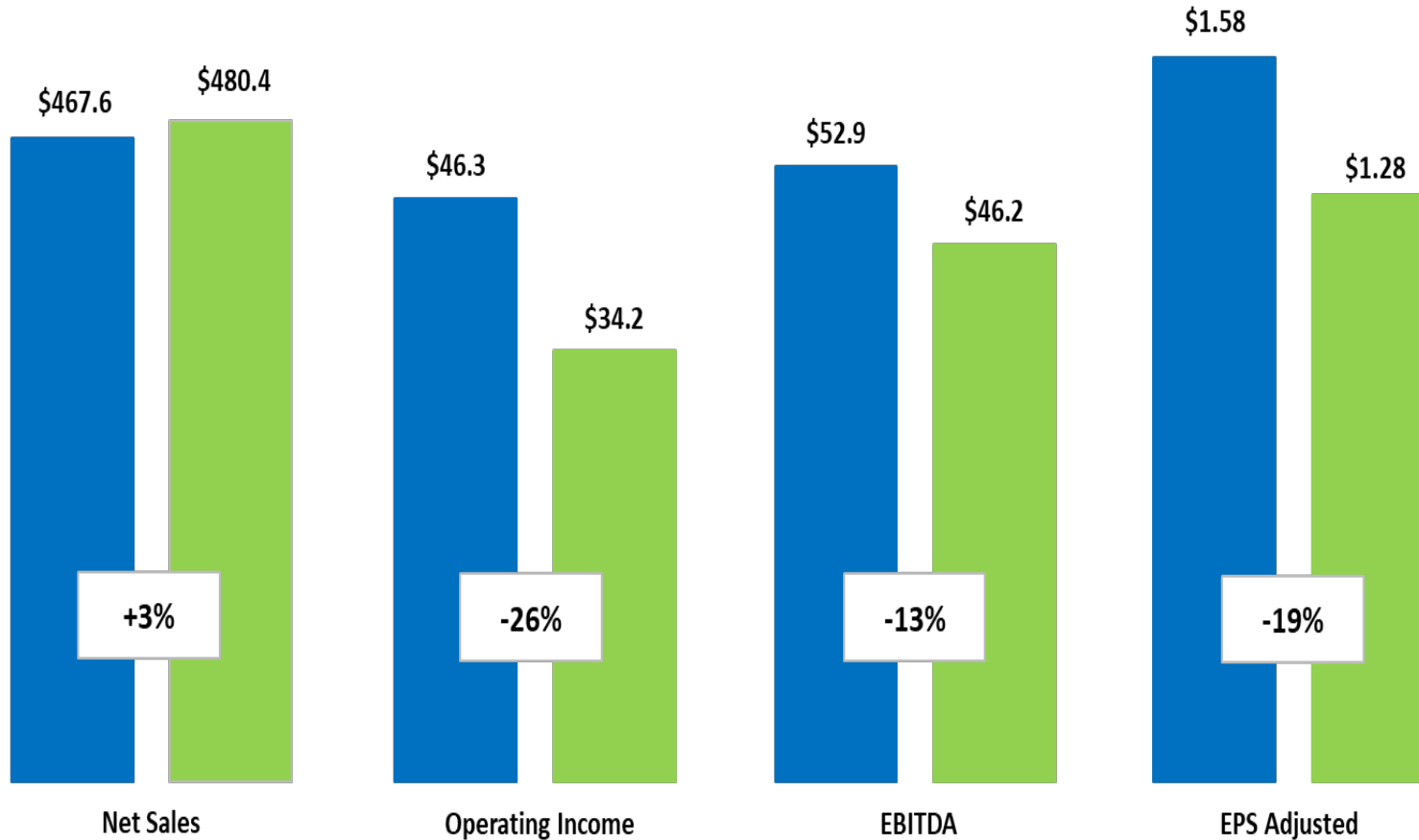
Oilfield Services significant operating income and EBITDA growth

Operating income over 6 times prior year

Financial Performance



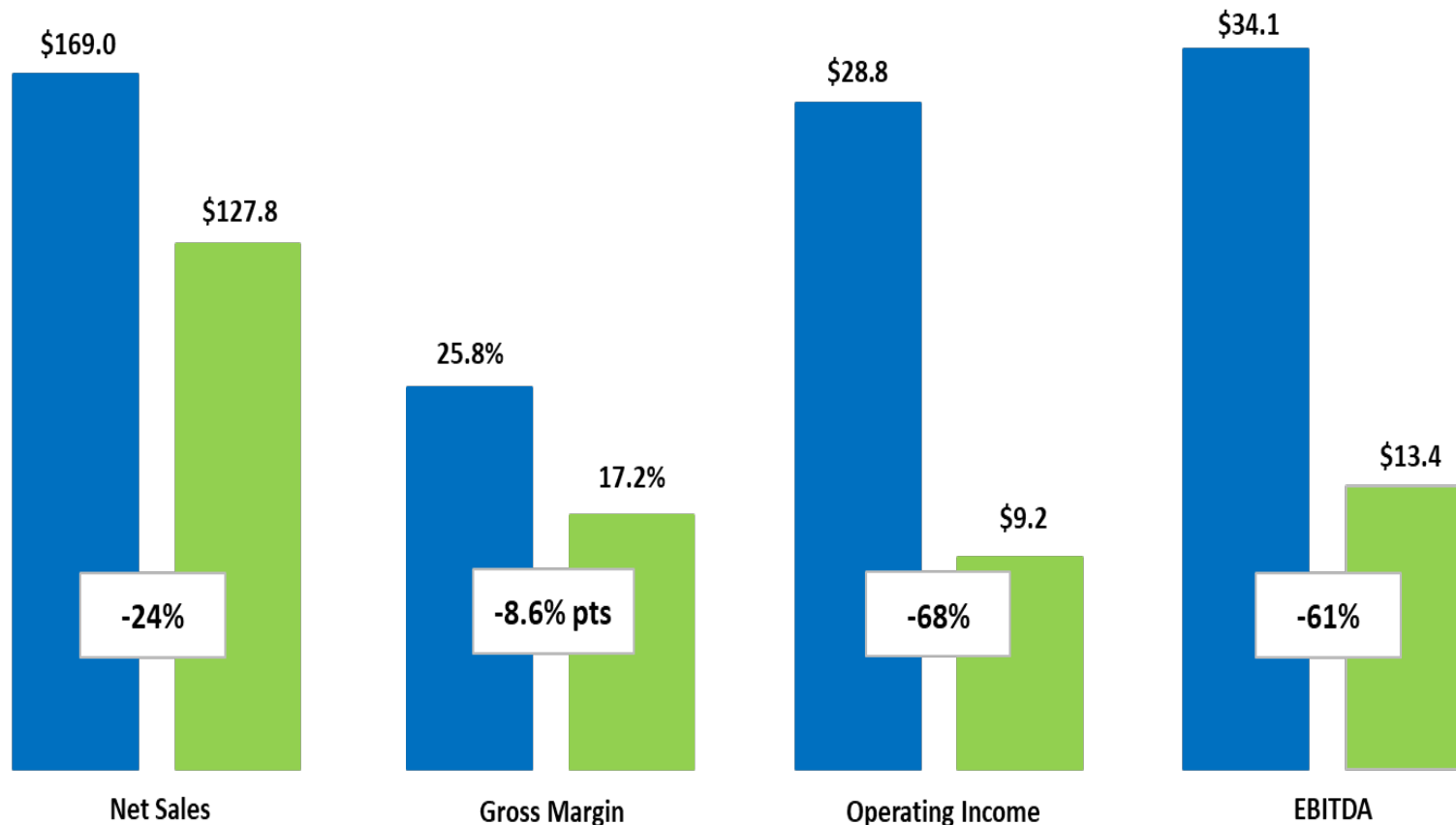
Q2 2023 Consolidated Results (\$ MM)



- Sales up 3 percent
- Gross margin up 1.4 percentage points
- Operating income down 26 percent
- EBITDA down 13 percent
- Adjusted EPS of \$1.28 includes the \$8.0 million Brazil charge which reduced our EPS by 21c

■ Q2 2022 ■ Q2 2023

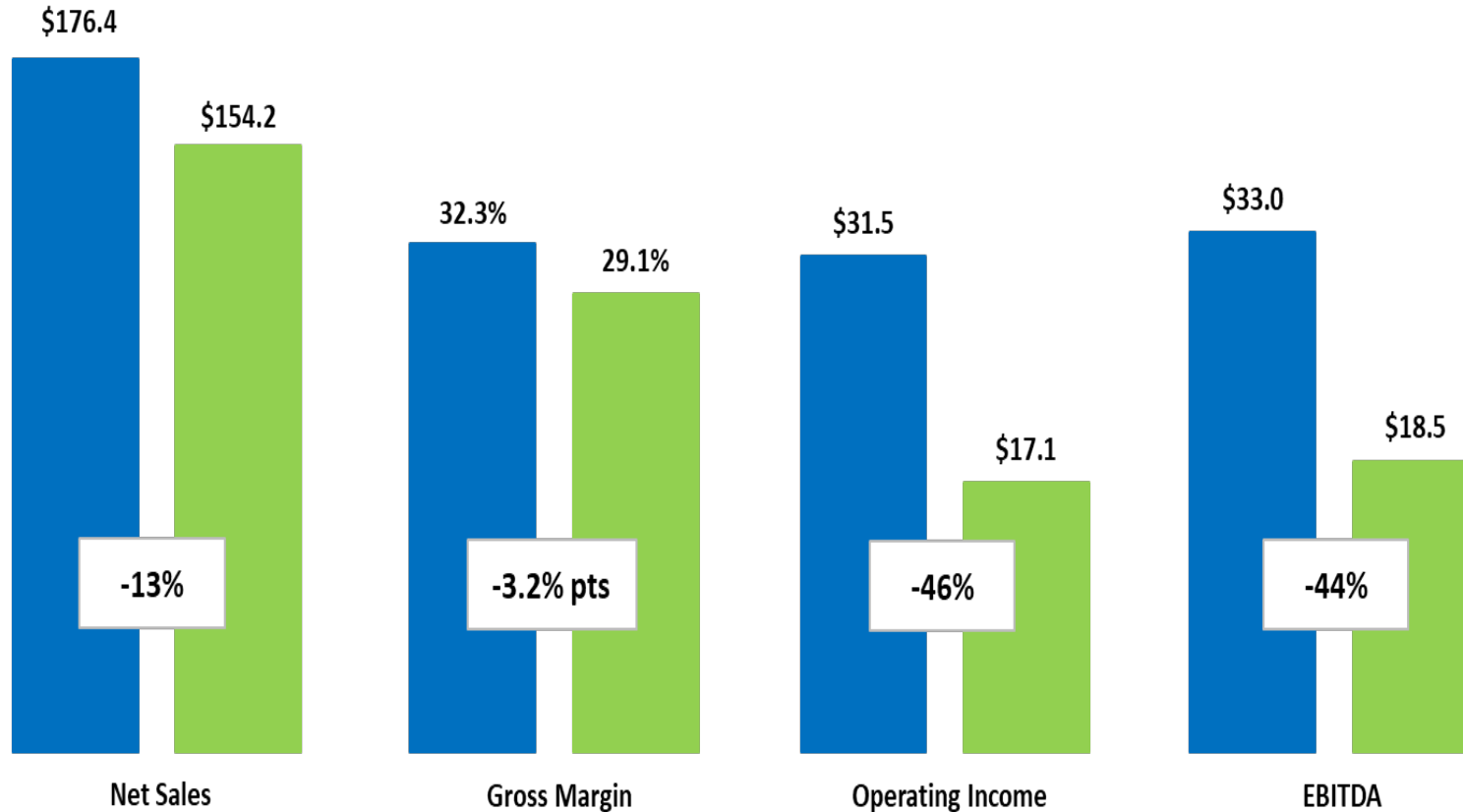
Q2 2023 Performance Chemicals (\$ MM)



- Sales down 24 percent
- Mix down 8 percent
- Volumes down 16 percent
- Gross margin down 8.6 percentage points
- Operating income down 68 percent

■ Q2 2022 ■ Q2 2023

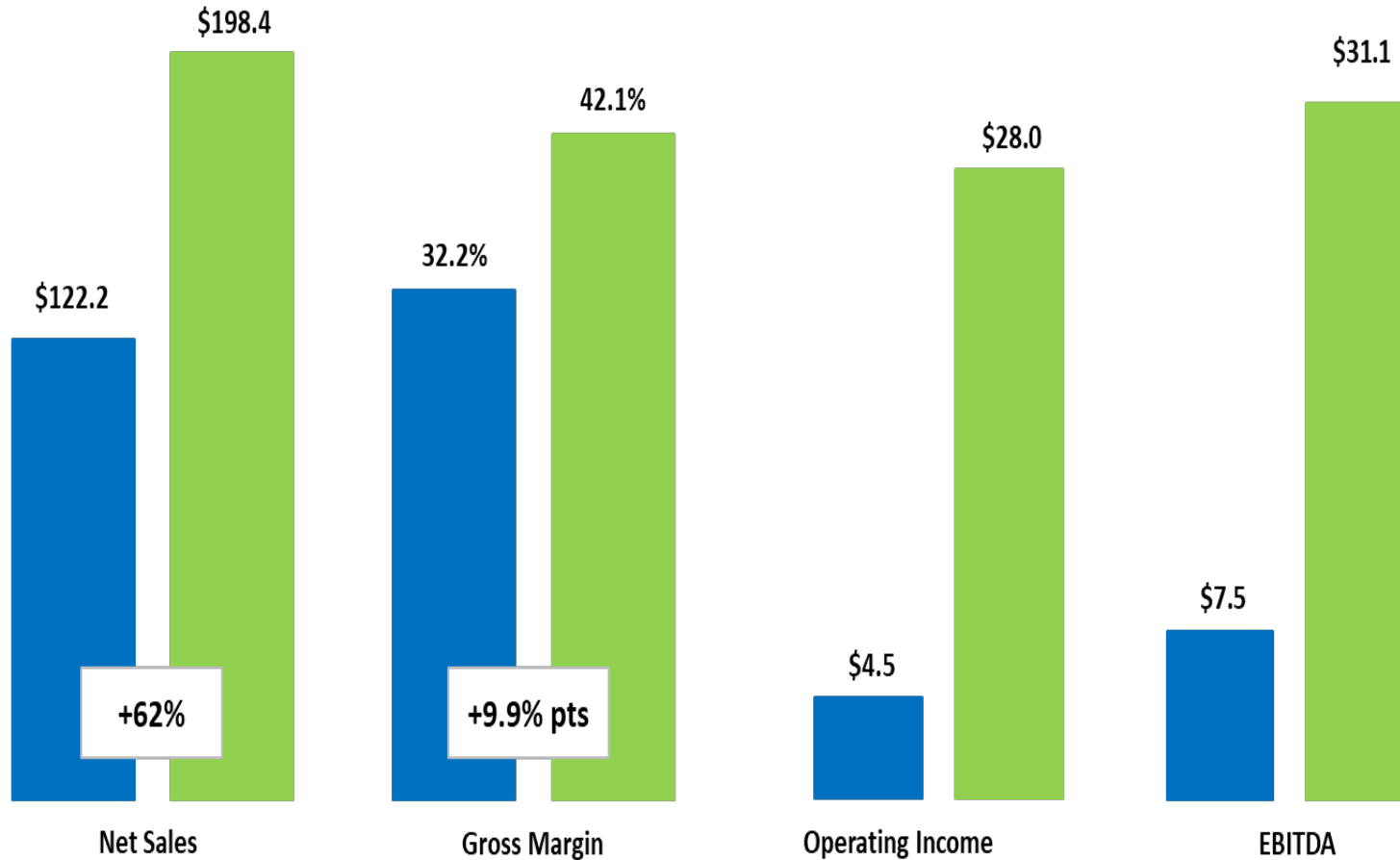
Q2 2023 Fuel Specialties (\$ MM)



- Sales down 13 percent
- Price/mix up 3 percent
- Volumes down 16 percent
- Gross margin down 3.2 percentage points
- Operating income down 46 percent
- \$8.0 million Brazil charge significantly impacted results

■ Q2 2022 ■ Q2 2023

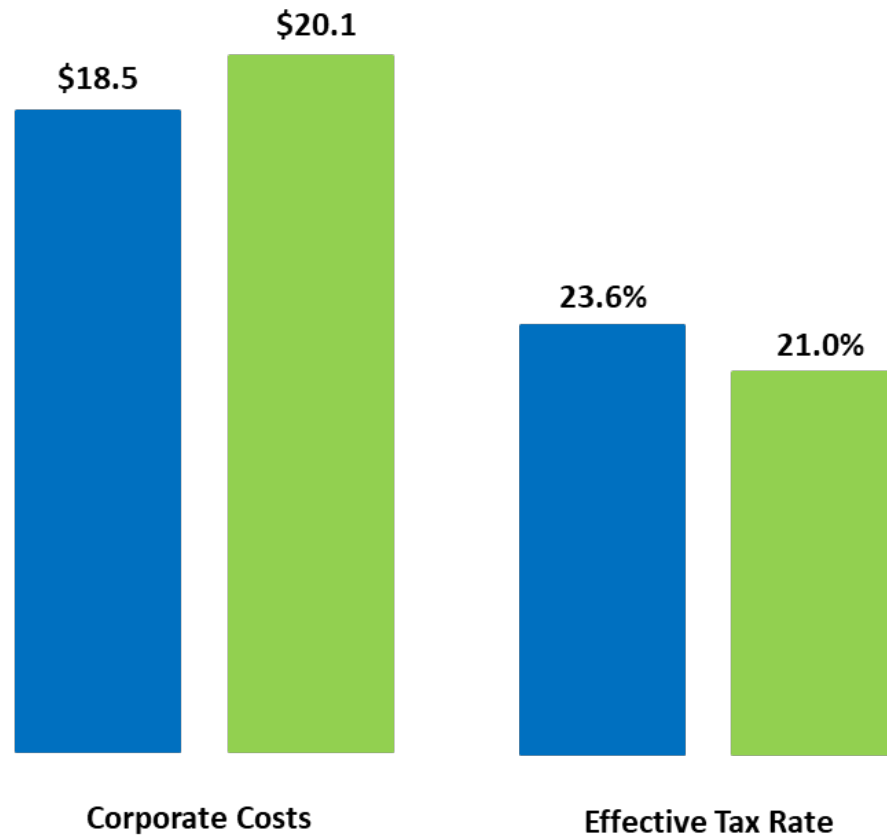
Q2 2023 Oilfield Services (\$ MM)



- Sales up 62 percent
- Gross margin up 9.9 percentage points
- Strong EBITDA and operating income growth

■ Q2 2022 ■ Q2 2023

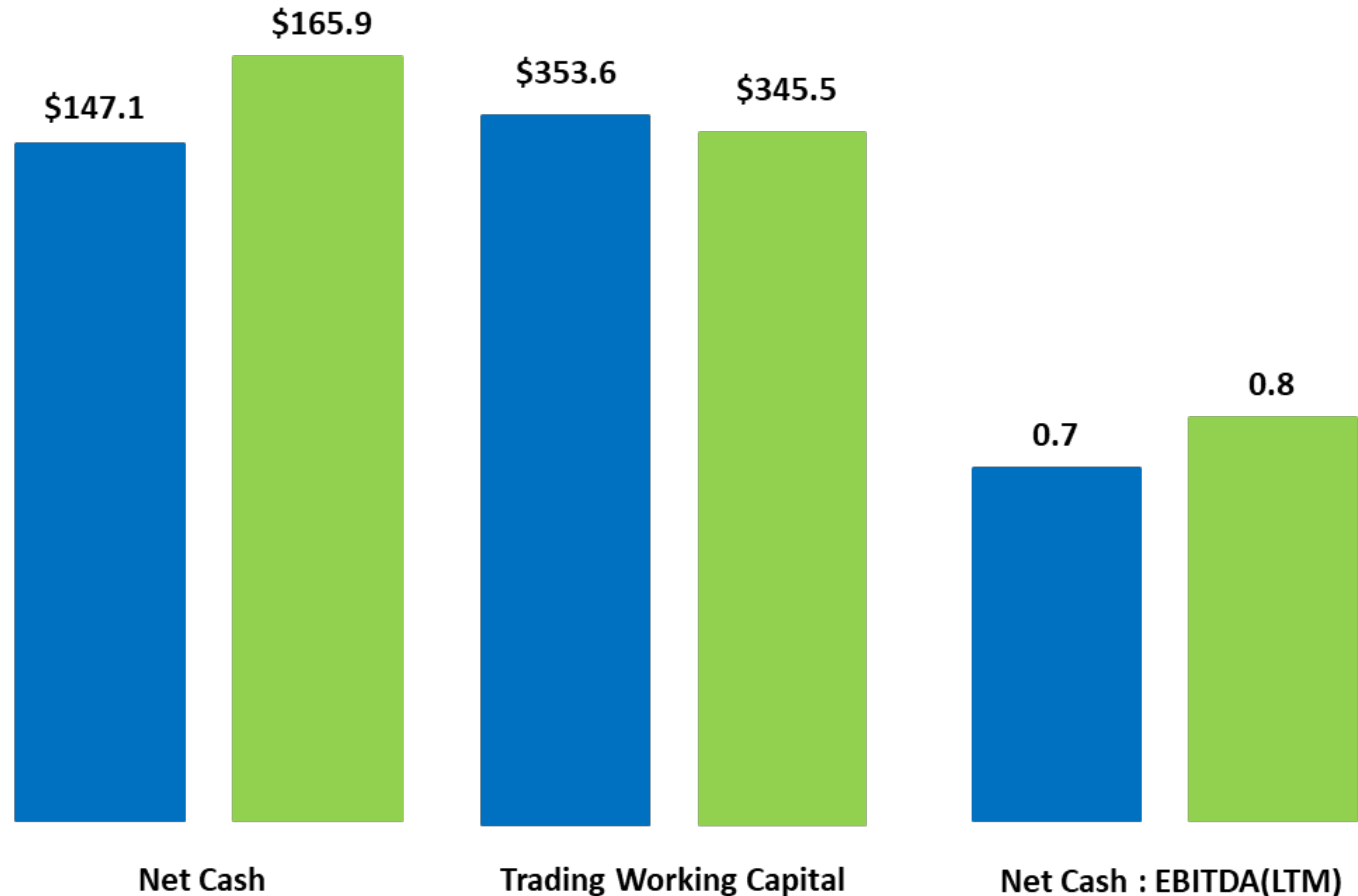
Q2 2023 Corporate Items (\$ MM)



- Corporate costs up versus prior year
- Lower share-based compensation accruals partially offset acquisition-related and other costs
- Effective tax rate of 21.0 percent

■ Q2 2022 ■ Q2 2023

Q2 2023 Balance Sheet (\$ MM)



- Operating cash inflow of \$55.0 million
- Capital expenditures of \$17.3 million
- Net cash balance of \$165.9 million

■ Q4 2022 ■ Q2 2023

Concluding Comments



Summary of 2nd Quarter Performance

Overall another good performance in the quarter

Continued benefits from balanced portfolio

Adjusting for one-off, \$8.0 million Brazil charge, EBITDA grew and gross margin expanded

Focused on continued margin improvement in all businesses

\$165.9 million net cash on balance sheet

\$17.2 million semi-annual dividend; \$0.6 million of share repurchases

Q&A



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Final Comments

Thank You for Your
Continued Support

November 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	

Q3 2023 Results Schedule

- November 7th – Results Release After Close
- November 8th – Conference Call