

Q3 2024 Earnings

November 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," "outlook" 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 June 30, 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, recovery of historical pension costs, 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 recovery of historical pension costs, foreign currency exchange losses/(gains), amortization of acquired intangible assets, settlement of historical tax audits, adjustment of income tax provisions, legacy costs of closed operations, adjustment to fair value of contingent consideration 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.

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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 3rd Quarter Performance



Q3

GAAP EPS of \$1.33

Adjusted non-GAAP
EPS of \$1.35

10 percent dividend
increase

Good results in-line with
expectations

Extremely strong cash
generation

Balance sheet has
\$303.8 million in net
cash

Continued capital
allocation flexibility

Performance Chemicals
operating income up 18
percent with improved
margins

Fuel Specialties operating
income up 12 with
improved margins

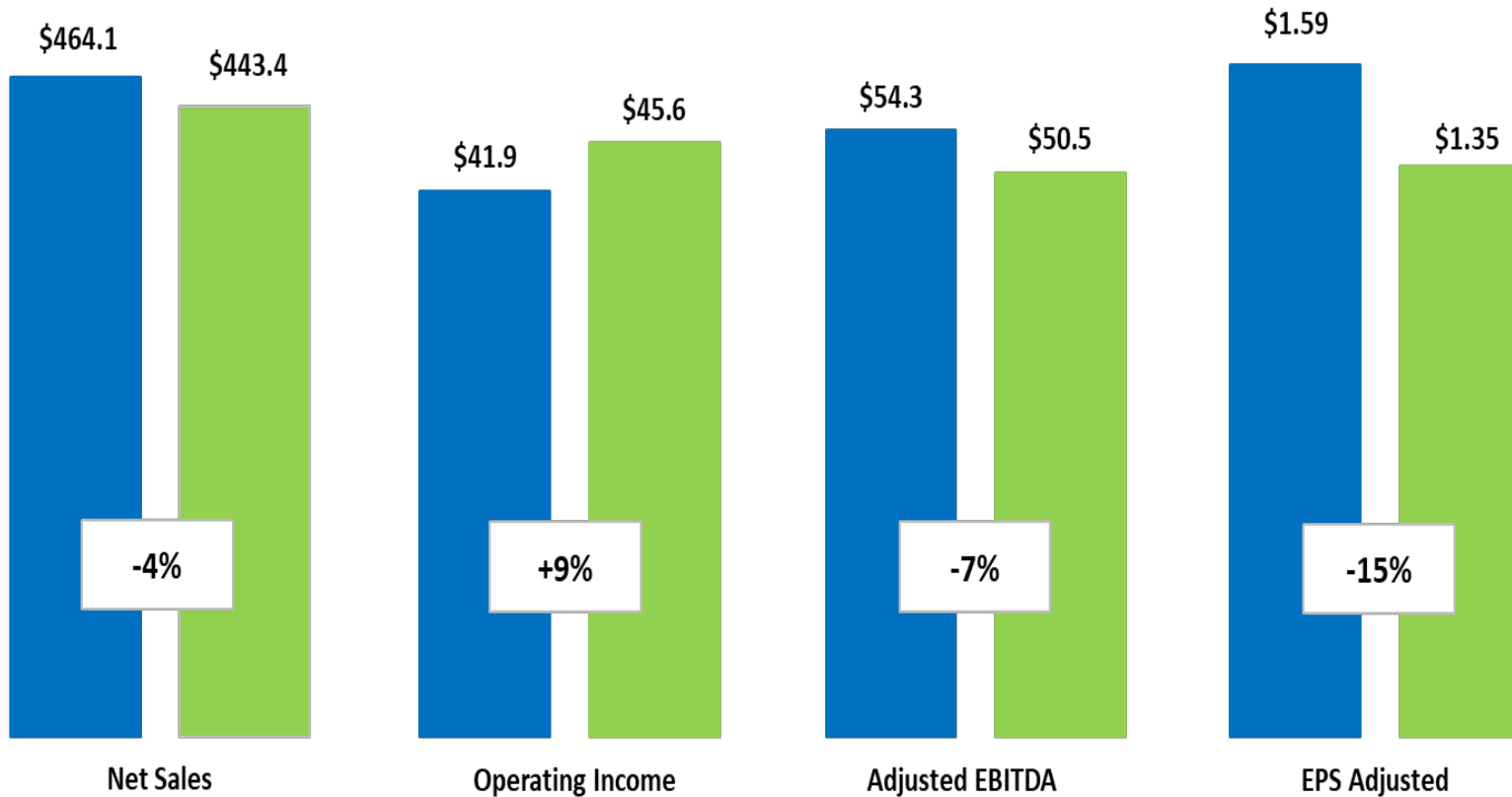
As expected, Oilfield
Services continued at
lower activity levels

Similar results expected in
fourth quarter

Financial Performance



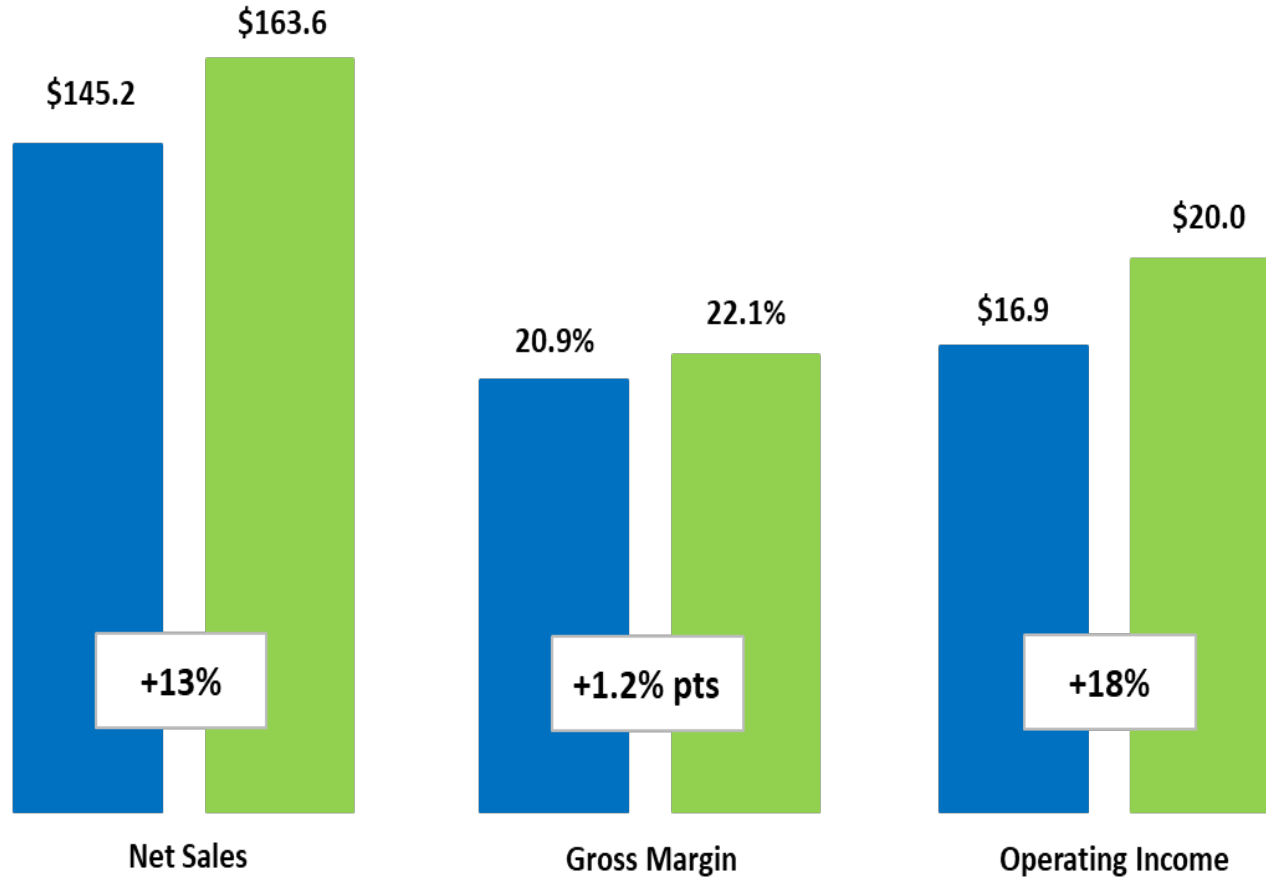
Q3 2024 Consolidated Results (\$ MM)



- Sales down 4 percent
- Gross margin down 1.6 percentage points
- Operating income up 9 percent
- Adjusted EBITDA down 7 percent
- Adjusted EPS of \$1.35

■ Q3 2023 ■ Q3 2024

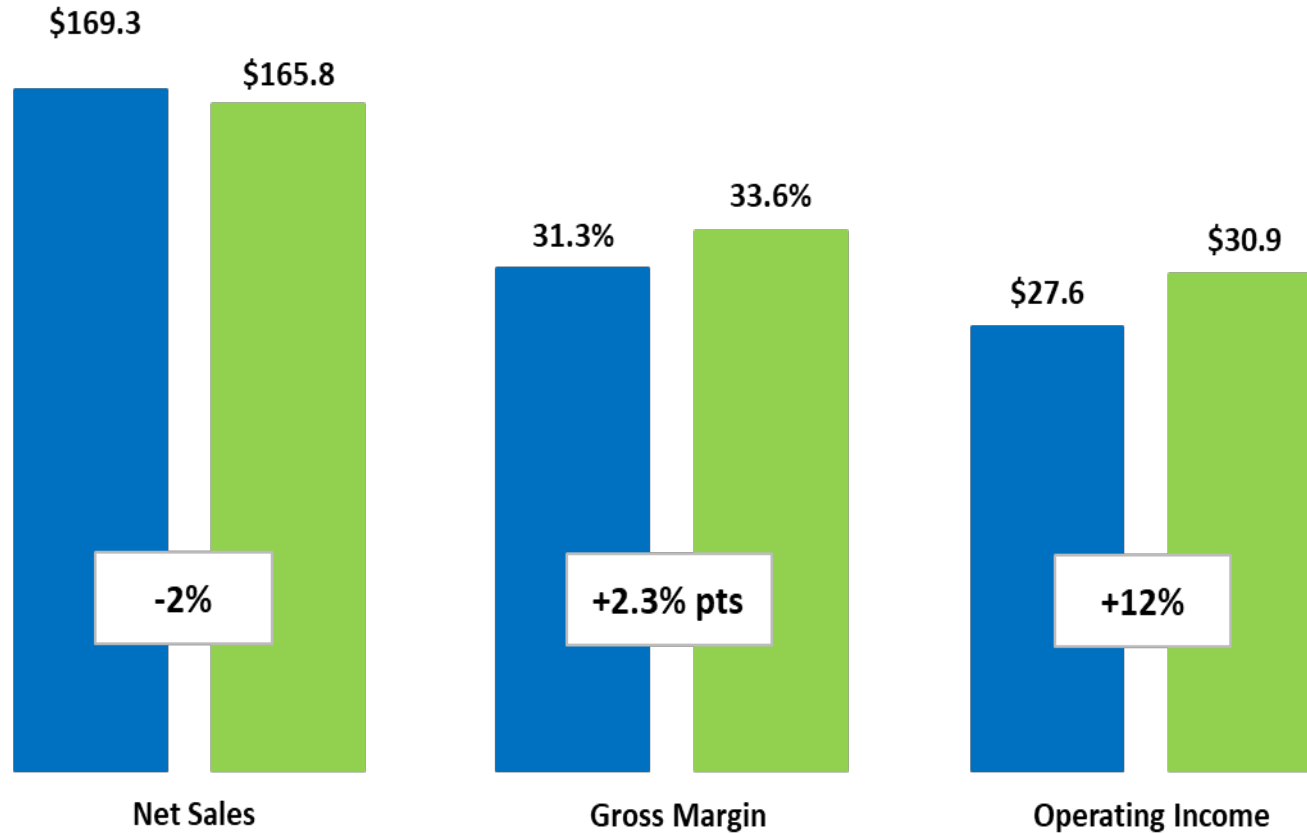
Q3 2024 Performance Chemicals (\$ MM)



- Sales up 13 percent
- Acquisition growth of 8 percent
- Volumes up 9 percent
- Price/mix down 4 percent
- Gross margin up 1.2 percentage points
- Operating income up 18 percent

■ Q3 2023 ■ Q3 2024

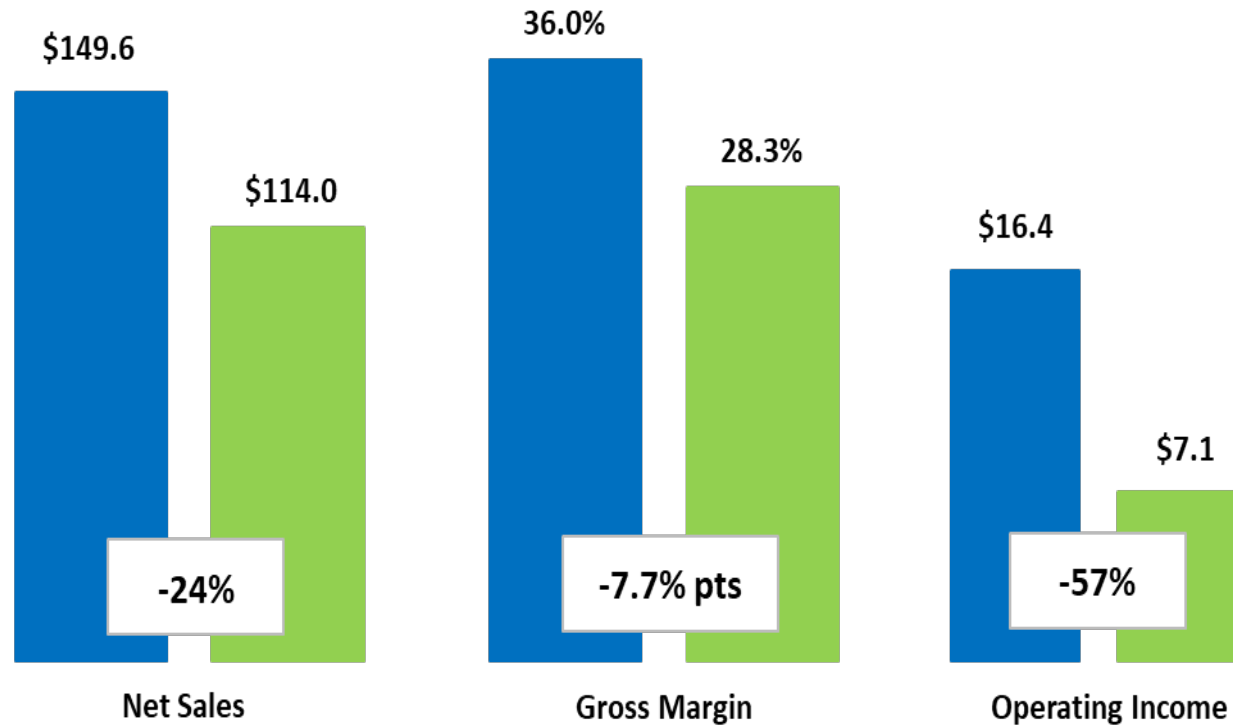
Q3 2024 Fuel Specialties (\$ MM)



- Sales down 2 percent
- Volumes up 2 percent
- Price/mix down 4 percent
- Gross margin up 2.3 percentage points
- Operating income up 12 percent

■ Q3 2023 ■ Q3 2024

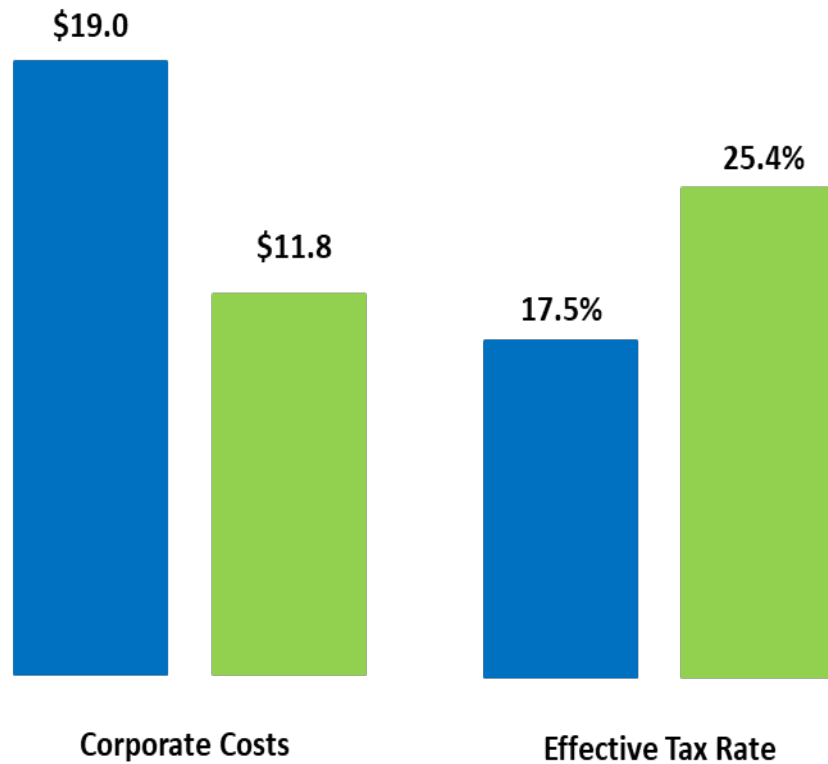
Q3 2024 Oilfield Services (\$ MM)



- Sales down 24 percent
- Gross margin down 7.7 percentage points on weaker sales mix
- Operating income down 57 percent
- Lower sales levels will continue through the fourth quarter

■ Q3 2023 ■ Q3 2024

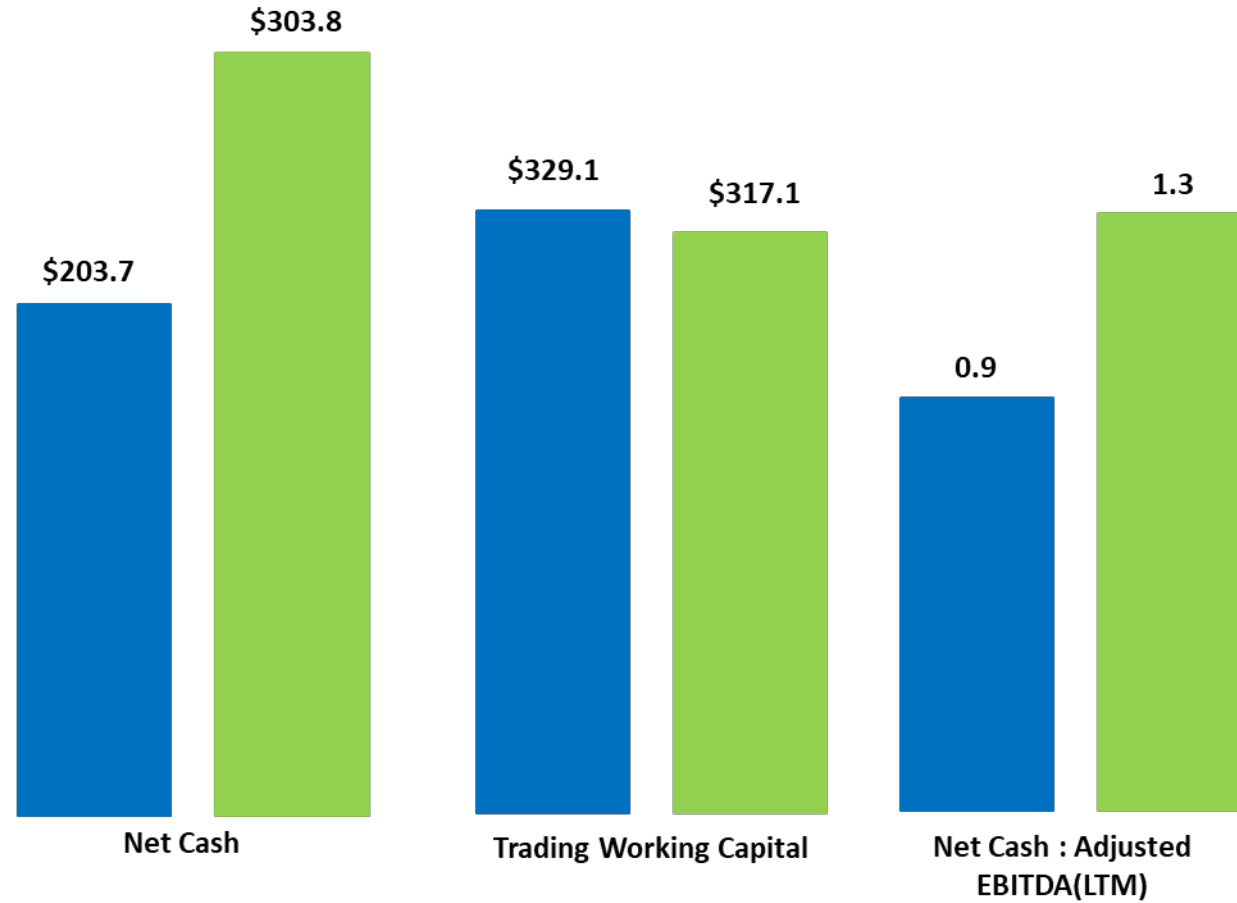
Q3 2024 Corporate Items (\$ MM)



- Corporate costs down to \$11.8 million on recovery of historic pension costs
- Effective tax rate of 25.4 percent
- Full year 2025 tax rate expected to be 27 percent

■ Q3 2023 ■ Q3 2024

Q3 2024 Balance Sheet (\$ MM)



- Operating cash inflow of \$73.5 million
- Capital expenditures of \$11.7 million
- Net cash balance of \$303.8 million

■ Q4 2023 ■ Q3 2024

Concluding Comments



Summary of 3rd Quarter Performance

Performance Chemicals operating income up 18 percent with improved margins

Fuel Specialties operating income up 12 percent with improved margins

As expected, Oilfield Services continued at lower activity levels

In Q4, expect steady sequential results in Performance Chemicals and Oilfield Services and some growth in Fuel Specialties

Semi-annual dividend increased to 79 cents per share; Annual dividend now \$1.55, up 10 percent

Over \$300 million net cash on balance sheet to pursue further M&A, organic opportunities, dividend growth & strategic buybacks

Q&A



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Final Comments

Thank You for Your Continued Support

February 2025						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
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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	

Q4 2024 Results Schedule

- February 18th – Results Release After Close
- February 19th – Conference Call