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DELTA REPORT

10-Q

IOSP - INNOSPEC INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	911
CHANGES	145
DELETIONS	531
ADDITIONS	235

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, June 30, 2024

or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission file number 1-13879

INNOSPEC INC.
(Exact name of registrant as specified in its charter)

DELAWARE	**98-0181725**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
8310 South Valley Highway Suite 350 Englewood Colorado	**80112**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (303) 792 5554

Securities registered pursuant to Section 12(b) of the Securities Exchange Act of 1934:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	**IOSP**	**NASDAQ**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). file. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☒	Accelerated filer	☐

Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding as of April 30, 2024 July 31, 2024
Common Stock, par value $0.01	24,933,245 24,941,421

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CAUTIONARY STATEMENT RELATIVE TO FORWARD-LOOKING STATEMENTS

This Form 10-Q 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, 2023, and other reports filed with the U.S. Securities and Exchange Commission ("SEC"). 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.

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PART I FINANCIAL INFORMATION

Item 1 Condensed Consolidated Financial Statements

INNOSPEC INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
(in millions, except share and per share data)	2024	2023	2024	2023	2024	2023
Net sales	$ 500.2	$ 509.6	$ 435.0	$ 480.4	$ 935.2	$ 990.0
Cost of goods sold	(344.5)	(361.8)	(308.1)	(330.0)	(652.6)	(691.8)
Gross profit	155.7	147.8	126.9	150.4	282.6	298.2
Operating expenses:						

Selling, general and administrative	(92.7)	(96.2)	(73.4)	(105.6)	(166.1)	(201.8)
Research and development	(11.8)	(10.6)	(12.2)	(10.6)	(24.0)	(21.2)
Adjustment to fair value of contingent consideration	(0.8)	—	(0.6)	—	(1.4)	—
Profit on disposal of property, plant and equipment	0.1	—	—	—	0.1	—
Total operating expenses	(105.2)	(106.8)	(86.2)	(116.2)	(191.4)	(223.0)
Operating income	50.5	41.0	40.7	34.2	91.2	75.2
Other income, net	2.7	3.7	0.9	2.7	3.6	6.4
Interest income, net	2.1	0.3				
Interest income/(expense), net	2.1	(0.3)	4.2	—		
Income before income tax expense	55.3	45.0	43.7	36.6	99.0	81.6
Income tax expense	(13.9)	(11.8)	(12.5)	(7.7)	(26.4)	(19.5)
Net income	$ 41.4	$ 33.2	$ 31.2	$ 28.9	$ 72.6	$ 62.1
Earnings per share:						
Basic	$ 1.66	$ 1.34	$ 1.25	$ 1.16	$ 2.91	$ 2.50
Diluted	$ 1.65	$ 1.33	$ 1.24	$ 1.16	$ 2.89	$ 2.48
Weighted average shares outstanding (in thousands):						
Basic	24,893	24,801	24,937	24,868	24,918	24,835
Diluted	25,066	24,962	25,097	24,980	25,091	25,010

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

INNOSPEC INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(Unaudited)

	Three Months Ended March 31,	
(in millions)	**2024**	**2023**
Net income	$ 41.4	$ 33.2
Other comprehensive income/(loss):		
Changes in cumulative translation adjustment (1)	(7.7)	5.1
Amortization of prior service cost	0.1	0.1
Amortization of actuarial net gains	(0.1)	(0.5)
Other comprehensive income/(loss), before tax	(7.7)	4.7
Income tax income/(expense) related to other comprehensive income	0.4	(0.3)
Total comprehensive income	$ 34.1	$ 37.6

(1) Amounts are before tax of $0.4 million and $(0.4) million in 2024 and 2023, respectively.

	Three Months Ended June 30,	Six Months Ended June 30,

(in millions)	2024	2023	2024	2023
Net income	$ 31.2	$ 28.9	$ 72.6	62.1
Other comprehensive income/(loss):				
Changes in cumulative translation adjustment	(6.3)	1.7	(14.0)	6.8
Amortization of prior service cost	0.2	0.1	0.3	0.2
Amortization of actuarial net gains	—	(0.5)	(0.1)	(1.0)
Other comprehensive income/(loss), before tax	(6.1)	1.3	(13.8)	6.0
Tax related to cumulative translation adjustment	1.0	(0.3)	1.4	(0.7)
Tax related to other movements	(0.1)	0.1	(0.1)	0.2
Income tax income/(expense) related to other comprehensive income	0.9	(0.2)	1.3	(0.5)
Total comprehensive income	$ 26.0	$ 30.0	$ 60.1	$ 67.6

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

INNOSPEC INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited)

(in millions, except share and per share data)	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Assets				
Current assets:				
Cash and cash equivalents	$ 270.1	$ 203.7	$ 240.2	$ 203.7
Trade and other accounts receivable (less allowances of $9.0 million and $10.3 million, respectively)	318.2	359.8		
Inventories (less allowances of $26.4 million and $28.1 million, respectively):				
Trade and other accounts receivable (less allowances of $9.4 million and $10.3 million respectively)	300.3	359.8		
Inventories (less allowances of $38.0 million and $28.1 million respectively):				
Finished goods	216.5	215.7	210.9	215.7
Raw materials	87.8	84.4	102.6	84.4
Total inventories	304.3	300.1	313.5	300.1
Prepaid expenses	15.0	18.7	9.7	18.7
Prepaid income taxes	4.4	2.8	12.1	2.8
Other current assets	0.9	0.6	1.0	0.6
Total current assets	912.9	885.7	876.8	885.7
Net property, plant and equipment	268.7	268.3	271.9	268.3
Operating leases right-of-use assets	43.5	45.1		
Operating lease right-of-use assets	47.9	45.1		

Goodwill	397.5	399.3	388.2	399.3
Other intangible assets	57.7	57.3	61.4	57.3
Deferred tax assets	10.4	10.4	10.4	10.4
Pension asset	36.1	35.1	37.0	35.1
Other non-current assets	6.0	6.2	6.7	6.2
Total assets	$ 1,732.8	$ 1,707.4	$ 1,700.3	$ 1,707.4

Liabilities and Equity				
Current liabilities:				
Accounts payable	$ 166.4	$ 163.6	$ 147.7	$ 163.6
Accrued liabilities	163.6	185.9	143.1	185.9
Current portion of operating lease liabilities	13.6	13.6	14.9	13.6
Current portion of plant closure provisions	4.6	4.6	4.6	4.6
Current portion of accrued income taxes	12.2	2.6	21.3	2.6
Current portion of unrecognized tax benefits	4.5	1.2	1.2	1.2
Total current liabilities	364.9	371.5	332.8	371.5
Operating lease liabilities, net of current portion	30.0	31.6	33.2	31.6
Plant closure provisions, net of current portion	56.6	57.0	56.5	57.0
Accrued income taxes, net of current portion	11.6	11.6	—	11.6
Unrecognized tax benefits, net of current portion	10.5	13.6		
Unrecognized tax benefits	10.7	13.6		
Deferred tax liabilities	34.1	33.5	35.4	33.5
Pension liabilities and post-employment benefits	13.0	13.3	12.7	13.3
Acquisition-related contingent consideration	23.5	23.4	20.2	23.4
Other non-current liabilities	2.4	2.3	2.9	2.3
Total liabilities	546.6	557.8	504.4	557.8
Equity:				
Common stock, $0.01 par value, authorized 40,000,000 shares, issued 29,554,500 shares	0.3	0.3	0.3	0.3
Additional paid-in capital	362.4	361.0	364.5	361.0
Treasury stock (4,621,255 and 4,686,511 shares at cost, respectively)	(93.3)	(94.3)		
Treasury stock (4,613,079 and 4,686,511 shares at cost, respectively)	(93.4)	(94.3)		
Retained earnings	1,069.6	1,028.2	1,081.8	1,028.2
Accumulated other comprehensive loss	(155.4)	(148.1)	(160.6)	(148.1)
Total Innospec stockholders' equity	1,183.6	1,147.1	1,192.6	1,147.1
Non-controlling interest	2.6	2.5	3.3	2.5
Total equity	1,186.2	1,149.6	1,195.9	1,149.6
Total liabilities and equity	$ 1,732.8	$ 1,707.4	$ 1,700.3	$ 1,707.4

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

INNOSPEC INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three Months Ended March 31,		Six Months Ended June 30,	
(in millions)	**2024**	**2023**	**2024**	**2023**
Cash Flows from Operating Activities				
Net income	$ 41.4	$ 33.2	$ 72.6	$ 62.1
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	10.4	9.3	21.5	19.2
Adjustment to fair value of contingent consideration	0.8	—	1.4	0.0
Deferred taxes	0.8	1.2	0.7	1.1
Profit on disposal	(0.1)	—		
Non-cash income on defined benefit pension plans	(0.8)	(0.8)		
Profit on disposal of property, plant and equipment	(0.1)	0.0		
Non-cash movements on defined benefit pension plans	(1.6)	(1.7)		
Stock option compensation	2.1	1.9	4.2	3.9
Changes in assets and liabilities, net of effects of acquired and divested companies:				
Trade and other accounts receivable	39.5	(6.0)	54.5	26.4
Inventories	(6.0)	9.1	(17.8)	19.0
Prepaid expenses	3.6	(1.2)	8.9	3.8
Accounts payable and accrued liabilities	(19.7)	(28.0)	(55.6)	(37.7)
Plant closure provisions	(0.1)	(0.3)	(0.1)	(0.5)
Income taxes	8.8	0.8	(0.1)	(21.6)
Unrecognized tax benefits	0.2	0.3	(2.9)	0.6
Other assets and liabilities	(0.3)	2.3	(0.3)	2.2
Net cash provided by operating activities	80.6	21.8	85.3	76.8
Cash Flows from Investing Activities				
Capital expenditures	(10.7)	(17.7)	(21.6)	(32.6)
Internally developed software	(8.1)	(6.7)		
Business combinations, net of cash acquired	(0.2)	—		
Proceeds on disposal of property, plant and equipment	0.1	—	0.2	—
Internally developed software	(3.7)	(4.3)		
Net cash used in investing activities	(14.3)	(22.0)	(29.7)	(39.3)
Cash Flows from Financing Activities				
Non-controlling interest	0.2	—	0.8	0.2
Refinancing costs	(0.3)	(1.5)		
Dividend paid	(19.0)	(17.2)		
Issue of treasury stock	0.7	0.7	0.8	0.7
Repurchase of common stock	(0.4)	(0.3)	(0.7)	(1.0)
Net cash provided by financing activities	0.5	0.4		

Net cash used in financing activities	(18.4)	(18.8)		
Effect of foreign currency exchange rate changes on cash	(0.4)	0.2	(0.7)	0.1
Net change in cash and cash equivalents	66.4	0.4	36.5	18.8
Cash and cash equivalents at beginning of period	203.7	147.1	203.7	147.1
Cash and cash equivalents at end of period	$ 270.1	$ 147.5	$ 240.2	$ 165.9

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

INNOSPEC INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

(in millions)	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Non-Controlling Interest	Total Equity	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Non-Controlling Interest	Total Equity
Balance at December 31, 2023	$ 0.3	$ 361.0	$ (94.3)	$ 1,028.2	$ (148.1)	$ 2.5	$ 1,149.6	$ 0.3	$ 361.0	$ (94.3)	$ 1,028.2	$ (148.1)	$ 2.5	$ 1,149.6
Net income				41.4			41.4				72.6			72.6
Dividend paid ($0.76 per share)				(19.0)			(19.0)							
Changes in cumulative translation adjustment, net of tax					(7.3)		(7.3)					(12.6)		(12.6)
Share of net income						0.1	0.1						0.8	0.8
Treasury stock reissued		(0.7)	1.4				0.7		(0.7)	1.6				0.9
Treasury stock repurchased			(0.4)				(0.4)			(0.7)				(0.7)
Stock option compensation		2.1					2.1		4.2					4.2

Amortization of prior service cost, net of tax					0.1		0.1					0.2		0.2
Amortization of actuarial net losses, net of tax					(0.1)		(0.1)							
Balance at March 31, 2024	$ 0.3	$ 362.4	$ (93.3)	$ 1,069.6	$ (155.4)	$ 2.6	$ 1,186.2							
Amortization of actuarial net gains, net of tax					(0.1)		(0.1)							
Balance at June 30, 2024	$ 0.3	$ 364.5	$ (93.4)	$ 1,081.8	$ (160.6)	$ 3.3	$ 1,195.9							

(in millions)	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Non-Controlling Interest	Total Equity	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Non-Controlling Interest	Total Equity
Balance at December 31, 2022	$ 0.3	$ 354.1	$ (95.4)	$ 924.2	$ (145.2)	$ 2.4	$ 1,040.4	$ 0.3	$ 354.1	$ (95.4)	$ 924.2	$ (145.2)	$ 2.4	$ 1,040.4
Net income				33.2			33.2				62.1			62.1
Dividend paid ($0.69 per share)				(17.2)			(17.2)							
Changes in cumulative translation adjustment, net of tax					4.7		4.7					6.1		6.1
Share of net income						0.2	0.2							
Treasury stock reissued		(1.2)	2.1				0.9		(1.3)	2.1				0.8
Treasury stock repurchased			(0.2)				(0.2)			(0.9)				(0.9)
Stock option compensation		1.9					1.9		3.9					3.9
Amortization of prior service cost, net of tax					0.1		0.1					0.2		0.2

Amortization of actuarial net losses, net of tax					(0.4)		(0.4)
Balance at March 31, 2023	$ 0.3	$ 354.8	$ (93.5)	$ 957.4	$ (140.8)	$ 2.4	$ 1,080.6
Amortization of actuarial net gains, net of tax					(0.8)		(0.8)
Balance at June 30, 2023	$ 0.3	$ 356.7	$ (94.2)	$ 969.1	$ (139.7)	$ 2.6	$ 1,094.8

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

INNOSPEC INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(Unaudited)

(in millions)	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Non-Controlling Interest	Total Equity
Balance at March 31, 2024	$ 0.3	$ 362.4	$ (93.3)	$ 1,069.6	$ (155.4)	$ 2.6	$ 1,186.2
Net income				31.2			31.2
Dividend paid ($0.76 per share)				(19.0)			(19.0)
Changes in cumulative translation adjustment, net of tax					(5.3)		(5.3)
Share of net income						0.7	0.7
Treasury stock reissued		—	0.2				0.2
Treasury stock repurchased			(0.3)				(0.3)
Stock option compensation		2.1					2.1
Amortization of prior service cost, net of tax					0.1		0.1
Balance at June 30, 2024	$ 0.3	$ 364.5	$ (93.4)	$ 1,081.8	$ (160.6)	$ 3.3	$ 1,195.9

(in millions)	Common Stock	Additional Paid-In Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Non-Controlling Interest	Total Equity
Balance at March 31, 2023	$ 0.3	$ 354.8	$ (93.5)	$ 957.4	$ (140.8)	$ 2.4	$ 1,080.6
Net income				28.9			28.9
Dividend paid ($0.69 per share)				(17.2)			(17.2)
Changes in cumulative translation adjustment, net of tax					1.4		1.4
Share of net income						0.2	0.2

Treasury stock reissued		(0.1)	—				(0.1)
Treasury stock repurchased			(0.7)				(0.7)
Stock option compensation		2.0					2.0
Amortization of prior service cost, net of tax					0.1		0.1
Amortization of actuarial net gains, net of tax					(0.4)		(0.4)
Balance at June 30, 2023	$ 0.3	$ 356.7	$ (94.2)	$ 969.1	$ (139.7)	$ 2.6	$ 1,094.8

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements.

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INNOSPEC INC. AND SUBSIDIARIES

NOTES TO THE UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – BASIS OF PRESENTATION

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X under the Securities Exchange Act of 1934. Accordingly, they do not include all the information and notes necessary for a comprehensive presentation of financial position, results of operations and cash flows.

It is our opinion, however, that all adjustments (consisting of normal, recurring adjustments, unless otherwise disclosed) have been made which are necessary for the condensed consolidated financial statements to be fairly stated. These condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023, filed on February 14, 2024 (the "2023 Form 10-K").

The results for the interim period covered by this report are not necessarily indicative of the results to be expected for the full year.

When we use the terms "Innospec," "the Corporation," "the Company," "Registrant," "the Group," "we," "us" and "our," we are referring to Innospec Inc. and its consolidated subsidiaries unless otherwise indicated or the context otherwise requires.

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NOTE 2 – SEGMENT REPORTING

The Company reports its financial performance based on three reportable segments, which are Performance Chemicals, Fuel Specialties and Oilfield Services.

The Company evaluates the performance of its segments based on operating income. The following table analyzes sales and other financial information by the Company's reportable segments:

(in millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Net Sales:						
Personal Care	94.8	88.2	$ 97.7	$ 78.6	$ 192.5	$ 166.8
Home Care	26.4	23.7	24.3	19.7	50.7	43.4
Other	39.6	39.5	38.1	29.5	77.7	69.0
Performance Chemicals	$ 160.8	$ 151.4	160.1	127.8	320.9	279.2
Refinery and Performance	145.1	149.5	109.1	119.1	254.2	268.6
Other	31.8	40.8	57.5	35.1	89.3	75.9
Fuel Specialties	176.9	190.3	166.6	154.2	343.5	344.5
Oilfield Services	162.5	167.9	108.3	198.4	270.8	366.3
	$ 500.2	$ 509.6	$ 435.0	$ 480.4	$ 935.2	$ 990.0
Operating income/(loss):						
Performance Chemicals	$ 21.1	$ 10.4	$ 21.2	$ 9.2	$ 42.3	$ 19.6
Fuel Specialties	33.4	32.4	30.4	17.1	63.8	49.5
Oilfield Services	16.9	15.9	7.3	28.0	24.2	43.9
Corporate costs	(20.2)	(17.7)	(17.6)	(20.1)	(37.8)	(37.8)
Adjustment to fair value of contingent consideration	(0.8)	—	(0.6)	—	(1.4)	—
Profit on disposal of property, plant and equipment	0.1	—	—	—	0.1	—
Total operating income	$ 50.5	$ 41.0	$ 40.7	$ 34.2	$ 91.2	$ 75.2

NOTE 3 – EARNINGS PER SHARE

Basic earnings per share is based on the weighted average number of common shares outstanding during the period. Diluted earnings per share includes the effect of options that are dilutive and outstanding during the period under the treasury stock method. Per share amounts are computed as follows:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Numerator (in millions):						
Net income available to common stockholders	$ 41.4	$ 33.2	$ 31.2	$ 28.9	$ 72.6	$ 62.1
Denominator (in thousands):						
Weighted average common shares outstanding	24,893	24,801	24,937	24,868	24,918	24,835
Dilutive effect of stock options and awards	173	161	160	112	173	175
Denominator for diluted earnings per share	25,066	24,962	25,097	24,980	25,091	25,010
Net income per share, basic:	**$ 1.66**	**$ 1.34**	$ 1.25	$ 1.16	$ 2.91	$ 2.50
Net income per share, diluted:	**$ 1.65**	**$ 1.33**	$ 1.24	$ 1.16	$ 2.89	$ 2.48

In the three and six months ended March 31, 2024 June 30, 2024, the average number of anti-dilutive options excluded from the calculation of diluted earnings per share were 31,184 10,436 and 10,483, respectively (three and six months ended March 31, 2023 June 30, 2023 – 25,783 31,048) and 36,178, respectively).

NOTE 4 – GOODWILL

The following table summarizes the goodwill movements in the year:

(in millions)	2024
Gross cost at January 1	$ 399.3
Acquisitions	1.5
Exchange effect	(3.3)
Gross cost at March 31	$ 397.5

(in millions)	Gross Cost
Opening balance at January 1, 2024	$ 399.3
Adjustments	(3.4)
Exchange effect	(7.7)
Closing balance at June 30, 2024	$ 388.2

In relation to the acquisition of QGP Química Geral S.A. ("QGP") in December 2023, the fair value of the acquired net asset value reported at the end of the previous quarter has been revised. As a result of remeasurement period adjustments, there has been a decrease an increase of $1.5 3.4 million in the fair value of the net assets acquired, with a corresponding increase decrease to the acquired goodwill.
The measurement periods for the valuation of assets acquired and liabilities assumed ends as soon as information on the facts and circumstances that existed as of the acquisition dates becomes available but does not exceed twelve months. We have not now completed our alignment of the accounting policies or and fair value review on the other net assets acquired adjustments and are not expecting further changes at this stage, but any potential adjustments would not have a material impact on the reported figures. time.

The exchange effect for the three six months ended March 31, 2024 June 30, 2024 was $3.3 7.7 million relating to our Performance Chemicals segment.

NOTE 5 – OTHER INTANGIBLE ASSETS

The following table analyzes other intangible assets movements in the year:

(in millions)	2024	2024
Gross cost at January 1	$ 315.1	$ 315.1
Additions	3.6	11.5

Exchange effect	(1.2)	(2.6)
Gross cost at March 31	317.5	
Gross cost at June 30	324.0	
Accumulated amortization at January 1	(257.8)	(257.8)
Amortization expense	(2.8)	(6.0)
Exchange effect	0.8	1.2
Accumulated amortization at March 31	(259.8)	
Net book amount at March 31	$ 57.7	
Accumulated amortization at June 30	(262.6)	
Net book amount at June 30	$ 61.4	

The amortization expense for the three six months ended March 31, 2024 June 30, 2024 was $2.8 6.0 million (three (six months ended March 31, 2023 June 30, 2023 – $2.7 5.3 million).

In relation to the acquisition of QGP in December 2023, a provisional amount based on previous acquisitions and management's best current estimate management have finalized the valuation of customer lists which has been included for customer lists. We increased the intangible asset capitalized by $3.5 million in the second quarter of 2024. Management have provisionally estimated also revised the expected useful life of the other intangible assets to be customer lists from 10 years to 7years. The measurement periods for the valuation of assets acquired and liabilities assumed ends as soon as information on the facts and circumstances that existed as of the acquisition dates becomes available but does not exceed twelve months.

In 2024, we have capitalized $3.6 8.0 million in relation to our internally developed software for a new Enterprise Resource Planning ("ERP") system covering our EMEA and ASPAC regions. The expenses capitalized include the acquisition costs for the software as well as the external and internal costs of the development.

NOTE 6 – PENSION AND POST EMPLOYMENT BENEFITS

The Company maintains a defined benefit pension plan covering certain current and former employees in the United Kingdom (the "UK Plan"). The UK Plan is closed to future service accrual and has a large number of deferred and current pensioners. The assets of the UK Plan are predominantly insurance policies, operating as investment assets, covering all liabilities. This reduces the UK Plan's potential reliance on the Company for future cash funding requirements.

The Company also maintains an unfunded defined benefit pension plan covering certain current and former employees in Germany (the "German plan"). The German plan is closed to new entrants and has no assets.

The net periodic benefit of these plans is shown in the following table:

(in millions)	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Service cost	$ (0.8)	$ (0.9)	$ (0.9)	$ (0.9)	$ (1.7)	$ (1.8)
Interest cost on projected benefit obligation	(4.7)	(4.9)	(4.6)	(5.0)	(9.3)	(9.9)
Expected return on plan assets	6.4	6.2	6.4	6.3	12.8	12.5
Amortization of prior service cost	(0.1)	(0.1)	(0.2)	(0.1)	(0.3)	(0.2)
Amortization of actuarial net gains	0.1	0.5				
Amortization of actuarial net gains/(losses)	—	0.5	0.1	1.0		
Net periodic benefit	$ 0.9	$ 0.8	$ 0.7	$ 0.8	$ 1.6	$ 1.6

The service cost has been recognized in selling, general and administrative expenses. All other items have been recognized within other income and expense. The amortization of prior service cost and actuarial net gains are a reclassification out of accumulated other comprehensive loss into other income and expense.

In addition, we have obligations for post-employment benefits in some of our other European businesses. As at March 31, 2024June 30, 2024, we have recorded a liability of $4.23.9 million (December 31, 2023 – $4.2 million).

NOTE 7 – INCOME TAXES

A roll-forward of unrecognized tax benefits and associated accrued interest and penalties is as follows:

(in millions)	Unrecognized Tax Benefits	Interest and Penalties	Total	Unrecognized Tax Benefits	Interest and Penalties	Total
Opening balance at January 1, 2024	$ 10.5	$ 4.3	$ 14.8	$ 10.5	$ 4.3	$ 14.8
Net change for tax positions of prior periods	(0.1)	0.3	0.2			
Closing balance at March 31, 2024	10.4	4.6	15.0			
Increase for tax positions of prior periods	—	0.5	0.5			
Decrease for settlement of tax positions	(2.3)	(1.1)	(3.4)			
Closing balance at June 30, 2024	8.2	3.7	11.9			
Current	(3.2)	(1.3)	(4.5)	(1.0)	(0.2)	(1.2)
Non-current	$ 7.2	$ 3.3	$ 10.5	$ 7.2	$ 3.5	$ 10.7

All of the $15.011.9 million of unrecognized tax benefits, interest and penalties would impact our effective tax rate if recognized.
In 2021 a non-U.S. subsidiary, Innospec Limited, entered into a review by the U.K. tax authorities under the U.K.'s Profit Diversion Compliance Facility ("PDCF") in relation to the period 2017 to 2020 inclusive. The Company has determined that additional tax and interest totaling $1.2 million may arise as a result of the ongoing review.

A non-U.S. subsidiary, Innospec Performance Chemicals Italia Srl, Progress was made in concluding the review during the quarter ended June 30, 2024, and the Company now believes that it is subject to an ongoing reasonably possible that there will be a decrease of $1.2 million unrecognized tax audit benefits during 2024 in relation to the period 2011 to 2014 inclusive. The Company has determined that additional tax, interest and penalties totaling $3.3 million may arise as a consequence this item resulting from settlement of the outstanding tax audit. This includes a reduction for foreign exchange movements of $0.1 million recorded in the three months to March 31, 2024. As any additional tax arising as a consequence of the tax audit would be reimbursed by the previous owner under the terms of the sale and purchase agreement, an indemnification asset of the same amount is recorded in the financial statements to reflect this arrangement. Following the end of the quarter, the Company received notice from the previous owner that the ongoing tax audit process is close to resolution. The liability which is expected to arise on settlement is consistent positions with the amount recorded. U.K. tax authorities.

In 2018 the Company recorded an unrecognized tax benefit in relation to a potential adjustment that could arise as a consequence of the Tax Cuts and Jobs Act of 2017 ("Tax Act"), but for which retrospective adjustment to the filed 2017 U.S. federal income tax returns was not permissible. The Company has determined that additional tax, interest and penalties totaling $10.5 10.7 million may arise in relation to this item. This includes an increase in interest accrued of $0.3 0.5 million in the three six months to March 31, 2024 June 30, 2024. The Company believes that it is reasonably possible that there will be a decrease of $10.5 10.7 million unrecognized tax benefits during 2024 in relation to this item due to a lapse of the statute of limitations.

A non-U.S. subsidiary, Innospec Performance Chemicals Italia Srl, has been subject to an ongoing tax audit in relation to the period 2011 to 2014 inclusive. The Company has determined that additional tax, interest and penalties totaling $3.4 million will arise as a consequence of the tax audit. As any additional tax arising as a consequence of the tax audit is to be reimbursed by the previous owner under the terms of the sale and purchase agreement, an indemnification asset of the same amount is recorded in the financial statements to reflect this arrangement. During the quarter ended June 30, 2024, the Company submitted documentation to the tax authorities confirming its acceptance of the previously disputed position. The amount due should be settled during 2024, and the liability which is expected to arise on ultimate settlement is consistent with the amount recorded as a liability. Due to imminent settlement, this item has been released from unrecognized tax benefits and recognized in accrued income taxes.

As of March 31, 2024 June 30, 2024, the Company and its U.S. subsidiaries remain open to examination by the IRS for certain elements of 2017 year and for years 2020 onwards under the statute of limitations. The Company's subsidiaries in foreign tax jurisdictions are open to examination including Brazil (2019 onwards), Germany (2019 onwards), and the U.K. (2017 onwards).

NOTE 8 – LONG-TERM DEBT

As at March 31, 2024 June 30, 2024, and December 31, 2023, the Company had not drawn down on its revolving credit facility. During the first three six months of 2024 and 2023, the Company did not draw down or repay any borrowing on its revolving credit facility.

The Company continues to have available a $250.0 million multicurrency revolving credit facility (the "Facility") until May 30, 2027. The facility Facility contains an accordion feature whereby the Company may elect to increase the total available borrowings by an aggregate amount of up to $125.0 million.

Effective as of May 20, 2024, the termination date of the Facility was extended from May 30, 2027 to May 31, 2028 in accordance with the terms of the Company's multicurrency revolving facility agreement (the "Facility Agreement"). No other terms of the Facility

Agreement or the Facility were modified. The Company paid a customary extension fee in connection with the extension of the Facility as contemplated by the Facility Agreement.

As at March 31, 2024June 30, 2024, the deferred finance costs of $1.11.4 million (December 31, 2023 - $1.2 million) related to the arrangement of the credit facility, are included within other current and non-current assets at the balance sheet dates.

NOTE 9 – PLANT CLOSURE PROVISIONS

The Company has continuing plans to remediate manufacturing facilities at sites around the world as and when those operations are expected to cease, or we are required to decommission the sites according to local laws and regulations. The liability for estimated plant closure costs includes costs for environmental remediation liabilities and asset retirement obligations.

The principal site giving rise to asset retirement obligations is the manufacturing site at Ellesmere Port in the United Kingdom. There are also asset retirement obligations and environmental remediation liabilities on a much smaller scale in respect of other manufacturing sites.

Movements in the provisions are summarized as follows:

(in millions)	2024	2024
Total at January 1	$ 61.6	$ 61.6
Charge for the period	0.8	1.7
Utilized in the period	(0.9)	(1.8)
Exchange effect	(0.3)	(0.4)
Total at March 31	61.2	
Total at June 30	61.1	
Due within one year	(4.6)	(4.6)
Due after one year	$ 56.6	$ 56.5

The charge for the threesix months ended March 31, 2024June 30, 2024, was $0.81.7 million (three(six months ended March 31, 2023June 30, 2023 – $0.91.9 million). The current year charge represents the accounting accretion only, with no changes for the expected cost and scope of future remediation activities. Amounts due within one year refer to provisions where expenditure is expected to arise within one year of the balance sheet date.

NOTE 10 – FAIR VALUE MEASUREMENTS

The following table presents the carrying amount and fair values of the Company's financial assets and liabilities measured on a recurring basis:

	March 31, 2024		December 31, 2023		June 30, 2024		December 31, 2023	
(in millions)	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value	Carrying Amount	Fair Value

Assets								
Derivatives (Level 1 measurement):								
Other current and non-current assets:								
Emissions Trading Scheme credits	$ 3.9	$ 3.9	$ 4.8	$ 4.8	4.7	4.7	4.8	4.8
Foreign currency forward exchange contracts	0.5	0.5	—	—	0.5	0.5	—	—
Liabilities								
Derivatives (Level 1 measurement):								
Other current and non-current liabilities:								
Foreign currency forward exchange contracts	—	—	1.0	1.0	—	—	1.0	1.0
Non-financial liabilities (Level 3 measurement):								
Acquisition-related contingent consideration	$ 23.5	$ 23.5	$ 23.4	$ 23.4	20.2	20.2	23.4	23.4

The following methods and assumptions were used to estimate the fair values:

Emissions Trading Scheme credits: The fair value is determined by the open market pricing at the end of the reporting period.

Foreign currency forward exchange contracts: The fair value of derivatives relating to foreign currency forward exchange contracts are derived from current settlement prices and comparable contracts using current assumptions. Foreign currency forward exchange contracts primarily relate to contracts entered into to hedge future known transactions or hedge balance sheet net cash positions. The movements in the carrying amounts and fair values of these contracts are largely due to changes in exchange rates against the U.S. dollar.

Acquisition-related contingent consideration: Contingent consideration payable in cash is discounted to its fair value at each balance sheet date. Where contingent consideration is dependent upon pre-determined financial targets, an estimate of the fair value of the likely consideration payable is made at each balance sheet date. The contingent consideration payable has been calculated based on the latest forecast.

NOTE 11 – DERIVATIVE INSTRUMENTS AND RISK MANAGEMENT

The Company enters into various foreign currency forward exchange contracts to minimize currency exchange rate exposure from expected future cash flows. As at March 31, 2024 June 30, 2024, the contracts have maturity dates of up to twelve months at the date of inception. These foreign currency forward exchange contracts have not been designated as hedging instruments, and their impact on the income statement for the first three six months of 2024 was a gain of $1.0 1.6 million (first three six months of 2023 – a loss of $0.9 1.6 million). The gain or loss has been recorded in other income or expense.

NOTE 12 – CONTINGENCIES

<u>Legal matters</u>

We are involved from time to time in claims and legal proceedings that result from, and are incidental to, the conduct of our business including business and commercial litigation, and employee and product liability claims.

As reported in the 2023 Form 10-K, we have incurred financial losses and lodged a civil and criminal legal claim related to a misappropriation of inventory in Brazil. As at the time of filing, there have been no significant developments to report in relation to the claims being made. Consistent with prior quarters, a corresponding asset for the potential legal or insurance recoveries has not been recorded for the resulting financial losses arising from this matter.

In addition, unrelated to the Brazil matter, in the unlikely event there are an unexpectedly large number of individual claims or proceedings with an adverse resolution, this could in the aggregate have a material adverse effect on the results of operations for a particular year or quarter.

Guarantees

The Company and certain of the Company's consolidated subsidiaries are contingently liable for certain obligations of affiliated companies primarily in the form of guarantees of debt and performance under contracts entered into as a normal business practice. This includes guarantees of non-U.S. excise taxes and customs duties. As at March 31, 2024 June 30, 2024, such guarantees which are not recognized as liabilities in the condensed consolidated financial statements amounted to $6.8 6.9 million (December 31, 2023 - $6.2 million). The remaining terms of the fixed maturity guarantees are up to 9 8 years, with some further guarantees having no fixed expiry date.

Under the terms of the guarantee arrangements, generally the Company would be required to perform the obligations should the affiliated company fail to fulfill its obligations under the arrangements. In some cases, the guarantee arrangements have recourse provisions that would enable the Company to recover any payments made under the terms of the guarantees from securities held of the guaranteed parties' assets.

The Company and its affiliates have numerous long-term sales and purchase commitments in connection with their various business activities, which are expected to be fulfilled with no adverse consequences material to the Company.

NOTE 13 – STOCK-BASED COMPENSATION PLANS

The compensation cost recorded for stock options for the three months ended March 31, 2024 June 30, 2024 and 2023 was $2.1 2.2 million and $2.0 million, respectively. The compensation cost recorded for stock equivalent units for the three months ended June 30, 2024 and 2023 was $1.5 million and $1.9 million, respectively.

The compensation cost recorded for stock equivalent units options for the three first six months ended March 31, 2024 of 2024 and 2023 was $2.5 4.2 million and $3.2 3.9 million, respectively. The compensation cost recorded for stock equivalent units for the first six months of 2024 and 2023 was $4.0 million and $5.1 million, respectively.

The following table summarizes the transactions of the Company's stock-based share-based compensation plans for the three six months ended March 31, 2024 June 30, 2024.

	Number of shares	Weighted Average Grant-Date Fair Value	Number of shares	Weighted Average Grant-Date Fair Value

Nonvested at December 31, 2023	652,891	$	75.2	652,891	$	75.2
Granted	135,942	$	130.5	136,667	$	130.5
Vested	(160,207)	$	86.6	(178,495)	$	86.7
Forfeited	(7,151)	$	83.9	(12,062)	$	82.7
Nonvested at March 31, 2024	621,475	$	84.2			
Nonvested at June 30, 2024	599,001	$	84.2			

For the awards granted with market conditions, during the three months ended March 31, 2024, a Monte Carlo model has been used to calculate the grant-date fair value. For all other awards granted, in the quarter, a fair market value methodology has been used to calculate the grant-date fair value.

The awards granted with market conditions during the three months ended March 31, 2024, include a performance measure for Innospec's total shareholder return as compared to a peer group of companies. This measure can result in a maximum 130% vesting for the number of stock options granted. The maximum potential vesting has been reflected in the grant-date fair value calculation, but not reflected for the number of awards granted, as shown in the table above. All other awards granted in the quarter have similar vesting conditions to those granted in the previous periods.

As of March 31, 2024 June 30, 2024, there was $34.6 28.8 million of total unrecognized compensation cost related to nonvested share-based compensation arrangements. That cost is expected to be recognized over a weighted-average period of 2.2 2.1 years.

NOTE 14 – RECLASSIFICATIONS OUT OF ACCUMULATED OTHER COMPREHENSIVE LOSS

Reclassifications out of accumulated other comprehensive loss (“AOCL”) for the first three six months of 2024 were:

(in millions) **Details about AOCL Components**	**Amount Reclassified from AOCL**	**Affected Line Item in the Statement where Net Income is Presented**	**Amount Reclassified from AOCL**	**Affected Line Item in the Statement where Net Income is Presented**
Defined benefit pension plan items:				
Amortization of prior service cost	$ 0.1	See (1) below	$ 0.3	See (1) below
Amortization of actuarial net losses	(0.1)	See (1) below		
Amortization of actuarial net gains	(0.1)	See (1) below		
	—	Total before tax	0.2	Total before tax
	—	Income tax expense	(0.1)	Income tax expense
Total reclassifications	$ —	Net of tax	$ 0.1	Net of tax

(1) These items are included in other income and expense. See Note 6 of the Notes to the Condensed Consolidated Financial Statements for additional information.

Changes in AOCL for the first six months of 2024, net of tax, were:

(in millions)	Defined Benefit Pension Plan Items	Cumulative Translation Adjustments	Total
Balance at December 31, 2023	$ (77.2)	$ (70.9)	$ (148.1)
Other comprehensive income/(loss) before reclassifications	—	(12.6)	(12.6)
Amounts reclassified from AOCL	0.1	—	0.1
Total other comprehensive income/(loss)	0.1	(12.6)	(12.5)
Balance at June 30, 2024	$ (77.1)	$ (83.5)	$ (160.6)

Reclassifications out of AOCL for the first six months of 2023 were:

(in millions) Details about AOCL Components	Amount Reclassified from AOCL	Affected Line Item in the Statement where Net Income is Presented
Defined benefit pension plan items:		
Amortization of prior service cost	$ 0.2	See (1) below
Amortization of actuarial net gains	(1.0)	See (1) below
	(0.8)	Total before tax
	0.2	Income tax expense
Total reclassifications	$ (0.6)	Net of tax

(1) These items are included in other income and expense. See Note 6 of the Notes to the Condensed Consolidated Financial Statements for additional information.

Changes in AOCL for the first three months of 2024, net of tax, were:

(in millions)	Defined Benefit Pension Plan Items	Cumulative Translation Adjustments	Total
Balance at December 31, 2023	$ (77.2)	$ (70.9)	$ (148.1)
Other comprehensive income before reclassifications	—	(7.3)	(7.3)
Amounts reclassified from AOCL	—	—	—
Total other comprehensive income	—	(7.3)	(7.3)
Balance at March 31, 2024	$ (77.2)	$ (78.2)	$ (155.4)

Reclassifications out of AOCL for the first three months of 2023 were:

(in millions) Details about AOCL Components	Amount Reclassified from AOCL	Affected Line Item in the Statement where Net Income is Presented
Defined benefit pension plan items:		
Amortization of prior service cost	$ 0.1	See (1) below
Amortization of actuarial net losses	(0.5)	See (1) below
	(0.4)	Total before tax
	0.1	Income tax expense
Total reclassifications	$ (0.3)	Net of tax

(1) These items are included in other income and expense. See Note 6 of the Notes to the Condensed Consolidated Financial Statements for additional information.

Changes in AOCL for the first three six months of 2023, net of tax, were:

(in millions)	Defined Benefit Pension Plan Items	Cumulative Translation Adjustments	Total	Defined Benefit Pension Plan Items	Cumulative Translation Adjustments	Total
Balance at December 31, 2022	$ (58.4)	$ (86.8)	$ (145.2)	$ (58.4)	$ (86.8)	$ (145.2)
Other comprehensive income before reclassifications	—	4.7	4.7			
Other comprehensive income/(loss) before reclassifications	—	6.1	6.1			
Amounts reclassified from AOCL	(0.3)	—	(0.3)	(0.6)	—	(0.6)
Total other comprehensive income	(0.3)	4.7	4.4			
Balance at March 31, 2023	$ (58.7)	$ (82.1)	$ (140.8)			
Total other comprehensive income/(loss)	(0.6)	6.1	5.5			
Balance at June 30, 2023	$ (59.0)	$ (80.7)	$ (139.7)			

NOTE 15 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The Company has reviewed recently issued accounting pronouncements and concluded there were no matters relevant to the Company's financial statements.

NOTE 16 – RELATED PARTY TRANSACTIONS

Mr. Patrick S. Williams has been an executive director of the Company since April 2009 and has been a non-executive director of AdvanSix Inc. ("AdvanSix"), a chemicals manufacturer, since February 2020. In the first three six months of 2024 the Company did not make purchase any purchases product from AdvanSix (first three six months of 2023 – $0.1 0.2 million). As at March 31, 2024 June 30, 2024, the Company owed nil to AdvanSix (December 31, 2023 – nil).

Mr. Robert I. Paller has been was a non-executive director of the Company since November 1, 2009. until May 10, 2024, when he did not stand for re-election to the board. The Company has retained and continues to retain Smith, Gambrell & Russell, LLP ("SGR"), a law firm with which Mr. Paller holds a position. In the first three months of From January 1st until May 10th, 2024 the

Company incurred fees from SGR of $0.2 million (first three six months of 2023 – $0.1 0.2 million). As at March 31, 2024 June 30, 2023, the Company owed less than $0.1 nil million to SGR (December 31, 2023 – nil).

Mr. David F. Landless has been a non-executive director of the Company since January 1, 2016 and is a non-executive director of Ausurus Group Limited which owns European Metal Recycling Limited ("EMR"). The Company has sold scrap metal to EMR in the first three six months of 2024 for a value of less than $0.1 million (first three six months of 2023 – less than $0.1 million). A tendering process is operated periodically to select the best buyer for the sale of scrap metal by the Company. As at March 31, 2024 June 30, 2024, EMR owed less than $0.1 million for scrap metal purchased from the Company (December 31, 2023 – nil).

Item 2 Management's Discussion and Analysis of Financial Condition and Results of Operations for the Three and Six Months Ended March 31, 2024 June 30, 2024

This discussion should be read in conjunction with our unaudited interim condensed consolidated financial statements and the notes thereto.

CRITICAL ACCOUNTING ESTIMATES

The policies and estimates that the Company considers the most critical in terms of complexity and subjectivity of assessment are those related to plant closure provisions, pensions, income taxes and goodwill. These policies have been discussed in the Company's 2023 Form 10-K.

RESULTS OF OPERATIONS

The Company reports its financial performance based on three reportable segments, which are Performance Chemicals, Fuel Specialties and Oilfield Services.

The following table provides sales, gross profit and operating income by reporting segment:

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,	
(in millions)	2024	2023	2024	2023	2024	2023
Net sales:						
Performance Chemicals	$ 160.8	$ 151.4	$ 160.1	$ 127.8	$ 320.9	$ 279.2
Fuel Specialties	176.9	190.3	166.6	154.2	343.5	344.5
Oilfield Services	162.5	167.9	108.3	198.4	270.8	366.3
	$ 500.2	$ 509.6	$ 435.0	$ 480.4	$ 935.2	$ 990.0
Gross profit:						
Performance Chemicals	$ 37.7	$ 24.1	$ 36.2	$ 22.0	$ 73.9	$ 46.1
Fuel Specialties	60.6	57.4	57.6	44.8	118.2	102.2
Oilfield Services	57.4	66.3	33.1	83.6	90.5	149.9
	$ 155.7	$ 147.8	$ 126.9	$ 150.4	$ 282.6	$ 298.2
Operating income/(loss):						

Performance Chemicals	$ 21.1	$ 10.4	$ 21.2	$ 9.2	$ 42.3	$ 19.6
Fuel Specialties	33.4	32.4	30.4	17.1	63.8	49.5
Oilfield Services	16.9	15.9	7.3	28.0	24.2	43.9
Corporate costs	(20.2)	(17.7)	(17.6)	(20.1)	(37.8)	(37.8)
Adjustment to fair value of contingent consideration	(0.8)	—	(0.6)	—	(1.4)	—
Profit on disposal of property, plant and equipment	0.1	—	—	—	0.1	—
Total operating income	$ 50.5	$ 41.0	$ 40.7	$ 34.2	$ 91.2	$ 75.2

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Three Months Ended March 31, 2024 June 30, 2024

The following table shows the changes in sales, gross profit and operating expenses by reporting segment for the three months ended March 31, 2024 June 30, 2024, and the three months ended March 31, 2023 June 30, 2023:

	Three Months Ended March 31,				Three Months Ended June 30,			
(in millions, except ratios)	2024	2023	Change		2024	2023	Change	
Net sales:								
Performance Chemicals	$ 160.8	$ 151.4	$ 9.4	+6%	$ 160.1	$ 127.8	$ 32.3	+25%
Fuel Specialties	176.9	190.3	(13.4)	-7%	166.6	154.2	12.4	+8%
Oilfield Services	162.5	167.9	(5.4)	-3%	108.3	198.4	(90.1)	-45%
	$ 500.2	$ 509.6	$ (9.4)	-2%	$ 435.0	$ 480.4	$ (45.4)	-9%
Gross profit:								
Performance Chemicals	$ 37.7	$ 24.1	$ 13.6	+56%	$ 36.2	$ 22.0	$ 14.2	+65%
Fuel Specialties	60.6	57.4	3.2	+6%	57.6	44.8	12.8	+29%
Oilfield Services	57.4	66.3	(8.9)	-13%	33.1	83.6	(50.5)	-60%
	$ 155.7	$ 147.8	$ 7.9	+5%	$ 126.9	$ 150.4	$ (23.5)	-16%
Gross margin (%):								
Performance Chemicals	*23.4*	*15.9*	*+7.5*		*22.6*	*17.2*	*+5.4*	
Fuel Specialties	*34.3*	*30.2*	*+4.1*		*34.6*	*29.1*	*+5.5*	
Oilfield Services	*35.3*	*39.5*	*-4.2*		*30.6*	*42.1*	*-11.5*	
Aggregate	***31.1***	***29.0***	***+2.1***		***29.2***	***31.3***	***-2.1***	
Operating expenses:								
Performance Chemicals	$ (16.6)	$ (13.7)	$ (2.9)	+21%	$ (15.0)	$ (12.8)	$ (2.2)	+17%
Fuel Specialties	(27.2)	(25.0)	(2.2)	+9%	(27.2)	(27.7)	0.5	-2%
Oilfield Services	(40.5)	(50.4)	9.9	-20%	(25.8)	(55.6)	29.8	-54%
Corporate costs	(20.2)	(17.7)	(2.5)	+14%	(17.6)	(20.1)	2.5	-12%
Adjustment to fair value of contingent consideration	(0.8)	—	(0.8)	n/a	(0.6)	—	(0.6)	n/a
Profit on disposal of property, plant and equipment	0.1	—	0.1	n/a				

$ (105.2)	$ (106.8)	$ 1.6	-1%	$ (86.2)	$ (116.2)	$ 30.0	-26%

Performance Chemicals

Net sales: the table below details the components which comprise the year over year change in net sales spread across the markets in which we operate:

Change (%)	Three Months Ended March 31, 2024				Three Months Ended June 30, 2024			
	Americas	EMEA	ASPAC	Total	Americas	EMEA	ASPAC	Total
Volume	+19	+9	+14	+13	+44	+18	+32	+29
Acquisition	—	—	—	+6	—	—	—	+7
Price and product mix	-12	-15	-12	-14	-15	-8	-9	-11
Exchange rates	—	+2	+1	+1	—	—	—	—
	+7	-4	+3	+6	+29	+10	+23	+25

Higher sales volumes for all our regions was were driven by increased demand for our personal care and home care products resulting from higher consumer demand. The acquisition of the QGP business has also delivered a volume increase year over year. All our regions were affected by recorded an adverse price and product mix due to lower selling prices, driven by lower raw material costs. EMEA and ASPAC benefited costs, together with greater demand from favorable exchange rate movements against the U.S. dollar. consumers for lower priced products.

Gross margin: the year over year increase of 7.5 5.4 percentage points was due to margins returning to a more normalized level when compared to the depressed margins in the prior year. Margins have benefited from raw materials pricing reductions in the current year, combining with the favorable impact for our manufacturing efficiency due to the higher production volumes.

Operating expenses: increased $2.9 million $2.2 million year over year due to higher selling expenses, including sales commissions, increased

amortization for acquired intangible assets relating to the QGP acquisition, increased spending on research and increased provisions for doubtful debts, together with development and higher performance-related remuneration.

Fuel Specialties

Net sales: the table below details the components which comprise the year over year change in net sales spread across the markets in which we operate:

Change (%)	Three Months Ended March 31, 2024					Three Months Ended June 30, 2024				
	Americas	EMEA	ASPAC	AvGas	Total	Americas	EMEA	ASPAC	AvGas	Total
Volume	-2	—	+1	-24	-2	+21	+11	+23	+81	+20
Price and product mix	-3	-10	-4	+1	-6	-27	-3	-8	+52	-12
Exchange rates	—	+2	—	—	+1	—	-1	—	—	—

	-5	-8	-3	-23	-7	-6	+7	+15	+133	+8

Sales volumes were down in the Americas, in part due to a milder winter compared to the prior all our regions have increased year which has adversely impacted the sales of our winter related products. ASPAC volumes are slightly up on the prior over year due to variations in the timing of demand. increased demand from customers. Price and product mix was adverse in all our regions, due to the decreased with a favorable sales of higher margin products. mix being offset by lower pricing resulting from lower raw material costs. AvGas volumes were lower higher than the prior year due to variations in the demand from customers, being partly offset by together with a favorable price and product mix from due to a higher proportion of sales being made to higher margin customers. EMEA benefited from favorable exchange rate movements year over year against the U.S. dollar.

Gross margin: the year over year increase of 4.1 5.5 percentage points was primarily due to driven by an improved sales mix from increased sales of higher margin products, together with the easing of raw material and other inflationary pressures and the adverse impact of the Brazil inventory misappropriation and associated costs of exiting the trading relationship in the prior year in relation to the inventory misappropriation of $7.4 million in Brazil. The current year margins are more in line with our normal expectations. year.

Operating expenses: the year over year increase decrease of $2.2 million includes increased spending on $0.5 million was primarily due to lower provisions for doubtful debts being partly offset by higher research and development and higher performance-related remuneration. expenditure.

Oilfield Services

*Net sales:*have decreased year over year by $5.4 million $90.1 million, or 2 45 percent, with the majority of our customer activity continuing to be concentrated in the Americas region. Sequentially quarter on quarter, demand from our Sales volumes were adversely impacted by significantly lower production chemical activity in 2024. Management expects to see lower sales volumes continuing in production chemicals customers has softened. In through the short-term we expect production chemicals activity second half of 2024, with the potential for demand to remain below previous quarters and will continue to pursue further sales recover over the near-term, together with the potential growth and margin improvement opportunities in our other oilfield segments. markets.

Gross margin: the year over year decrease of 4.2 11.5 percentage points was due to an adverse unfavorable sales mix compared to the prior year comparative. as customer demand has weakened.

Operating expenses: the year over year decrease of $9.9 million $29.8 million was driven by lower selling expenses, including the lower customer service costs which are necessary and commissions related to support the reduced demand from certain customers, together with lower provisions for doubtful debts. debts and lower performance related remuneration accruals.

Other Income Statement Captions

Corporate costs: the year over year increase decrease of $2.5 million was primarily due to acquisition related costs in the growth and timing of information technology expenditure, higher performance-related remuneration and prior year compared to none in the adverse current year, together with a favorable revaluation of for our United Kingdom Emissions Emission Trading Scheme carbon credits which can be traded on in the open market. current year compared to an adverse revaluation in the prior year.

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Adjustment to fair value of contingent consideration: the $0.8 million expense in 2024 represents the accretion charge for the acquisition-related contingent consideration payable in relation to our QGP operation in Brazil which was acquired in December 2023.

Other net income/(expense): for the first second quarter of 2024 and 2023, included the following:

(in millions)	2024	2023	Change	2024	2023	Change
Net pension credit	$ 1.7	$ 1.7	—	$ 1.6	$ 1.7	(0.1)
Foreign exchange gains on translation	—	2.9	(2.9)			
Foreign exchange gains/(losses) on translation	(0.1)	1.7	(1.8)			
Foreign currency forward contracts gains/(losses)	1.0	(0.9)	1.9	(0.6)	(0.7)	0.1
	$ 2.7	$ 3.7	$ (1.0)	$ 0.9	$ 2.7	$ (1.8)

Interest income, income/(expense), net: was income of $2.1 million in the first second quarter of 2024 compared to income an expense of $0.3 million in the first second quarter of 2023. Interest 2023, driven by the higher interest income from being earned in 2024 for our cash balances has increased over recent periods due to higher central bank interest rates together with the increases in our increasing cash balances.
*Income taxes:*the effective tax rate was 25.1% 28.6% and 26.2% 21.0% in the first second quarter of 2024 and 2023, respectively. The adjusted effective tax rate, once adjusted for the items set out in the following table, was 24.5% 28.4% in 2024 compared with 25.8% 21.0% in 2023. The 1.3% 7.4 percentage point decrease points increase in the adjusted effective rate was primarily due to the fact that a higher proportion of the Company's profits are being generated in lower higher tax jurisdictions. The Company believes that this adjusted effective tax rate, a non-GAAP financial measure, provides useful information to investors and may assist them in evaluating the Company's underlying performance and identifying operating trends. In addition, management uses this non-GAAP financial measure internally to evaluate the performance of the Company's operations and for planning and forecasting in subsequent periods.

The following table shows a reconciliation of the GAAP effective tax charge to the adjusted effective tax charge:

	Three Months Ended March 31,		Three Months Ended June 30,	
(in millions)	2024	2023	2024	2023
Income before income taxes	$ 55.3	$ 45.0	$ 43.7	$ 36.6
Indemnification asset regarding tax audit	0.1	(0.1)		
Adjustment for stock compensation	2.1	1.9	2.1	2.0
Acquisition costs	—	1.5		
Adjustment to fair value of contingent consideration	0.8	—	0.6	—
Legacy cost of closed operations	0.8	0.8		
Legacy costs of closed operations	0.8	0.9		
Adjusted income before income taxes	$ 59.1	$ 47.6	$ 47.2	$ 41.0
Income taxes	$ 13.9	$ 11.8	$ 12.5	$ 7.7
Tax on stock compensation	(0.1)	—	0.2	—
Adjustment of income tax provision	0.2	0.3	(3.1)	0.3
Tax on acquisition costs	—	0.4		
Tax on legacy cost of closed operations	0.2	0.2		
Tax on adjustment to fair value of contingent consideration	0.3	—	0.2	—
Tax on legacy cost of closed operations	0.2	0.2		

Adjustments to tax charge of prior periods	3.4	—		
Adjusted income taxes	$ 14.5	$ 12.3	$ 13.4	$ 8.6
GAAP effective tax rate	25.1 %	26.2 %	28.6 %	21.0 %
Adjusted effective tax rate	24.5 %	25.8 %	28.4 %	21.0 %

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Six Months Ended June 30, 2024

The following table shows the changes in sales, gross profit and operating expenses by reporting segment for the six months ended June 30, 2024, and the six months ended June 30, 2023:

(in millions, except ratios)	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023	Change	
Net sales:				
Performance Chemicals	$ 320.9	$ 279.2	$ 41.7	+15%
Fuel Specialties	343.5	344.5	(1.0)	-0%
Oilfield Services	270.8	366.3	(95.5)	-26%
	$ 935.2	$ 990.0	$ (54.8)	-6%
Gross profit:				
Performance Chemicals	$ 73.9	$ 46.1	$ 27.8	+60%
Fuel Specialties	118.2	102.2	16.0	+16%
Oilfield Services	90.5	149.9	(59.4)	-40%
	$ 282.6	$ 298.2	$ (15.6)	-5%
Gross margin (%):				
Performance Chemicals	*23.0*	*16.5*	*+6.5*	
Fuel Specialties	*34.4*	*29.7*	*+4.7*	
Oilfield Services	*33.4*	*40.9*	*-7.5*	
Aggregate	***30.2***	***30.1***	*+0.1*	
Operating expenses:				
Performance Chemicals	$ (31.6)	$ (26.5)	$ (5.1)	+19%
Fuel Specialties	(54.4)	(52.7)	(1.7)	+3%
Oilfield Services	(66.3)	(106.0)	39.7	-37%
Corporate costs	(37.8)	(37.8)	—	+0%
Adjustment to fair value of contingent consideration	(1.4)	—	(1.4)	n/a
Profit on disposal of property, plant and equipment	0.1	—	0.1	n/a
	$ (191.4)	$ (223.0)	$ 31.6	-14%

Performance Chemicals

Net sales: the table below details the components which comprise the year over year change in net sales spread across the markets in which we operate:

	Six Months Ended June 30, 2024			
Change (%)	**Americas**	**EMEA**	**ASPAC**	**Total**
Volume	+31	+13	+24	+20
Acquisition	—	—	—	+7
Price and product mix	-14	-11	-11	-12
Exchange rates	—	—	—	—
	+17	+2	+13	+15

Higher sales volumes for all our regions were driven by increased demand for our personal care and home care products resulting from higher consumer demand. The acquisition of the QGP business has also delivered a volume increase year over year. All our regions recorded an adverse price and product mix due to lower selling prices, driven by lower raw material costs, together with greater demand from consumers for lower priced products.

Gross margin: the year over year increase of 6.5 percentage points was due to margins returning to a more normalized level when compared to the depressed margins in the prior year. Margins have benefited from raw materials pricing reductions in the current year, combining with the favorable impact for our manufacturing efficiency due to the higher production volumes.

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Operating expenses: increased $5.1 million year over year due to higher selling expenses, increased amortization for acquired intangible assets relating to the QGP acquisition, increased spending on research and development and higher performance-related remuneration.

Fuel Specialties

Net sales: the table below details the components which comprise the year over year change in net sales spread across the markets in which we operate:

	Six Months Ended June 30, 2024				
Change (%)	**Americas**	**EMEA**	**ASPAC**	**AvGas**	**Total**
Volume	+9	+5	+4	+27	+8
Price and product mix	-15	-7	+1	+23	-8
Exchange rates	—	+1	—	—	—
	-6	-1	+5	+50	—

Sales volumes in all our regions have increased year over year due to increased demand from customers. Price and product mix was adverse in the Americas and EMEA, with a favorable sales mix being offset by lower pricing resulting from lower raw material costs. ASPAC benefited from a favorable price and product mix due to the increased sales of higher priced products. AvGas volumes were higher than the prior year due to variations in the demand from customers, together with a favorable price and product mix due to a higher proportion of sales being made to higher margin customers.

Gross margin: the year over year increase of 4.7 percentage points was driven by an improved sales mix from increased sales of higher margin products, together with the easing of raw material and other inflationary pressures and the adverse impact of the Brazil inventory misappropriation and associated costs of exiting the trading relationship in the prior year.

Operating expenses: the year over year increase of $1.7 million is due to higher research and development expenditure and higher performance-related remuneration accruals.

Oilfield Services

Net sales: have decreased year over year by $95.5 million, or 26 percent, with the majority of our customer activity concentrated in the Americas region. Sales volumes were adversely impacted by significantly lower production chemical activity in 2024. Management expects to see lower sales volumes continuing in production chemicals through the second half of 2024, with the potential for demand to recover over the near-term, together with the potential growth opportunities in our other oilfield markets.

Gross margin: the year over year decrease of 7.5 percentage points was due to an unfavorable sales mix as customer demand has weakened.

Operating expenses: the year over year decrease of $39.7 million was driven by the lower customer service costs and commissions related to the reduced demand from certain customers, together with lower provisions for doubtful debts and lower performance related remuneration accruals.

Other Income Statement Captions

Corporate costs: are in line with the prior year, including the benefit of no acquisition related costs in the current year being primarily offset by higher information technology investment together with the adverse impact of inflationary increases.

Other net income/(expense): for the first six months of 2024 and 2023, included the following:

(in millions)	2024		2023		Change	
Net pension credit	$	3.3	$	3.4	$	(0.1)
Foreign exchange gains/(losses) on translation		(1.3)		4.6		(5.9)
Foreign currency forward contracts gains/(losses)		1.6		(1.6)		3.2
	$	3.6	$	6.4	$	(2.8)

Interest income/(expense), net: was income of $4.2 million in the first six months of 2024 compared to nil in the first six months of 2023. Interest income from our cash balances has increased over recent periods due to higher central bank interest rates together with the increases in our cash balances.

Income taxes: the effective tax rate was 26.7% and 23.9% in the first six months of 2024 and 2023, respectively. The adjusted effective tax rate, once adjusted for the items set out in the following table, was 26.2% in 2024 compared with 23.6% in 2023. The 2.6 percentage points increase in the adjusted effective rate was primarily due to the fact that a higher proportion of the Company's profits are being generated in higher tax jurisdictions. The Company believes that this adjusted effective tax rate, a non-GAAP financial measure, provides useful information to investors and may assist them in evaluating the Company's underlying performance and identifying operating trends. In addition, management uses this non-GAAP financial measure internally to evaluate the performance of the Company's operations and for planning and forecasting in subsequent periods.

The following table shows a reconciliation of the GAAP effective tax charge to the adjusted effective tax charge:

	Six Months Ended June 30,

(in millions)	2024	2023
Income before income taxes	$ 99.0	$ 81.6
Indemnification asset regarding tax audit	0.1	(0.1)
Adjustment for stock compensation	4.2	3.9
Acquisition costs	—	1.5
Adjustment to fair value of contingent consideration	1.4	—
Legacy cost of closed operations	1.6	1.7
Adjusted income before income taxes	$ 106.3	$ 88.6
Income taxes	$ 26.4	$ 19.5
Tax on stock compensation	0.1	—
Adjustment of income tax provision	(2.9)	0.6
Tax on acquisition costs	—	0.4
Tax on legacy cost of closed operations	0.4	0.4
Tax on adjustment to fair value of contingent consideration	0.5	—
Adjustments to tax charge of prior periods	3.4	—
Adjusted income taxes	$ 27.9	$ 20.9
GAAP effective tax rate	26.7%	23.9%
Adjusted effective tax rate	26.2%	23.6%

LIQUIDITY AND FINANCIAL CONDITION

Working Capital

In the first three six months of 2024 our working capital increased by $33.8 million $29.8 million, while our adjusted working capital decreased increased by $21.6 million $3.6 million. The difference is primarily due to the exclusion of the increases in our for cash balances from and cash equivalents, together with the adjusted working capital. changes for prepaid income taxes and the current portion of accrued income taxes.

The Company believes that adjusted working capital, a non-GAAP financial measure (defined by the Company as trade and other accounts receivable, inventories, prepaid expenses, accounts payable and accrued liabilities rather than total current assets less total current liabilities) provides useful information to investors in evaluating the Company's underlying performance and identifying operating trends. Management uses this non-GAAP financial measure internally to allocate resources and evaluate the performance of the Company's operations. Items excluded from working capital in the adjusted working capital calculation are listed in the table below and represent factors which do not fluctuate in line with the day to day working capital needs of the business.

(in millions)	March 31, 2024	December 31, 2023	June 30, 2024	December 31, 2023
Total current assets	$ 912.9	$ 885.7	$ 876.8	$ 885.7
Total current liabilities	(364.9)	(371.5)	(332.8)	(371.5)
Working capital	548.0	514.2	544.0	514.2
Less cash and cash equivalents	(270.1)	(203.7)	(240.2)	(203.7)

Less prepaid income taxes	(4.4)	(2.8)	(12.1)	(2.8)
Less other current assets	(0.9)	(0.6)	(1.0)	(0.6)
Add back current portion of accrued income taxes	12.2	2.6	21.3	2.6
Add back current portion of unrecognized tax benefits	4.5	1.2		
Add back current portion of plant closure provisions	4.6	4.6	4.6	4.6
Add back current portion of operating lease liabilities	13.6	13.6	14.9	13.6
Add back current portion of unrecognized tax benefits	1.2	1.2		
Adjusted working capital	$ 307.5	$ 329.1	$ 332.7	$ 329.1

We had a $41.6 million $59.5 million decrease in trade and other accounts receivable driven primarily by the timing of trading activity in our Oilfield Services segment. positive cash collections. Days' sales outstanding decreased in our Performance Chemicals segment from 64 days to 61 days; increased from 55 days to 56 58 days in our Fuel Specialties segment; and decreased increased from 55 days to 48 63 days in our Oilfield Services segment.

We had a $4.2 million $13.4 million increase in inventories, including a $1.7 million decrease $10.0 million increase in allowances, primarily due driven by higher levels of raw materials. The Company continues to our continued approach of maintaining higher maintain inventory levels in order necessary to mitigate manage the risk of potential supply chain disruption for certain key raw materials, especially in particular for our Fuel Specialties segment. Days' sales in inventory decreased in our Performance Chemicals segment increased from 62 days to 55 63 days; increased from 121 days to 133 141 days in our Fuel Specialties segment; and increased from 48 days to 55 69 days in our Oilfield Services segment.

Prepaid expenses decreased $3.7 million $9.0 million, from $18.7 million to $15.0 million $9.7 million, primarily due to the normal expensing of prepaid invoices.

We had a $19.5 million $58.7 million decrease in accounts payable and accrued liabilities, due to the timing of production to align with customer demand in our Oilfield Services segment, and which was dependent on the timing of payments for each of our reporting segments. Creditor days (including goods received not invoiced) remained constant have increased in our Performance Chemicals segment at from 45 days to 48 days; increased from 41 days to 45 44 days in our Fuel Specialties segment; and increased from 48 days to 51 days in our Oilfield Services segment. The increases for creditor days have been impacted by the timing of sales in the last two months of the quarter.

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Operating Cash Flows

We generated cash from operating activities of $80.6 million $85.3 million in the first three six months of 2024 compared to $21.8 million $76.8 million in the first three six months of 2023. The increase in cash generated from operating activities was related to

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reductions in our increased operating income and favorable income tax changes year over year, being partly offset by higher working capital for requirements in the first three months current year primarily related to the increased inventory levels needed to secure the supply of 2024, together with the changes for income tax payments and the contribution from higher profitability. certain raw materials.

Cash

At March 31, 2024 June 30, 2024 and December 31, 2023, we had cash and cash equivalents of $270.1 million $240.2 million and $203.7 million, respectively, of which $72.6 million $77.8 million and $59.8 million, respectively, were held by non-U.S. subsidiaries principally in the United Kingdom.

The increase in cash and cash equivalents of $66.4 million $36.5 million for the first three six months of 2024 was driven by the our positive trading cash generated from operating activities together with decreased working capital requirements, flow, being partly offset by our working capital needs, our continued investments in capital projects. projects and the payment of our semi-annual dividend.

Debt

We continue to have available a $250.0 million multicurrency revolving credit facility (the “Facility”), which contains an accordion feature whereby we may elect to increase the total available borrowings by an aggregate amount of up to $125.0 million. Effective as of May 20, 2024, the termination date of the Facility was extended from May 30, 2027 to May 31, 2028 in accordance with the terms of our multicurrency revolving facility agreement (the “Facility Agreement”). No other terms of the Facility Agreement or the Facility were modified. We paid a customary extension fee in connection with the extension of the Facility as contemplated by the Facility Agreement.

At March 31, 2024 June 30, 2024, and December 31, 2023, we had no debt outstanding under the revolving credit facility and no obligations were outstanding under finance leases. See Note 8 of the Notes to the Condensed Consolidated Financial Statements for additional information.

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Item 3 Quantitative and Qualitative Disclosures about Market Risk

The Company uses floating rate debt to finance its global operations. The Company is subject to business risks inherent in non-U.S. activities, including political and economic uncertainty, import and export limitations, and market risk related to changes in interest rates and foreign currency exchange rates. The political and economic risks are mitigated by the stability of the major countries in which the Company’s largest operations are located. Credit limits, ongoing credit evaluation and account monitoring procedures are used to minimize bad debt risk. Collateral is not generally required.

From time to time, the Company uses derivatives, including interest rate swaps, commodity swaps and foreign currency forward exchange contracts, in the normal course of business to manage market risks. The derivatives used in hedging activities are considered risk management tools and are not used for trading purposes. In addition, the Company enters into derivative instruments with a diversified group of major financial institutions in order to manage the exposure to non-performance of such instruments. The Company’s objective in managing the exposure to changes in interest rates is to limit the impact of such changes on earnings and cash flows and to lower overall borrowing costs. The Company’s objective in managing the exposure to changes in foreign currency exchange rates is to reduce volatility on earnings and cash flows associated with such changes.

The Company offers fixed prices for some long-term sales contracts. As manufacturing and raw material costs are subject to variability, the Company, from time to time, uses commodity swaps to hedge the cost of some raw materials thus reducing volatility on earnings and cash flows. The derivatives are considered risk management tools and are not used for trading purposes. The Company's objective is to manage its exposure to fluctuating costs of raw materials.

The Company's exposure to market risk has been discussed in the Company's 2023 Annual Report on Form 10-K and there have been no significant changes since that time.

Item 4 Controls and Procedures

Evaluation of Disclosure Controls and Procedures

On December 8, 2023, the Company acquired QGP Química Geral S.A. ("QGP"). As permitted by related SEC staff interpretive guidance for newly acquired businesses, management has excluded QGP from its assessment of the effectiveness of the Company's internal control over financial reporting. We are currently in the process of implementing our internal control structure over the acquired operations and expect that this effort will be completed in 2024.

Based on an evaluation carried out as of the end of the period covered by this report, under the supervision and with the participation of our management, our Chief Executive Officer and our Chief Financial Officer concluded that the Company's "disclosure controls and procedures" (as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934) were effective as of March 31, 2024 June 30, 2024, to provide reasonable assurance that information required to be disclosed by the Company in reports that it files or submits under the Exchange Act is (i) recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and (ii) accumulated and communicated to the Company's management, including its principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting

The Company is continuously seeking to improve the efficiency and effectiveness of its operations and of its internal control over financial reporting. This is intended to result in refinements to processes throughout the Company.

There were no changes to our internal control over financial reporting which were identified in connection with the evaluation required by paragraph (d) of Rules 13a-15 and 15d-15 under the Securities Exchange Act of 1934, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II OTHER INFORMATION

Item 1 Legal Proceedings

Legal matters

We are involved from time to time in claims and legal proceedings that result from, and are incidental to, the conduct of our business including business and commercial litigation, employee and product liability claims.

As reported in the 2023 Form 10-K, we have incurred financial losses and lodged a civil and criminal legal claim related to a misappropriation of inventory in Brazil. As at the time of filing, there have been no significant developments to report in relation to the claims being made. Consistent with prior quarters, a corresponding asset for the potential legal or insurance recoveries has not been recorded for the resulting financial losses arising from this matter.

In addition, unrelated to the Brazil matter, in the unlikely event there are an unexpectedly large number of individual claims or proceedings with an adverse resolution, this could in the aggregate have a material adverse effect on the results of operations for a particular year or quarter.

Item 1A Risk Factors

Information regarding risk factors that could have a material impact on our results of operations or financial condition are described under "Risk Factors" in Item 1A of Part I of our 2023 Form 10-K. In management's view, there have been no material changes in the risk factors facing the Company as disclosed in those SEC filings.

Item 2 Unregistered Sales of Equity Securities and Use of Proceeds

There have been no unregistered sales of equity securities.

The following table provides information about our repurchases of equity securities in the period.

Issuer Purchases of Equity Securities

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
February 1, 2024 through February 29, 2024	3,108	$ 123.33	—	$ 43.6 million
Total	3,108	$ 123.33	—	$ 43.6 million

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
May 1, 2024 through May 31, 2024	2,099	$ 128.8	—	$ 43.6 million
Total	2,099	$ 128.8	—	$ 43.6 million

During the quarter ended March 31, 2024June 30, 2024, the Company did not purchase any of its common stock as part of its share repurchase program announced on February 15, 2022. The repurchase program allows for up to $50 million of the Company's common stock to be repurchased in the open market over a three-year period commencing on February 16, 2022.
During the quarter ended March 31, 2024June 30, 2024, the company repurchased its common stock in connection with the exercising of stock options by directors and employees.

Item 3 Defaults Upon Senior Securities

None.

Item 4 Mine Safety Disclosures

Not applicable.

Item 5 Other Information

(a), (b), and (c) – None.

Item 6 Exhibits

10.1	Innospec - 2024 Performance Shares Grant Agreement. Extension Request for Multicurrency Revolving Facility Agreement and Confirmation (Incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed on May 21, 2024). *
10.2	Innospec - 2024 Time-Based Shares Grant Agreement.*
31.1	Certification of Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification of Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101	XBRL Instance Document and Related Item - The instance document does not appear in the interactive data file because its XBRL tags are embedded within the inline XBRL document.
104	Cover Page Interactive Data File – The cover page XBRL tags are embedded within the inline XBRL document.

* Denotes a management contract or compensatory plan.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

		INNOSPEC INC.
		Registrant
Date: May 10, 2024 August 7, 2024	By	/s/ PATRICK S. WILLIAMS
		Patrick S. Williams **President and Chief Executive Officer**
Date: May 10, 2024 August 7, 2024	By	***/s/*** IAN P. CLEMINSON
		Ian P. Cleminson **Executive Vice President and Chief Financial Officer**

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Exhibit 10.1

PERFORMANCE-BASED RESTRICTED STOCK UNIT GRANT AWARD AGREEMENT
UNDER THE INNOSPEC INC. 2018 OMNIBUS LONG-TERM INCENTIVE PLAN

THIS AGREEMENT is effective as of the Grant Date (as defined in Section 1), and is by and between the Participant and Innospec Inc. (the "Company").

WHEREAS, the Company maintains the Innospec Inc. 2018 Omnibus Long-Term Incentive Plan (the "Plan"), and the Participant has been selected by the committee administering the Plan (the "Committee") to receive a Performance-Based Restricted Stock Unit Award under the Plan; and

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as provided as follows in this Performance-Based Restricted Stock Unit Award Agreement (the “Agreement”). The Performance-Based Restricted Stock Unit Award is in all respects subject to the terms, definitions and provisions of the Plan and the Agreement. Unless the context clearly provides otherwise, the capitalized terms herein shall have the meaning ascribed to such terms under the Plan.

1. Performance-Based Restricted Stock Unit Award Terms. The following words and phrases used in this Agreement shall have the meanings set forth in this Section 1:
   (A) Participant: The “Participant” is [●]
   (B) Grant Date: February 26, 2024
   (C) Total Performance-Based Restricted Stock Units: Participant is hereby granted an aggregate total of [●] Units (the “Units”) subject to the terms of this Agreement and the Plan.
      i. Stock Award: [●] of the Units shall be referred to as “Stock Award Units”. Each granted Stock Award U represents the right to receive one share of Stock, subject to the terms and conditions of this Agreement and Plan.

ii. Cash Incentive Award: [●] of the Units shall be referred to as "Cash Incentive Award Units". Each granted Ca Incentive Award Unit represents the right to receive a cash payment equal to the Fair Market Value of one share Stock, subject to the terms and conditions of this Agreement and the Plan.

(D) Performance Period: The "Performance Period" shall be the period from [December 31, 2023] through [December 31, 2026] (or, if earlier, the date of a Vesting Change in Control (as defined below)).

(E) Settlement Date: The "Settlement Date" shall be the earlier to occur of (i) the three-year anniversary of the Grant Date and (ii) a Vesting Change in Control.

(F) Performance Percentage: The "Performance Percentage" for the Performance Period shall be determined by the Committee in its sole discretion consistent with Exhibit A.

(G) Vesting Period. With respect to all Units, the "Vesting Period" shall begin on the Grant Date and shall end on the Settlement Date (or, if earlier, a Vesting Change in Control (the earlier

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of such dates referred to as the "Vesting Date")). Subject Section 2 below, if the Participant's Termination Date does not occur during the Vesting Period with respect to any Units, then the Participant shall become vested in the Units as of the Vesting Date.

2. Termination of Employment. Except as determined by the Committee in its sole discretion, any portion of Units for which the Vesting Period has not ended prior to or upon the Participant's Termination Date, shall be forfeited, and the Participant shall have no rights to any distribution on the Settlement Date or any other rights pursuant to this Agreement.
3. Settlement Date. Within thirty (30) days of the Settlement Date, the Participant shall receive a certain number of shares of Stock in settlement of the Stock Award Units (which have not previously been forfeited or cancelled) and a cash payment in settlement of the Cash Incentive Award Units (which have not previously been forfeited or cancelled). The number of shares of Stock that the Participant shall receive shall be determined by multiplying (a) the number of Stock Award Units granted pursuant to this Agreement by (b) the Performance Percentage (with such percentage converted to a number by dividing such percentage by 100). The amount of the cash payment that the Participant shall receive shall be determined by multiplying (a) the number of Cash Incentive Award Units granted pursuant to this Agreement by (b) the Performance Percentage (with such percentage converted to a number by dividing such percentage by 100) by (c) Fair Market Value of a share of Stock on the Settlement Date.
4. Dividends. The Participant shall not have any right to payment for dividendsor dividend equivalents with respect to any Units granted under this Performance-Based Restricted Stock Unit Award.
5. Change in Control. In the event of a Change in Control on or prior to the Vesting Date, the Company, or the entity that is the surviving entity or successor to the Company following such transaction, may elect (a) to continue this Performance-Based Restricted Stock Unit Award subject to the terms of this Agreement and the Plan as described in this Section 5 and subject to such adjustments, if any, by the Committee as permitted by Section 3.2 of the Plan; or (b) to terminate this Performance-Based Restricted Stock Unit Award and distribute shares of Stock and make the cash payment within sixty (60) days following such Change in Control. In the event that the Company or its successor chooses to terminate this award and make a distribution of shares of Stock and a cash payment as provided in clause (b) of the previous sentence (in which case the Change in Control is a "Vesting Change in Control"), the payment amount determined pursuant to Section 3 shall be determined as if the date of the Vesting Change in Control were the Settlement Date and the number of shares of Stock to be delivered and the amount of the cash payment pursuant to Section 3 shall be calculated as if the date of such Vesting Change in Control were the Settlement Date and the Company achieved target performance on all applicable Performance Measures and the shares of Stock received by a Participant pursuant to this Section 5 shall be free of restrictions otherwise imposed by this Agreement and the Plan; provided, however that the shares of Stock shall remain subject to the terms of this Agreement expressly applicable after the Settlement Date (including, without limitation, Section 7).

6. Section 409A of the Code. The distribution of shares of Stock made pursuant to this Agreement are intended to be interpreted and operated to the fullest extent possible so that such distributions shall be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”). It is intended that the distribution of shares of Stock will in any event be made pursuant to the terms of this Agreement to the Participant within the period necessary to satisfy the exemption from Section 409A of the Code for short-term deferrals set forth in Treas. Reg.

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§1.409A-1(b)(4)(i) (which generally requires that payment be made not later than the fifteenth day of the third month after the end of the year in which the amount is no longer subject to a substantial risk of forfeiture as defined for purposes of Section 409A of the Code). To the extent that the distributions of shares of Stock made pursuant to this Agreement are deferred compensation subject to (but not otherwise exempt from) Section 409A of the Code, this Agreement is intended to be interpreted and operated to the fullest extent possible so that the distribution of shares of Stock pursuant to this Agreement shall comply with the requirements of Section 409A of the Code.

7. Clawback Policy. Notwithstanding anything in this Agreement to the contrary, in consideration for the award of this Performance-Based Restricted Stock Unit Award, the Participant acknowledges and agrees that the Participant is subject to the Innospec, Inc. Clawback Policy (the “Clawback Policy”) and that the Participant’s rights with respect to this Performance-Based Restricted Stock Unit Award and any other Covered Awards (as defined in the Clawback Policy) granted to the Participant shall be subject to Clawback Policy as amended from time to time.

8. Withholding. The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Related Company for which the Participant provides service (the “Employer”), the ultimate liability for all income tax, social insurance contributions, payroll tax, fringe benefits tax, payment on account, and other tax-related items related to the Participant's participation in the Plan and legally applicable to Participant (“Tax-Related Items”) is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Units, including, but not limited to, the grant, earning or settlement of the Units, the subsequent sale of shares Stock acquired pursuant to such settlement and the receipt of any dividends or other distributions paid on the Stock, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Units to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. Any applicable withholding required with respect to this Restricted Stock Unit Award shall be satisfied through the surrender of shares of Stock to which the Participant is otherwise entitled under the Plan for the Stock Award Units (or one of the methods described below) and withholding of a portion of the cash payment for the Cash Incentive Award Units; provided, however, that the amount withheld in the form of shares of Stock to which the Participant is entitled under the Plan may not exceed the maximum individual tax rate for the Participant in applicable jurisdictions for such Participant (based on the applicable rates of the relevant tax authorities (for example, federal, state and local), including the Participant’s share of payroll or similar taxes, as provided in tax law, regulations, or the authority’s administrative practices, not to exceed the highest statutory rate in that jurisdiction, even if that rate exceeds the highest rate that may be applicable to the specific Participant. Further, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items not satisfied consistent with the prior sentence by one or a combination of the following: (i) withholding from wages or other cash compensation payable to the Participant by the Company or the Employer; (ii) withholding from proceeds of the sale of Stock to be issued upon settlement of the Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this

authorization without further consent); and (iii) any other method acceptable to the Company and permitted under the Plan and applicable laws. If the obligation for Tax-Related

Items is satisfied by withholding in shares of Stock, the Participant is deemed to have been issued the full number of shares of Stock subject to the vested Units, notwithstanding that a number of the shares of Stock are held back solely for the purpose of paying the Tax-Related Items. The Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to deliver the shares Stock or the proceeds of the sale of shares of Stock if the Participant fails to comply with the Participant's obligations for Tax-Related Items.

9. Transferability. This Performance-Based Restricted Stock Unit Award is not transferable except as designated by the Participant by will or by the laws of descent and distribution or, to the extent provided by the Committee.
10. Adjustment of Award. The number and type of shares of Stock subject to this Performance-Based Restricted Stock Unit Award will or may be adjusted in accordance with the Section 3.2 of the Plan to reflect certain corporate transactions which affect the number, type or value of such shares.
11. No Implied Rights. Neither the Plan nor this Performance-Based Restricted Stock Unit Award constitutes a contract of employment or continued service and does not give the Participant the right to be retained in the employ or service of the Company or any Related Company, nor any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan or this Performance-Based Restricted Stock Unit Award. Except as otherwise provided in the Plan or this Performance-Based Restricted Stock Unit Award, no Award under the Plan shall confer upon the holder thereof any right as a stockholder of the Company prior to the date on which the Participant fulfills all service requirements and other conditions for receipt of such rights and shares of Stock are registered in the Participant’s name.
12. Country Specific Provisions. Notwithstanding any provisions in this Agreement, the Units shall be subject to any additional terms and conditions set forth in the Appendix to this Agreement for the Participant's country. Moreover, if the Participant relocate to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to the Participant to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant’s transfer). The Appendix constitutes part of this Agreement.
13. Nature of Grant. In accepting the Units, the Participant acknowledges, understands and agrees that:
    A. the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspendec terminated by the Company at any time, to the extent permitted by the Plan;
    B. the award of the Units is exceptional, voluntary and occasional and does not create any contractual or other right to rece future grants of Units, or benefits in lieu of Units, even if Units have been granted in the past;
    C. all decisions with respect to future Units or other Awards, if any, will be at the sole discretion of the Company;
    D. the award of Units and the Participant's participation in the Plan shall not be interpreted as forming or amending an employm or service contract with the Company or the Employer, and shall not interfere with the ability of the Company, the Employe any other subsidiary or affiliate, as applicable, to terminate the Participant's employment relationship (if any);

E. the Participant is voluntarily participating in the Plan, and in making the decision whether to accept or reject the Award, Participant has had the opportunity to obtain the advice of legal counsel;
F. the Units and the shares of Stock subject to the Units, and the income from and value of same, are not intended to replace a pension rights or compensation;
G. the Units and the shares of Stock subject to the Units, and the income from and value of same, are not part of normal expected compensation for purposes of, including but not limited to, calculating any severance, resignation, terminati redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welf benefits or similar payments;
H. the future value of the underlying shares of Stock is unknown, indeterminable and cannot be predicted with certainty; and
I. no claim or entitlement to compensation or damages shall arise from forfeiture of the Units resulting from the termination of Participant's employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment la in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any); and

J. neither the Company nor the Employer shall be liable for any foreign exchange rate fluctuation between the Participant's lo currency and the United States Dollar that may affect the value of the Units or of any amounts due to the Participant pursuan the settlement of the Units or the subsequent sale of any shares of Stock acquired upon settlement.

14. Plan Governs. This Performance-Based Restricted Stock Unit Award shall be subject to all of the terms and conditions of the Plan, a copy of which may be obtained from the Secretary of the Company.
15. Severability. The provisions of the Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. The parties further agree to seek a lawful substitute for any provision found to be unlawful; provided, that, if the parties are unable to agree upon a lawful substitute, the parties desire and request that a court or other authority called upon to decide the enforceability of this Agreement modify the Agreement so that, once modified, the Agreement will be enforceable to the maximum extent permitted by the law in existence at the time of the requested enforcement.
16. Waiver. The waiver by the Company with respect to the Participant's (or any other Participant's) compliance of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by such party of a provision of the Agreement.
17. Imposition of Other Requirements . The Company reserves the right to impose other requirements on the Participant participation in the Plan, on the Units and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.
18. Compliance with Law. Notwithstanding any other provision of the Plan or the Agreement, unless there is an exemption from any registration, qualification or other legal requirement applicable to the shares of Stock, the Company shall not be required to deliver any shares issuable upon settlement

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of the Units prior to the completion of any registration or qualification of the shares under any U.S. or non-U.S. local, state or federal securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any U.S. or non-U.S. local, state or federal governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify the shares with the SEC or any state or Non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, the Participant agrees that the Company shall have unilateral authority to amend the

Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

19. Exchange Control, Foreign Asset/Account and/or Tax Reporting. Depending upon the country to which laws the Participant is subject, the Participant may have certain foreign asset/account and/or tax reporting requirements that may affect the Participant's ability to acquire or hold shares of Stock under the Plan or cash received from participating in the Plan (including from any dividends or sale proceeds arising from the sale of shares of Stock) in a brokerage or bank account outside the Participant's country of residence. The Participant's country may require that the Participant report such accounts, assets or transactions to the applicable authorities in the Participant's country. The Participant also may be required to repatriate cash received from participating in the Plan to the Participant's country within a certain period of time after receipt. The Participant is responsible for knowledge of and compliance with any such regulations and should speak with the Participant's personal tax, legal and financial advisors regarding same.
20. Language. The Participant acknowledges that the Participant is proficient in the English language, or that the Participant has consulted with an advisor who is proficient in the English language, so as to enable the Participant to understand the provisions of this Agreement and the Plan. If the Participant has received the Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.
21. Amendment and Termination. The Board may, at any time, amend or terminate the Plan, and the Board or the Committee may amend the Agreement, provided that no amendment or termination may, in the absence of written consent to the change by the Participant (or, if the Participant is not then living, the affected Beneficiary), adversely affect the rights of any Participant or Beneficiary under this Performance-Based Restricted Stock Unit Award. Adjustments pursuant to subsection 3.2 of the Plan shall not be subject to the foregoing limitations. It is the intention of the Company that, to the extent that any provisions of this Plan or this Performance-Based Restricted Stock Unit Award are subject to Section 409A of the Code, the Plan and this Performance-Based Restricted Stock Unit Award comply with the requirements of Section 409A of the Code and that the Board shall have the authority to amend the Plan and this Agreement as it deems necessary to conform to Section 409A of the Code. This Agreement and the Plan set forth the entire understanding of the agreement between the Company and the Participant with respect to this Performance-Based Restricted Stock Unit Award and supersede any prior written or oral agreements with respect thereto.
22. Applicable Law. The Plan and this Performance-Based Restricted Stock Unit Award shall be construed in accordance with the laws of the State of Delaware, USA.

IN WITNESS WHEREOF, the Participant has executed the Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the Grant Date.

____

Innospec Inc.

I hereby agree to all the terms, restrictions and conditions set forth in the Agreement:

____

MERGEFIELD Name «Name»
Participant

Exhibit A
CALCULATION OF PERFORMANCE PERCENTAGE

The "Performance Percentage" for the Performance Period shall be determined as the sum of the (Relative TSR Percentage * .3) + (Growth in Revenue Percentage * .3) + (Growth in EPS Percentage * .4), with each such percentage determined by the Committee in its sole discretion consistent with the definitions and tables below.

1. Relative TSR Percentage: The Relative TSR Percentage shall be determined as provided in the table below based on comparison of the Company's TSR to the TSR of the Peer Companies (as defined below).

Relative Total Shareholder Return	Relative TSR Percentage
75th Percentile or higher	200%
50th Percentile	100%
25th Percentile	50%
Less than 25th Percentile	0%

The following definitions apply for the calculation of the Relative TSR Percentage.

a. Accumulated Shares. The term "Accumulated Shares" means, for a given trading day, the sum of (i) one share and (ii) the cumulative number of shares of the company's common stock purchasable with dividends declared on the company's common stock to prior to such date during the period beginning on October 1, 2023 and ending on the last day of the Performance Period, assuming same-day reinvestment of such dividends at the closing price of the ex-dividend date.

b. Closing Average Share Value. The term "Closing Average Share Value" means the average Share Value between October 1, 2026 and December 31, 2026.

c. Opening Average Share Value. The term "Opening Average Share Value" means the average Share Value between October 1, 2023 and December 31, 2023.

d. Peer Companies. The term "Peer Companies" means the following companies as adjusted during the Performance Period as follows as determined by the Committee:

AdvanSix Inc., Avient Corporation, American Vanguard Corporation, Ashland Inc., Balchem Corporation, Cabot Corporation, H.B. Fuller Company, Ingevity Corporation, Koppers Holdings Inc., Minerals Technologies Inc., NewMarket Corporation, Orion S.A., Quaker Chemical Corporation, Rayonier Advanced Materials Inc., Sensient Technologies Corporation, Stepan Company, Tredegar Corporation.

The Peer Companies may be changed as follows:

i. In the event of a merger, acquisition, or business combination transaction of a Peer Company with or by another Peer Company, the surviving entity shall remain a Peer Company.

ii. In the event of a merger of a Peer Company with an entity that is not a Peer Company, or the acquisition or business combination transaction by or with a Peer Company, or with an entity that is not a Peer Company, in each case where the Peer Company is the surviving entity and remains publicly traded, the surviving entity shall remain a Peer Company.

iii. In the event of a merger or acquisition or business combination transaction of a Peer Company by or with an entity that is not a Peer Company or a "going private" transaction involving a Peer Company where the Peer Company is not the surviving entity or is otherwise no longer publicly traded as of the last trading day of the Performance Period, the company shall no longer be a Peer Company. For the avoidance of doubt, if a Share Value is calculable for a Peer Company on the last trading day of the Performance Period, that Peer Company shall remain a Peer Company.

iv. In the event of a bankruptcy, liquidation or delisting of a Peer Company, such company shall remain a Peer Company [but the TSR for such Peer Company shall be assumed to be a negative 100%].

v. In the event of a stock distribution from a Peer Company consisting of the shares of a new publicly-traded company (a "spin-off"), the Peer Company shall remain a Peer Company and the stock distribution shall be treated as a dividend from the Peer Company based on a value as determined by a reputable data provider (e.g., S&P Global, Bloomberg, or Factset). The performance of the shares of the spun-off company shall not thereafter be tracked for purposes of calculating TSR.

Each Peer Company's "common stock" shall mean that series of common stock that is publicly traded on a registered U.S. exchange or, in the case of a non-U.S. company, an equivalent non-U.S. exchange. For purposes of calculating TSR, the value on any given trading day of any Peer Company shares traded on a foreign exchange will be converted to U.S. dollars.

e. Relative Total Shareholder Return. The term "Relative Total Shareholder Return" means the Company's Total Shareholder Return relative to the Total Shareholder Return of the Peer Companies expressed as a percentile rank. Percentile rank shall be calculated with the Microsoft Excel formula PERCENTRANK, exclusive of the Company from the Peer Companies. The percentile rank of the Company shall be rounded down to the nearest one hundredth of one percent (0.01%).

f. Share Value. The term "Share Value" means, with respect to a given trading day, the closing price of a company's common stock multiplied by the Accumulated Shares for such trading day.

g. Total Shareholder Return. The term "Total Shareholder Return" means, for the Company and each of the Peer Companies, the company's total shareholder return, expressed as a percentage, which will be calculated by dividing (i) the Closing Average Share Value by (ii) the Opening Average Share Value and subtracting one from the quotient.

2. Growth in Revenue Percentage: The determination of Growth in Revenue of the Company for purposes of the Growth in Revenue Percentage shall be determined by taking the Revenue for 2026 and subtracting the budgeted Revenue for 2024 from such amount and then dividing such difference by the budgeted Revenue for 2024 (using the amounts for Revenue for 2026 that the Company disclosed as part of its annual Form 10-K for year 2026).

Growth in Revenue of Actual Revenue 2026 vs. 2024 Budget Revenue	Growth in Revenue Percentage
5% or greater Growth in Revenue	100%
Greater than or equal to 3% Growth in Revenue but less than 5%	65%
Greater than or equal to 2% Growth in Revenue but less than 3%	30%
Less than 2% Growth in Revenue	0%(nil)

3. Growth in EPS Percentage: The determination of Growth in EPS of the Company for purposes of the Growth in EPS Percentage shall be determined by taking the earnings per share for 2026 and subtracting the budgeted earnings per share for 2024 from such amount and then dividing such difference by the budgeted earnings for 2024 (using the amounts for earnings per share for 2026 that the Company disclosed as part of its annual Form 10-K for year 2026).

Growth in Earnings per Share (EPS) 2026 vs. 2024 Budget EPS	Growth in EPS Percentage
5% or greater Growth in EPS	100%
Greater than or equal to 3% Growth in EPS but less than 5%	65%
Greater than or equal to 2% Growth in EPS but less than 3%	30%
Less than 2% Growth in EPS	0%(nil)

The applicable percentage for the Relative TSR Percentage, the Growth in Revenue Percentage and the Growth in EPS Percentage shall be determined on a straight-line basis between each threshold listed in the tables above up to the maximum percentage listed in each table. For

example, Growth in EPS equal to 4% would result in a Growth in EPS Percentage equal to 82.5%.

APPENDIX
ADDITIONAL TERMS AND CONDITIONS FOR RESTRICTED STOCK UNITS
UNDER THE 2018 OMNIBUS LONG-TERM INCENTIVE PLAN

Capitalized terms used but not defined in this Appendix shall have the same meanings assigned to them in the Plan and the Agreement.

General

This Appendix includes additional terms and conditions that govern the Units if the Participant works and/or resides in one of the countries listed below. If the Participant is a citizen or resident of a country other than the one in which the Participant is currently working and/or residing in (or are considered as such for local law purposes), or the Participant transfers employment and/or residency to a different country after the Units are granted, the Company will, in its discretion, determine to what extent the terms and conditions contained herein apply to the Participant (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer).

Notifications

This Appendix also includes information regarding certain other issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of December 2020. Such laws are often complex and change frequently. As a result, the Company strongly recommendsthat the Participant not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out-of-date at the time the Participant vests in the Units or sell any shares of Stock acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation. As a result, the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant is strongly advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to the Participant's individual situation.

If the Participant is a citizen or resident of a country other than the one in which the Participant is currently working and/or residing in (or is considered as such for local law purposes), or if the Participant transfers employment and/or residency to a different country after the Units are granted, the notifications contained in this Appendix may not be applicable to the Participant in the same manner.

UNITED KINGDOM

Terms and Conditions

Responsibility for Taxes and Withholding. This provision amends Section 8 of the Agreement:

Without limitation to Section 8, the Participant agrees that the Participant is liable for all tax obligations and hereby covenants to pay all such tax obligations as and when requested by the Company or the Employer or by Her Majesty's Revenue and Customs ("HMRC") (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and the Employer against any taxes that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant's behalf.

Notwithstanding the foregoing, if the Participant is an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the Participant understands that the Participant may not be able to indemnify the Company or the Employer for the amount of income tax not collected from or paid by the Participant, as it may be considered a loan. In the event that the Participant is an executive officer or director and income tax is not collected from the Participant within ninety (90) days after the end of the tax year in which the taxable event occurs, the amount of any uncollected income tax may constitute an additional benefit to the Participant on which additional income tax and national insurance contributions ("NICs") may be payable. The Participant acknowledges that the Participant is responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Employer for the value of any NICs due on this additional benefit, which the Company or the Employer may obtain from the Participant pursuant to Section 10 of the Agreement.

Exhibit 10.2

RESTRICTED STOCK UNIT GRANT AWARD AGREEMENT
UNDER THE INNOSPEC INC. 2018 OMNIBUS LONG-TERM INCENTIVE PLAN

THIS AGREEMENT is effective as of the Grant Date (as defined in Section 1) and is by and between the Participant and Innospec Inc. (the "Company").

WHEREAS, the Company maintains the Innospec Inc. 2018 Omnibus Long-Term Incentive Plan (the "Plan"), and the Participant has been selected by the committee administering the Plan (the "Committee") to receive a Restricted Stock Unit Award under the Plan; and

NOW, THEREFORE, IT IS AGREED, by and between the Company and the Participant, as provided as follows in this Restricted Stock Unit Award Agreement (the "Agreement"). The Restricted Stock Unit Award is in all respects subject to the terms, definitions and provisions of the Plan and the Agreement. Unless the context clearly provides otherwise, the capitalized terms herein shall have the meaning ascribed to such terms under the Plan.

1. Restricted Stock Unit Award Terms. The following words and phrases used in this Agreement shall have the meanings set forth in this Section 1:
   (A) Participant: The "Participant" is [●]
   (B) Grant Date: February 26, 2024
   (C) Total Restricted Stock Units: Participant is hereby granted an aggregate total of [●] Units (the "Units") subject to the terms of this Agreement and the Plan.
      i. Stock Award: [●] of the Units shall be referred to as "Stock Award Units". Each granted Stock Award U represents the right to receive one share of Stock, subject to the terms and conditions of this Agreement and Plan.
      ii. Cash Incentive Award: [●] of the Units shall be referred to as "Cash Incentive Award Units". Each granted Ca Incentive Award Unit represents the right to receive a cash payment equal to the Fair Market Value of one share Stock, subject to the terms and conditions of this Agreement and the Plan.
   (D) Settlement Date: The "Settlement Date" shall be the earlier to occur of (i) the three-year anniversary of the Grant Date and (ii) a Vesting Change in Control.
   (E) Vesting Period. With respect to all Units, the "Vesting Period" shall begin on the Grant Date and shall end on the Settlement Date (or, if earlier, a Vesting Change in Control (the earlier of such dates referred to as the "Vesting Date")). Subject Section 2 below, if the Participant's Termination Date does not occur during the Vesting Period with respect to any Units, then the Participant shall become vested in the Units as of the Vesting Date.
2. Termination of Employment. Except as determined by the Committee in its sole discretion, any portion of Units for which the Vesting Period has not ended prior to or upon the Participant's

Termination Date, shall be forfeited, and the Participant shall have no rights to any distribution on the Settlement Date or any other rights pursuant to this Agreement.

3. Settlement Date. Within thirty (30) days of the Settlement Date, the Participant shall receive a certain number of shares of Stock in settlement of the Stock Award Units (which have not previously been forfeited or cancelled) and a cash payment in settlement of the Cash Incentive Award Units (which have not previously been forfeited or cancelled). The number of shares of Stock that the Participant shall receive shall be equal to the number of Stock Award Units that became vested on the Vesting Date. The amount of the cash payment that the Participant shall receive shall be equal to the number of Cash Incentive Award Units that became vested on the Vesting Date multiplied by the Fair Market Value of a share of Stock on the Settlement Date.
4. Dividends. The Participant shall not have any right to payment for dividends or dividend equivalents with respect to any Units granted under this Restricted Stock Unit Award.
5. Change in Control. In the event of a Change in Control on or prior to the Vesting Date, the Company, or the entity that is the surviving entity or successor to the Company following such transaction, may elect (a) to continue this Restricted Stock Unit Award subject to the terms of this Agreement and the Plan as described in this Section 5 and subject to such adjustments, if any, by the Committee as permitted by Section 3.2 of the Plan; or (b) to terminate this Restricted Stock Unit Award and distribute shares of Stock and make the cash payment within sixty (60) days following such Change in Control. In the event that the Company or its successor chooses to terminate this award and make a distribution of shares of Stock and a cash payment as provided in clause (b) of the previous sentence (in which case the Change in Control is a “Vesting Change in Control”), the payment amount determined pursuant to Section 3 shall be determined as if the date of the Vesting Change in Control were the Settlement Date and the number of shares of Stock to be delivered and the amount of the cash payment pursuant to Section 3 shall be calculated as if the date of such Vesting Change in Control were the Settlement Date and the shares of Stock received by a Participant pursuant to this Section 5 shall be free of restrictions otherwise imposed by this Agreement and the Plan; provided, however that the shares of Stock shall remain subject to the terms of this Agreement expressly applicable after the Settlement Date (including, without limitation, Section 7).
6. Section 409A of the Code. The distribution of shares of Stock made pursuant to this Agreement are intended to be interpreted and operated to the fullest extent possible so that such distributions shall be exempt from the requirements of Section 409A of the Internal Revenue Code of 1986, as amended (the “Code”). It is intended that the distribution of shares of Stock will in any event be made pursuant to the terms of this Agreement to the Participant within the period necessary to satisfy the exemption from Section 409A of the Code for short-term deferrals set forth in Treas. Reg. §1.409A-1(b)(4)(i) (which generally requires that payment be made not later than the fifteenth day of the third month after the end of the year in which the amount is no longer subject to a substantial risk of forfeiture as defined for purposes of Section 409A of the Code). To the extent that the distributions of shares of Stock made pursuant to this Agreement are deferred compensation subject to (but not otherwise exempt from) Section 409A of the Code, this Agreement is intended to be interpreted and operated to the fullest extent possible so that the distribution of shares of Stock pursuant to this Agreement shall comply with the requirements of Section 409A of the Code.
7. Clawback Policy. Notwithstanding anything in this Agreement to the contrary, in consideration for the award of this Restricted Stock Unit Award, the Participant acknowledges and agrees that the Participant is subject to the Innospec, Inc. Clawback Policy (the “Clawback Policy”) and that the

Participant's rights with respect to this Restricted Stock Unit Award and any other Covered Awards (as defined in the Clawback Policy) granted to the Participant shall be subject to Clawback Policy as amended from time to time.

8. Withholding. The Participant acknowledges that, regardless of any action taken by the Company or, if different, the Related Company for which the Participant provides service (the "Employer"), the ultimate liability for all income tax, social insurance contributions, payroll tax, fringe benefits tax, payment on account, and other tax-related items related to the Participant's participation in the Plan and legally applicable to Participant ("Tax-Related Items") is and remains the Participant's responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. The Participant further acknowledges that the Company and/or the Employer (i) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Units, including, but not limited to, the grant, earning or settlement of the Units, the subsequent sale of shares Stock acquired pursuant to such settlement and the receipt of any dividends or other distributions paid on the Stock, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Units to reduce or eliminate the Participant's liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant is subject to Tax-Related Items in more than one jurisdiction, the Participant acknowledges that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction. Any applicable withholding required with respect to this Restricted Stock Unit Award shall be satisfied through the surrender of shares of Stock to which the Participant is otherwise entitled under the Plan for the Stock Award Units (or one of the methods described below) and withholding of a portion of the cash payment for the Cash Incentive Award Units; provided, however, that the amount withheld in the form of shares of Stock to which the Participant is entitled under the Plan may not exceed the maximum individual tax rate for the Participant in applicable jurisdictions for such Participant (based on the applicable rates of the relevant tax authorities (for example, federal, state and local), including the Participant's share of payroll or similar taxes, as provided in tax law, regulations, or the authority's administrative practices, not to exceed the highest statutory rate in that jurisdiction, even if that rate exceeds the highest rate that may be applicable to the specific Participant. Further, the Participant authorizes the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations with regard to all Tax-Related Items not satisfied consistent with the prior sentence by one or a combination of the following: (i) withholding from wages or other cash compensation payable to the Participant by the Company or the Employer; (ii) withholding from proceeds of the sale of Stock to be issued upon settlement of the Units either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant's behalf pursuant to this authorization without further consent); and (iii) any other method acceptable to the Company and permitted under the Plan and applicable laws. If the obligation for Tax-Related Items is satisfied by withholding in shares of Stock, the Participant is deemed to have been issued the full number of shares of Stock subject to the vested Units, notwithstanding that a number of the shares of Stock are held back solely for the purpose of paying the Tax-Related Items. The Participant agrees to pay to the Company or the Employer any amount of Tax-Related Items that the Company or the Employer may be required to withhold or account for as a result of the Participant's participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to deliver the shares Stock or the proceeds of the sale of shares of Stock if the Participant fails to comply with the Participant's obligations for Tax-Related Items.

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9. Transferability. This Restricted Stock Unit Award is not transferable except as designated by the Participant by will or by the laws of descent and distribution or, to the extent provided by the Committee.
10. Adjustment of Award. The number and type of shares of Stock subject to this Restricted Stock Unit Award will or may be adjusted in accordance with the Section 3.2 of the Plan to reflect certain corporate transactions which affect the number, type or value of such shares.
11. No Implied Rights. Neither the Plan nor this Restricted Stock Unit Award constitutes a contract of employment or continued

service and does not give the Participant the right to be retained in the employ or service of the Company or any Related Company, nor any right or claim to any benefit under the Plan, unless such right or claim has specifically accrued under the terms of the Plan or this Restricted Stock Unit Award. Except as otherwise provided in the Plan or Restricted Stock Unit Award, no Award under the Plan shall confer upon the holder thereof any right as a stockholder of the Company prior to the date on which the Participant fulfills all service requirements and other conditions for receipt of such rights and shares of Stock are registered in the Participant's name.

12. Country Specific Provisions. Notwithstanding any provisions in this Agreement, the Units shall be subject to any additional terms and conditions set forth in the Appendix to this Agreement for the Participant's country. Moreover, if the Participant relocate to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to the Participant to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer). The Appendix constitutes part of this Agreement.

13. Nature of Grant. In accepting the Units, the Participant acknowledges, understands and agrees that:

A. the Plan is established voluntarily by the Company, it is discretionary in nature and it may be modified, amended, suspended terminated by the Company at any time, to the extent permitted by the Plan;

B. the award of the Units is exceptional, voluntary and occasional and does not create any contractual or other right to rece future grants of Units, or benefits in lieu of Units, even if Units have been granted in the past;

C. all decisions with respect to future Units or other Awards, if any, will be at the sole discretion of the Company;

D. the award of Units and the Participant's participation in the Plan shall not be interpreted as forming or amending an employm or service contract with the Company or the Employer, and shall not interfere with the ability of the Company, the Employer any other subsidiary or affiliate, as applicable, to terminate the Participant's employment relationship (if any);

E. the Participant is voluntarily participating in the Plan, and in making the decision whether to accept or reject the Award, Participant has had the opportunity to obtain the advice of legal counsel;

F. the Units and the shares of Stock subject to the Units, and the income from and value of same, are not intended to replace a pension rights or compensation;

G. the Units and the shares of Stock subject to the Units, and the income from and value of same, are not part of normal expected compensation for purposes of, including but not limited to, calculating any severance, resignation, terminati redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welf benefits or similar payments;

H. the future value of the underlying shares of Stock is unknown, indeterminable and cannot be predicted with certainty; and

I. no claim or entitlement to compensation or damages shall arise from forfeiture of the Units resulting from the termination of Participant's employment (for any reason whatsoever, whether or not later found to be invalid or in breach of employment la in the jurisdiction where the Participant is employed or the terms of the Participant's employment agreement, if any); and

J. neither the Company nor the Employer shall be liable for any foreign exchange rate fluctuation between the Participant's lo currency and the United States Dollar that may affect the value of the Units or of any amounts due to the Participant pursuan the settlement of the Units or the subsequent sale of any shares of Stock acquired upon settlement.

14. Plan Governs. This Restricted Stock Unit Award shall be subject to all of the terms and conditions of the Plan, a copy of which may be obtained from the Secretary of the Company.

15. Severability. The provisions of the Agreement are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable. The parties further agree to seek a lawful substitute for any provision found to be unlawful; provided, that, if the parties are unable to

agree upon a lawful substitute, the parties desire and request that a court or other authority called upon to decide the enforceability of this Agreement modify the Agreement so that, once modified, the Agreement will be enforceable to the maximum extent permitted by the law in existence at the time of the requested enforcement.

16. Waiver. The waiver by the Company with respect to the Participant's (or any other Participant's) compliance of any provision of the Agreement shall not operate or be construed as a waiver of any other provision of the Agreement, or of any subsequent breach by such party of a provision of the Agreement.

17. Imposition of Other Requirements . The Company reserves the right to impose other requirements on the Participant participation in the Plan, on the Units and on any shares of Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require the Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

18. Compliance with Law. Notwithstanding any other provision of the Plan or the Agreement, unless there is an exemption from any registration, qualification or other legal requirement applicable to the shares of Stock, the Company shall not be required to deliver any shares issuable upon settlement of the Units prior to the completion of any registration or qualification of the shares under any U.S. or non-U.S. local, state or federal securities or exchange control law or under rulings or regulations of the U.S. Securities and Exchange Commission ("SEC") or of any other governmental regulatory body, or prior to obtaining any approval or other clearance from any U.S. or non-U.S. local, state or federal governmental agency, which registration, qualification or approval the Company shall, in its absolute discretion, deem necessary or advisable. The Participant understands that the Company is under no obligation to register or qualify the shares with the SEC or any state or Non-U.S. securities commission or to seek approval or clearance from any governmental authority for the issuance or sale of the shares. Further, the Participant agrees that the Company shall have unilateral authority to amend the Agreement without the Participant's consent to the extent necessary to comply with securities or other laws applicable to issuance of shares.

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19. Exchange Control, Foreign Asset/Account and/or Tax Reporting. Depending upon the country to which laws the Participant is subject, the Participant may have certain foreign asset/account and/or tax reporting requirements that may affect the Participant's ability to acquire or hold shares of Stock under the Plan or cash received from participating in the Plan (including from any dividends or sale proceeds arising from the sale of shares of Stock) in a brokerage or bank account outside the Participant's country of residence. The Participant's country may require that the Participant report such accounts, assets or transactions to the applicable authorities in the Participant's country. The Participant also may be required to repatriate cash received from participating in the Plan to the Participant's country within a certain period of time after receipt. The Participant is responsible for knowledge of and compliance with any such regulations and should speak with the Participant's personal tax, legal and financial advisors regarding same.

20. Language. The Participant acknowledges that the Participant is proficient in the English language, or that the Participant has consulted with an advisor who is proficient in the English language, so as to enable the Participant to understand the provisions of this Agreement and the Plan. If the Participant has received the Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

21. Amendment and Termination. The Board may, at any time, amend or terminate the Plan, and the Board or the Committee may amend the Agreement, provided that no amendment or termination may, in the absence of written consent to the change by the Participant (or, if the Participant is not then living, the affected Beneficiary), adversely affect the rights of any Participant or Beneficiary under this Restricted Stock Unit Award. Adjustments pursuant to subsection 3.2 of the Plan shall not be subject to the foregoing limitations. It is the intention of the Company that, to the extent that any provisions of this Plan or this Restricted Stock Unit Award are subject to Section 409A of the Code, the Plan and this Restricted Stock Unit Award comply with the requirements of Section 409A of the Code and that the Board shall have the authority to amend the Plan and this Agreement as

it deems necessary to conform to Section 409A of the Code. This Agreement and the Plan set forth the entire understanding of the agreement between the Company and the Participant with respect to this Restricted Stock Unit Award and supersede any prior written or oral agreements with respect thereto.

22. Applicable Law. The Plan and this Restricted Stock Unit Award shall be construed in accordance with the laws of the State of Delaware, USA.

IN WITNESS WHEREOF, the Participant has executed the Agreement, and the Company has caused this Agreement to be executed in its name and on its behalf, all as of the Grant Date.

____

Innospec Inc.

I hereby agree to all the terms, restrictions and conditions set forth in the Agreement:

____

MERGEFIELD Name «Name»
Participant

APPENDIX

ADDITIONAL TERMS AND CONDITIONS FOR RESTRICTED STOCK UNITS

UNDER THE 2018 OMNIBUS LONG-TERM INCENTIVE PLAN

Capitalized terms used but not defined in this Appendix shall have the same meanings assigned to them in the Plan and the Agreement.

General

This Appendix includes additional terms and conditions that govern the Units if the Participant works and/or resides in one of the countries listed below. If the Participant is a citizen or resident of a country other than the one in which the Participant is currently working and/or residing in (or are considered as such for local law purposes), or the Participant transfers employment and/or residency to a different country after the Units are granted, the Company will, in its discretion, determine to what extent the terms and conditions contained herein apply to the Participant (or the Company may establish alternative terms and conditions as may be necessary or advisable to accommodate the Participant's transfer).

Notifications

This Appendix also includes information regarding certain other issues of which the Participant should be aware with respect to the Participant's participation in the Plan. The information is based on the securities, exchange control and other laws in effect in the respective countries as of December 2020. Such laws are often complex and change frequently. As a result, the Company strongly recommendsthat the Participant not rely on the information noted herein as the only source of information relating to the consequences of participation in the Plan because the information may be out-of-date at the time the Participant vests in the Units or sell any shares of Stock acquired under the Plan.

In addition, the information contained herein is general in nature and may not apply to the Participant's particular situation. As a result, the Company is not in a position to assure the Participant of any particular result. Accordingly, the Participant is strongly advised to seek appropriate professional advice as to how the relevant laws in the Participant's country may apply to the Participant's individual situation.

If the Participant is a citizen or resident of a country other than the one in which the Participant is currently working and/or residing in (or is considered as such for local law purposes), or if the Participant transfers employment and/or residency to a different country after the Units are granted, the notifications contained in this Appendix may not be applicable to the Participant in the same manner.

UNITED KINGDOM

Terms and Conditions

Responsibility for Taxes and Withholding. This provision amends Section 8 of the Agreement:

Without limitation to Section 8, the Participant agrees that the Participant is liable for all tax obligations and hereby covenants to pay all such tax obligations as and when requested by the Company or the Employer or by Her Majesty's Revenue and Customs ("HMRC") (or any other tax authority or any other relevant authority). The Participant also agrees to indemnify and keep indemnified the Company and the Employer against any taxes that they are required to pay or withhold or have paid or will pay to HMRC (or any other tax authority or any other relevant authority) on the Participant's behalf.

Notwithstanding the foregoing, if the Participant is an executive officer or director (as within the meaning of Section 13(k) of the Exchange Act), the Participant understands that the Participant may not be able to indemnify the Company or the Employer for the amount of income tax not collected from or paid by the Participant, as it may be considered a loan. In the event that the Participant is an executive officer or director and income tax is not collected from the Participant within ninety (90) days after the end of the tax year in which the taxable event occurs, the amount of any uncollected income tax may constitute an additional benefit to the Participant on which additional income tax and national insurance contributions ("NICs") may be payable. The Participant acknowledges that the Participant is responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for paying the Employer for the value of any NICs due on this additional benefit, which the Company or the Employer may obtain from the Participant pursuant to Section 10 of the Agreement.

Exhibit 31.1

CERTIFICATION BY PATRICK S. WILLIAMS PURSUANT TO

SECURITIES EXCHANGE ACT 1934 RULE 13a-14 and 15d-14

I, Patrick S. Williams, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Innospec Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, i light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial conditio results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and

   15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with general accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal cc over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's audito and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ PATRICK S. WILLIAMS

Patrick S. Williams

President and Chief Executive Officer

May 10, August 7, 2024

Exhibit 31.2

CERTIFICATION BY IAN P. CLEMINSON PURSUANT TO

SECURITIES EXCHANGE ACT 1934 RULE 13a-14 and 15d-14

I, Ian P. Cleminson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Innospec Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, i light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial conditio results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rule 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and

   15d-15(f)) for the registrant and have:

a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with general accepted accounting principles;

c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal cc over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditc and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ IAN P. CLEMINSON

Ian P. Cleminson

Executive Vice President and Chief Financial Officer

May 10, August 7, 2024

Exhibit 32.1

Section 1350 Certification

by Patrick S. Williams

In connection with the Quarterly Report on Form 10-Q of Innospec Inc. (the "Company") for the period ended March 31, 2024 June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Patrick S. Williams, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ PATRICK S. WILLIAMS

Patrick S. Williams

President and Chief Executive Officer

May 10, August 7, 2024

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of this Report or as a separate disclosure document.

A signed original of this written statement required by 18 U.S.C. § 1350 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission upon request.

Exhibit 32.2

Section 1350 Certification

by Ian P. Cleminson

In connection with the Quarterly Report on Form 10-Q of Innospec Inc. (the “Company”) for the period ended March 31,2024 June 30,2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Ian P. Cleminson, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ IAN P. CLEMINSON

Executive Vice President and Chief Financial Officer

Ian P. Cleminson

May 10, August 7, 2024

The foregoing certification is being furnished solely pursuant to 18 U.S.C. § 1350 and is not being filed as part of this Report or as a separate disclosure document.

A signed original of this written statement required by 18 U.S.C. § 1350 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission upon request.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.