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,” “believes,” “feels” 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, 2017 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 debt. Adjusted EBITDA is net income per our consolidated financial statements adjusted for the exclusion of charges for interest expense, net, income taxes, depreciation, amortization and acquisition fair value adjustments. 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, tax charge due to U.S. Tax Reform, restructuring charge, acquisition related costs, adjustment of income tax provisions, foreign currency exchange losses/(gains), foreign exchange loss on liquidation of subsidiary, fair value acquisition accounting and (profit)/loss on disposal of subsidiary. Net debt is total debt less cash and cash equivalents. 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.
Summary of 4th Quarter Performance

- Record quarterly revenues; Strong growth in Fuel Specialties and Oilfield Services
- GAAP EPS $0.83 impacted by U.S. Tax Reform;
  Adjusted EPS of $1.62 - another quarterly record
- Full year revenue close to $1.5 billion up 13 percent on prior year
- All Strategic Businesses deliver growth and margin improvements to plan
- Excellent cash generation; leverage down to 0.5x adjusted EBITDA
- Strong foundation for further organic and acquisition growth
Financial Performance
Q4 2018 Consolidated Results ($ in millions)

- Revenues up 12 percent
- Operating income up 22 percent
- Adjusted EPS up 10 percent
- Full year:
  - Sales close to $1.5 billion
  - Operating income up 10 percent
  - Record Adjusted EPS of $4.83
Q4 2018 Fuel Specialties ($ in millions)

- Strong volume growth drives revenue increase
- Margins within expected range although at lower end due to product mix
- Operating income up:
  - 12 percent for the quarter
  - 8 percent for the full year
Q4 2018 Performance Chemicals ($ in millions)

- Modest revenue growth for the quarter
- Gross margins continue to improve
- Full year revenue up 12 percent
- Full year operating income up 37 percent

Net Sales: $109.8 million (Q4 2017) vs. $110.4 million (Q4 2018) (+1%)
Gross Margin: 19.1% (Q4 2017) vs. 20.8% (Q4 2018) (+1.7% pts)
Operating Income: $10.4 million (Q4 2017) vs. $10.5 million (Q4 2018) (+1%)
Adjusted EBITDA: $15.3 million (Q4 2017) vs. $15.3 million (Q4 2018) (-)
Q4 2018 Oilfield Services ($ in millions)

- Continued strong revenue growth, even with lower crude prices
- Further margin improvement
- 700 percent increase in operating income
- Record Sales exceed $400 million for the year
- Full year operating income more than double 2017
Q4 2018 Octane Additives ($ in millions)

- Order fulfilled as expected
- Margins down due to higher cost inventory and lower production volumes
- Full year sales down 43 percent
- Full year operating income down 63 percent
Q4 2018 Corporate Items ($ in millions)

- Corporate costs within normal range
- Full year adjusted effective tax rate 23.7%
- Geographical split of profits pushes rate higher
- Some negative headwinds from U.S. Tax Reform
Q4 2018 Balance Sheet ($ in millions)

- Very strong operating cash generation in Q4
- Full year operating cash generation up 27 percent on 2017
- Net debt reduced to 0.5x adjusted EBITDA
- Very strong balance sheet
Concluding Comments
Concluding Comments

- Innospec’s best year yet; Record sales and adjusted EPS
- All strategic business units improved sales and margins over the year
- Very strong operating cash generation up 27 percent on 2017
- Significant organic growth projects in the pipeline
- Continued disciplined approach to acquisition opportunities
- Very strong balance sheet; leverage further reduced
YOUR OPPORTUNITY TO ASK QUESTIONS
Final Comments

Thank you for your continued support

Q1 2019 Results

- May 7th - Results Release After Close
- May 8th - Conference Call