

A large, thick blue arc is positioned on the left side of the slide, curving from the top left towards the bottom left. It has a solid blue circular dot at its lower end.

2Q 2021 Earnings Presentation

July 30, 2021

Forward Looking Statements

This presentation contains certain statements that may be deemed “forward-looking statements” within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. All statements, other than statements of historical fact, that address activities, events or developments that our management intends, expects, projects, believes or anticipates will or may occur in the future are forward-looking statements. Forward-looking statements may be identified by words such as “expect,” “anticipate,” “estimate,” “outlook,” “project,” “strategy,” “intend,” “plan,” “target,” “goal,” “may,” “will,” “should” and “believe” and other variations or similar terminology and expressions. Although we believe forward-looking statements are based upon reasonable assumptions, such statements involve known and unknown risks, uncertainties and other factors, many of which are beyond our control and difficult to predict, which may cause the actual results or performance of the Company to be materially different from any future results or performance expressed or implied by such forward-looking statements. Such risks and uncertainties include, but are not limited to: general economic and financial conditions in the U.S. and globally, including the impact of the coronavirus (COVID-19) pandemic and any resurgences; the scope, duration and pace of recovery of the pandemic; the timing of the distribution and efficacy of vaccines or treatments for COVID-19 that are currently available or may be available in the future and related vaccination rates; the severity and transmissibility of newly identified strains of COVID-19; governmental, business and individuals’ actions in response to the pandemic, including our business continuity and cash optimization plans that have been, and may in the future be, implemented; the impact of social and economic restrictions and other containment measures taken to combat virus transmission; the effect on our customers’ demand for our products and our suppliers’ ability to manufacture and deliver our raw materials, including implications of reduced refinery utilization in the U.S.; our ability to sell and provide our goods and services, including as a result of travel and other COVID-19-related restrictions; the ability of our customers to pay for our products; and any closures of our and our customers’ offices and facilities; risks associated with increased phishing, compromised business emails and other cybersecurity attacks and disruptions to our technology infrastructure; risks associated with employees working remotely or operating with a reduced workforce; risks associated with our indebtedness including compliance with financial and restrictive covenants, and our ability to access capital on reasonable terms, at a reasonable cost or at all due to economic conditions resulting from COVID-19 or otherwise; the impact of scheduled turnarounds and significant unplanned downtime and interruptions of production or logistics operations as a result of mechanical issues or other unanticipated events such as fires, severe weather conditions, natural disasters and pandemics; price fluctuations, cost increases and supply of raw materials; our operations and growth projects requiring substantial capital; growth rates and cyclicalities of the industries we serve including global changes in supply and demand; failure to develop and commercialize new products or technologies; loss of significant customer relationships; adverse trade and tax policies; extensive environmental, health and safety laws that apply to our operations; hazards associated with chemical manufacturing, storage and transportation; litigation associated with chemical manufacturing and our business operations generally; inability to acquire and integrate businesses, assets, products or technologies; protection of our intellectual property and proprietary information; prolonged work stoppages as a result of labor difficulties or otherwise; cybersecurity, data privacy incidents and disruptions to our technology infrastructure; failure to maintain effective internal controls; disruptions in transportation and logistics; potential for uncertainty regarding qualification for tax treatment of our spin-off; fluctuations in our stock price; and changes in laws or regulations applicable to our business. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this presentation. Such forward-looking statements are not guarantees of future performance, and actual results, developments and business decisions may differ from those envisaged by such forward-looking statements. We identify the principal risks and uncertainties that affect our performance in our filings with the Securities and Exchange Commission (SEC), including the risk factors in Part 1, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2020, as updated in subsequent reports filed with the SEC.

Non-GAAP Financial Measures

This presentation includes certain non-GAAP financial measures intended to supplement, not to act as substitutes for, comparable GAAP measures. Reconciliations of non-GAAP financial measures to GAAP financial measures are provided in this presentation, except with respect to forward-looking non-GAAP measures, where such reconciliation is not available without unreasonable effort. Investors are urged to consider carefully the comparable GAAP measures and the reconciliations to those measures provided. Non-GAAP measures in this presentation may be calculated in a way that is not comparable to similarly-titled measures reported by other companies.

Overview

Record Quarterly Sales, Earnings and Margin Performance

	2Q21 YoY Variance
<i>Sales</i>	+88%
<i>EBITDA</i>	+147%
<i>EBITDA Margin</i>	+420 bps
<i>Net Income</i>	+286%
<i>Diluted EPS</i>	+273%
<i>Free Cash Flow</i>	+\$50M

• Terrific 2Q21 Results

- Record quarterly performance as a public company: strong volume and pricing improvement including continued growth in differentiated products supporting higher sales, margin expansion and robust cash flow generation
- Outlook remains favorable – expecting strong execution amid tight supply and demand environment overall
- Balance sheet optionality provides significant flexibility to deploy capital for value creation

• Executing Against a Focused Strategy to Deliver Strong and Sustainable Shareholder Returns Over the Long Term

- Enhance day-to-day execution by strengthening our culture and core foundations of excellence
- Improve through-cycle profitability by driving superior operational and commercial performance
- Enable sustainable long-term growth by enhancing portfolio resiliency
- Enhance value creation through disciplined capital stewardship

2Q 2021 Financial Summary

Terrific Performance Across The Board

(\$ Millions, Except Per Share Amounts)

	<u>2Q 2020</u>	<u>2Q 2021</u>	<i>Comments</i>
Sales	\$233.0	\$437.7	<ul style="list-style-type: none"> Sales Up 88%: Volume +32%, Price +56% <ul style="list-style-type: none"> Market Pricing +25%, Raw Material Pass Through +31%
EBITDA Margin %	\$30.7 13.2%	\$76.0 17.4%	<ul style="list-style-type: none"> Higher Volume and Improved Market-Based Pricing Including Continued Growth in Differentiated Products Unfavorable Impact of Higher Natural Gas and Sulfur Costs
Net Income	\$11.4	\$44.1	<ul style="list-style-type: none"> 2Q21 Effective Tax Rate 23.8% vs. 16.6% in 2Q20 Primarily Driven by State Taxes and Research Tax Credits in the Prior Year Period
Diluted EPS	\$0.41	\$1.53	<ul style="list-style-type: none"> Robust Execution Amid Tight Industry Supply and Demand 2Q21 Share Count 28.9 Million vs. 28.1 Million in 2Q20
Free Cash Flow	(\$8.7)	\$41.6	<ul style="list-style-type: none"> Cash Flow From Operations \$52M, Up \$43M vs. Prior Year Capex \$10M, Down (\$7M) vs. Prior Year Reflecting Capital Process Efficiencies and Timing of Project Execution

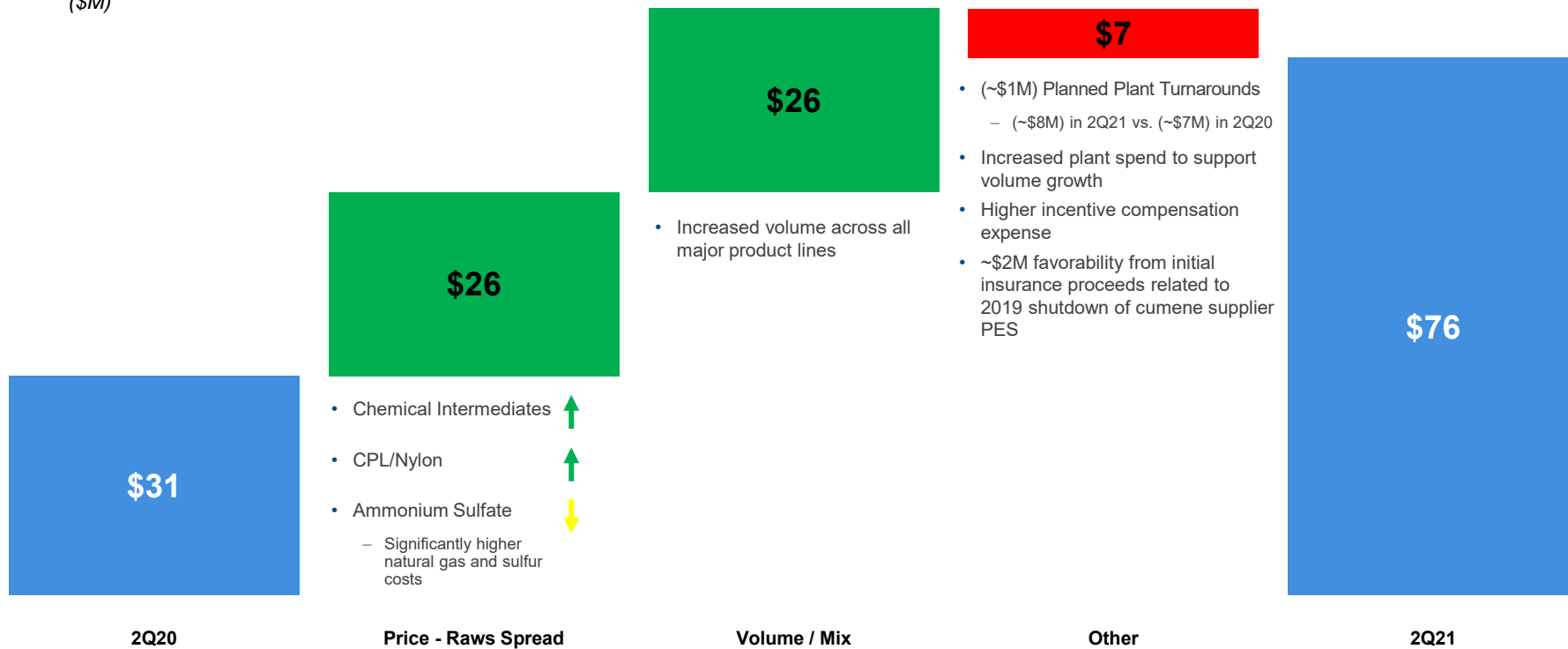
See Appendix in this presentation for a reconciliation of EBITDA, EBITDA Margin, and Free Cash Flow, which are non-GAAP measures;

Free cash flow = net cash provided by operating activities less capital expenditures

2Q 2021 EBITDA Bridge

Strong Commercial and Operational Execution

(\$M)



See Appendix in this presentation for a reconciliation of EBITDA, which is a non-GAAP measure

Cash Flow / Deployment

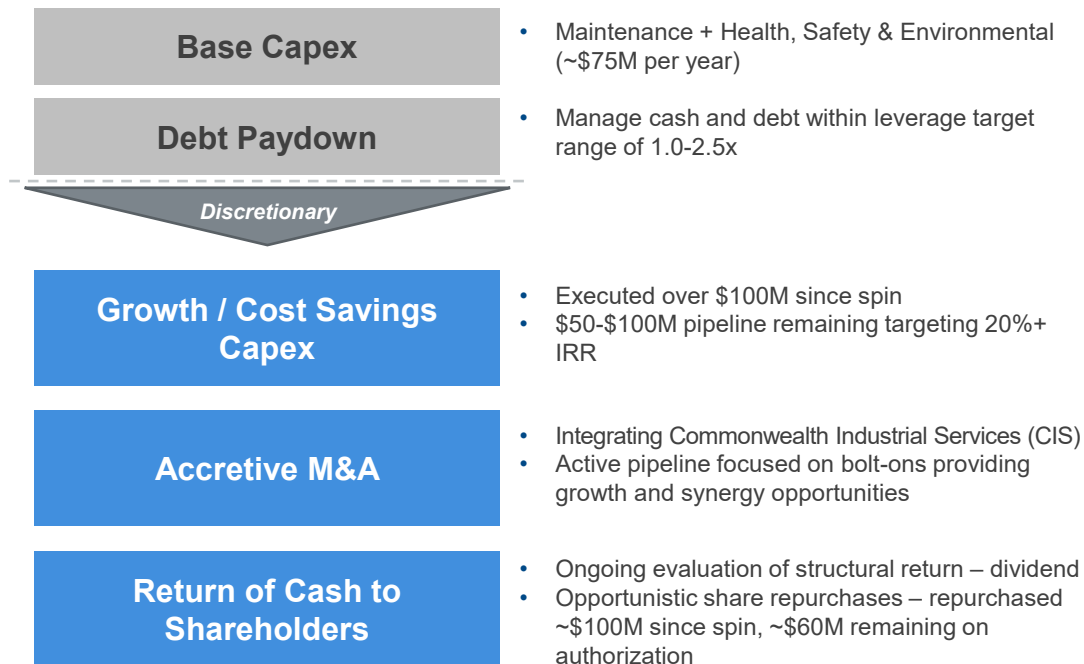
Robust Free Cash Flow Generation; Significant Optionality to Deliver Shareholder Value

2Q21 Cash Flow (\$M)

Net Income	\$44
Depreciation & Amortization	\$17
<i>Customer Advances</i>	<i>(\$17)</i>
<i>Other Working Capital</i>	<i>\$7</i>
Total Working Capital*	(\$10)
Capital Expenditures	(\$10)
Accrued Liabilities / Other	\$1
Free Cash Flow	\$42

* Working Capital includes Accounts and other receivables, Inventories, Accounts payable, and Deferred income and customer advances

Capital Deployment Framework

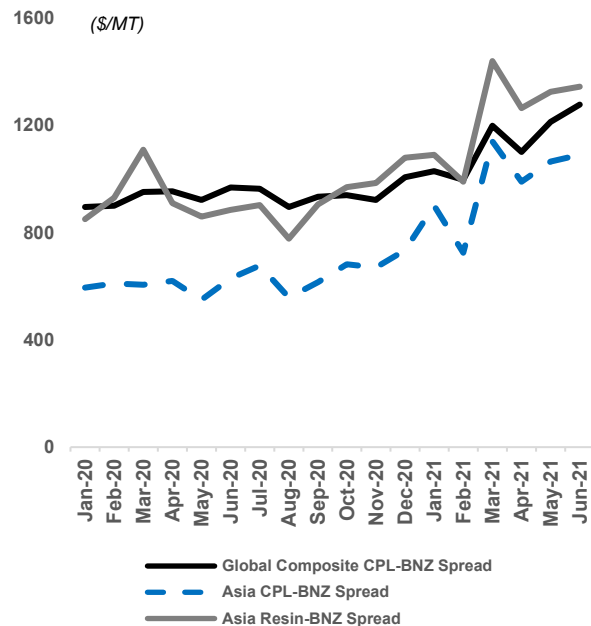


Industry Pricing And Spreads

Nylon

Further Improvement in Industry Spreads

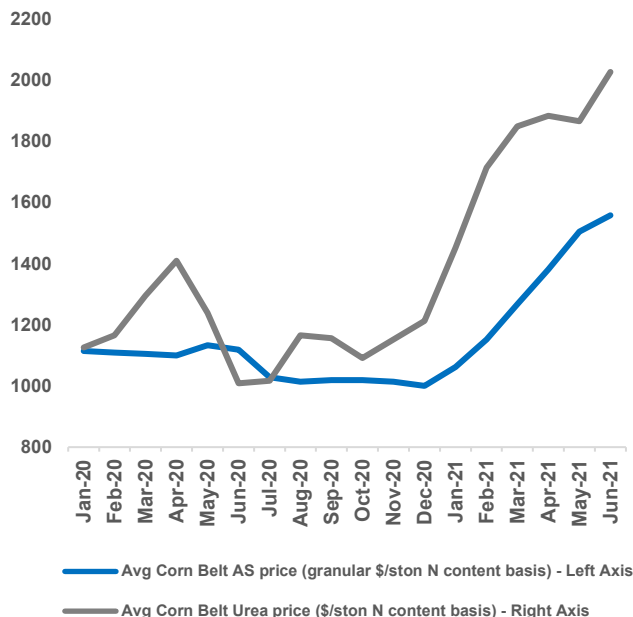
	2Q21 YOY	2Q21 vs. 1Q21
Global Composite	26%	11%
Asia CPL-BNZ	75%	14%
Asia Resin-BNZ	48%	12%



Ammonium Sulfate

Strong Ag Fundamentals Overall

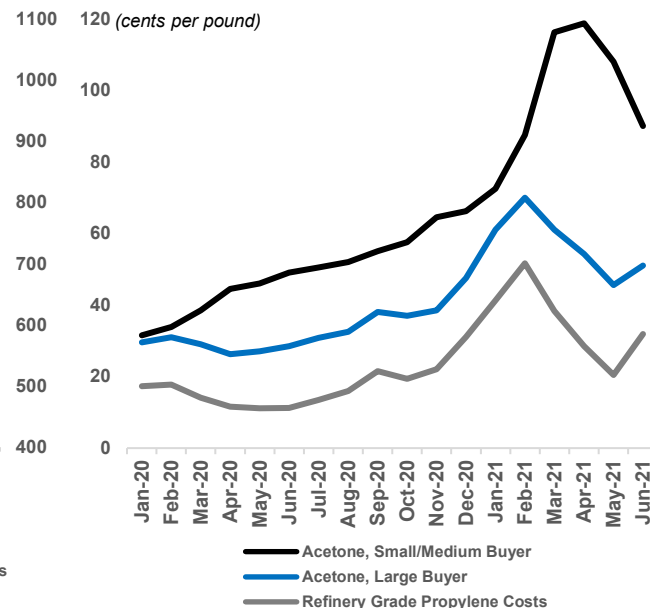
	2Q21 YOY	2Q21 vs. 1Q21
Corn Belt Granular AS	33%	28%
Corn Belt Urea	58%	15%



Chemical Intermediates

Tight Supply and Demand Conditions

	2Q21 YOY	2Q21 vs. 1Q21
Acetone, Sm/Med Buyer	127%	15%
Acetone, Large Buyer	84%	(21%)
RGP Costs	138%	(38%)



Industry Outlook

Diverse End Market Exposure Supporting Expected Favorable Outlook

Nylon

- Steady North America nylon demand amid favorable end market conditions and tight industry supply
- Residential and remodeling macro trends support North America carpet demand; Expect commercial demand to lag residential in 2021 with modest improvement in 2022
- Engineered Plastics demand to remain resilient into auto, consumer & industrial, and electric & electronics applications; Steady food packaging demand for nylon expected to continue

Ammonium Sulfate

- Strong agricultural industry fundamentals to continue into 2022 planting season
- Typical North America ammonium sulfate seasonality expected to drive 3Q21 higher export mix sequentially as new season kicks off
- Demand for sulfur nutrition expected to remain favorable

Chemical Intermediates

- Strong demand for chemical intermediates to continue – diverse set of end markets and customers served (building and construction, auto, paints and coatings, solvents, electronics, pharmaceuticals)
- Executing oximes expansion to support robust regulatory-driven growth in paints and coatings applications
- Acetone industry fundamentals to remain strong with continued balancing of supply and demand in 2H 2021

2021 Priorities

Executing Roadmap to Deliver Long-Term Shareholder Value



Enhance Day-to-Day Execution By Strengthening Our Culture and Core Foundations of Excellence

- Robust plant utilization to support record earnings and cash flow as a public company
- Safety a top priority – zero incident mindset
- Continuing to evolve sustainability program and initiatives – Awarded 2021 Platinum Rating from EcoVadis



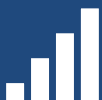
Improve Through-Cycle Profitability By Driving Superior Operational and Commercial Performance

- Plant turnaround effectiveness to support high utilization rates while reducing costs
- Sustaining global low-cost caprolactam position
- Optimizing product mix across end uses, applications and geographies



Enable Sustainable Long-Term Growth By Enhancing Portfolio Resiliency

- Further growth momentum in Nadone® cyclohexanone and oximes into high-value applications
- Integrating CIS packaged ammonium sulfate business; Driving sulfur nutrition value proposition
- Continued optimization of nylon product line including growth of differentiated nylon products



Enhance Value Creation Through Disciplined Capital Stewardship

- Capex expected to be \$65-\$70M in 2021 reflecting process efficiencies and timing of project execution
- Balance sheet optionality provides significant flexibility to deploy capital for value creation
- Active M&A pipeline leveraging disciplined framework; ~\$60M remaining on share repurchase authorization



APPENDIX

Planned Plant Turnarounds

Pre-Tax Income Impact by Quarter ⁽¹⁾

	1Q	2Q	3Q	4Q	FY
2017	--	~\$10M	~\$4M	~\$20M	~\$34M
2018	~\$2M	~\$10M	~\$30M	--	~\$42M
2019	--	~\$5M	~\$5M	~\$25M	~\$35M
2020	~\$2M	~\$7M	~\$20M	~\$2M	~\$31M
2021E	~\$3M	~\$8M	--	\$13-\$16M	\$24-\$27M

- Timing driven by compliance, inspection and sustaining asset base
- Critical to supporting high utilization rates
- Dedicated teams to improve effectiveness
- Staggered across unit operations to maintain output

(1) Primarily reflects the impact of fixed cost absorption, maintenance expense, and the purchase of feedstocks which are normally manufactured by the Company



APPENDIX

Reconciliation of Non-GAAP Measures to GAAP Measures

Reconciliation Of Net Cash Provided By Operating Activities To Free Cash Flow

(in \$ thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net cash provided by operating activities	\$ 51,945	\$ 8,834	\$ 109,035	\$ 28,553
Expenditures for property, plant and equipment	(10,301)	(17,502)	(24,478)	(51,602)
Free cash flow ⁽¹⁾	<u>\$ 41,644</u>	<u>\$ (8,668)</u>	<u>\$ 84,557</u>	<u>\$ (23,049)</u>

(1) Free cash flow is a non-GAAP measure defined as Net cash provided by operating activities less Expenditures for property, plant and equipment

The Company believes that this metric is useful to investors and management as a measure to evaluate our ability to generate cash flow from business operations and the impact that this cash flow has on our liquidity.

The Company believes the non-GAAP financial measures included in this presentation provide meaningful supplemental information as they are used by the Company's management to evaluate the Company's operating performance, enhance a reader's understanding of the financial performance of the Company, and facilitate a better comparison among fiscal periods and performance relative to its competitors, as these non-GAAP measures exclude items that are not considered core to the Company's operations.

Reconciliation Of Net Income To EBITDA

(in \$ thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2021	2020	2021	2020
Net income	\$ 44,131	\$ 11,429	\$ 72,262	\$ 20,005
Interest expense, net	1,379	1,887	2,923	3,846
Income tax expense	13,817	2,273	23,088	5,938
Depreciation and amortization	16,629	15,132	32,733	29,564
EBITDA ⁽²⁾	<u>\$ 75,956</u>	<u>\$ 30,721</u>	<u>\$ 131,006</u>	<u>\$ 59,353</u>
Sales	<u>\$ 437,682</u>	<u>\$ 233,022</u>	<u>\$ 814,065</u>	<u>\$ 535,735</u>
EBITDA margin ⁽³⁾	<u>17.4%</u>	<u>13.2%</u>	<u>16.1%</u>	<u>11.1%</u>

(2) EBITDA is a non-GAAP measure defined as Net Income before Interest, Income Taxes, Depreciation and Amortization

(3) EBITDA margin is defined as EBITDA divided by Sales

The Company believes the non-GAAP financial measures included in this presentation provide meaningful supplemental information as they are used by the Company's management to evaluate the Company's operating performance, enhance a reader's understanding of the financial performance of the Company, and facilitate a better comparison among fiscal periods and performance relative to its competitors, as these non-GAAP measures exclude items that are not considered core to the Company's operations.

Reconciliation Of Net Income To Adjusted EBITDA

(in \$ thousands)

	Three Months Ended March 31, 2018	Three Months Ended June 30, 2018	Three Months Ended September 30, 2018	Three Months Ended December 31, 2018	Three Months Ended March 31, 2019	Three Months Ended June 30, 2019	Three Months Ended September 30, 2019	Three Months Ended December 31, 2019
Net income (loss)	\$ 11,593	\$ 28,410	\$ 5,480	\$ 20,761	\$ 20,174	\$ 15,346	\$ 7,921	\$ (2,094)
Interest expense, net	3,089	1,598	1,270	1,534	1,107	1,328	1,293	1,727
Income tax expense (benefit)	3,566	9,590	229	6,139	6,824	5,280	1,513	(1,616)
Depreciation and amortization	12,542	13,371	12,992	14,328	13,915	13,957	14,222	14,732
EBITDA ⁽⁴⁾	\$ 30,790	\$ 52,969	\$ 19,971	\$ 42,762	\$ 42,020	\$ 35,911	\$ 24,949	\$ 12,749
Non-cash stock based compensation	2,281	2,599	2,626	2,625	2,762	2,812	2,001	774
Non-recurring, unusual or extraordinary expenses	-	-	-	-	-	12,623	-	(1,603)
Other	(398)	771	1,050	1,066	1,414	1,742	1,618	1,930
Adjusted EBITDA ⁽⁵⁾	\$ 32,673	\$ 56,339	\$ 23,647	\$ 46,453	\$ 46,196	\$ 53,088	\$ 28,568	\$ 13,850

	Three Months Ended March 31, 2020	Three Months Ended June 30, 2020	Three Months Ended September 30, 2020	Three Months Ended December 31, 2020	Three Months Ended March 31, 2021	Three Months Ended June 30, 2021
Net income (loss)	\$ 8,576	\$ 11,429	\$ (692)	\$ 26,764	\$ 28,131	\$ 44,131
Interest expense, net	1,959	1,887	1,981	1,965	1,544	1,379
Income tax expense (benefit)	3,664	2,273	(980)	3,999	9,271	13,817
Depreciation and amortization	14,432	15,132	15,497	15,771	16,104	16,629
EBITDA ⁽⁴⁾	\$ 28,631	\$ 30,721	\$ 15,806	\$ 48,499	\$ 55,050	\$ 75,956
Non-cash stock based compensation	1,198	1,702	603	1,399	2,363	3,744
Non-recurring, unusual or extraordinary expenses	-	-	-	-	-	-
Other	1,620	1,521	1,301	1,204	2,153	310
Adjusted EBITDA ⁽⁵⁾	\$ 31,449	\$ 33,944	\$ 17,710	\$ 51,102	\$ 59,566	\$ 80,010

(4) EBITDA is a non-GAAP measure defined as Net Income before Interest, Income Taxes, Depreciation and Amortization

(5) Adjusted EBITDA is defined as EBITDA plus Non-cash stock based compensation, non-recurring, unusual or extraordinary expenses and other items

The Company believes the non-GAAP financial measures included in this presentation provide meaningful supplemental information as they are used by the Company's management to evaluate the Company's operating performance, enhance a reader's understanding of the financial performance of the Company, and facilitate a better comparison among fiscal periods and performance relative to its competitors, as these non-GAAP measures exclude items that are not considered core to the Company's operations. Adjusted EBITDA is calculated in accordance with the terms of the Company's revolving credit facility. 2Q21 Net debt / TTM Adjusted EBITDA preliminary pending submission pursuant to revolving credit facility and includes TTM pro forma results for CIS acquisition.

Reconciliation Of Net Debt And Calculation Of Net Debt To Trailing 12-Months (TTM) Adjusted EBITDA Ratio

(in \$ thousands)

Net Debt Reconciliation

	<u>December 31, 2018</u>	<u>December 31, 2019</u>	<u>March 31, 2020</u>	<u>June 30, 2020</u>	<u>September 30, 2020</u>	<u>December 31, 2020</u>	<u>March 31, 2021</u>	<u>June 30, 2021</u>
Line of credit	\$ 200,000	\$ 297,000	\$ 337,000	\$ 388,000	\$ 313,000	\$ 275,000	\$ 246,000	\$ 195,000
Less Cash and cash equivalents	9,808	7,050	30,754	72,663	16,686	10,606	14,124	4,251
Other	5,361	5,617	2,259	2,083	1,917	1,734	2,045	1,880
Net debt	\$ 195,553	\$ 295,567	\$ 308,505	\$ 317,420	\$ 298,231	\$ 266,128	\$ 233,921	\$ 192,629

Net Debt / TTM Adjusted EBITDA Calculation

	<u>4Q18</u>	<u>4Q19</u>	<u>1Q20</u>	<u>2Q20</u>	<u>3Q20</u>	<u>4Q20</u>	<u>1Q21</u>	<u>2Q21</u>
Net debt	\$ 195,553	\$ 295,567	\$ 308,505	\$ 317,420	\$ 298,231	\$ 266,128	\$ 233,921	\$ 192,629
TTM Adjusted EBITDA	\$ 159,113	\$ 141,702	\$ 126,955	\$ 107,810	\$ 96,952	\$ 134,205	\$ 162,322	\$ 208,388
Net debt / TTM Adjusted EBITDA	1.2	2.1	2.4	2.9	3.1	2.0	1.4	0.9

The leverage ratio of Net debt to TTM Adjusted EBITDA is a financial measure that the Company believes is useful to investors and financial analysts in evaluating the Company's leverage and ability to repay outstanding debt. Net debt and TTM Adjusted EBITDA are calculated in accordance with the terms of the Company's revolving credit facility. 2Q21 Net debt / TTM Adjusted EBITDA preliminary pending submission pursuant to revolving credit facility and includes TTM pro forma results for CIS acquisition.

The Company believes the non-GAAP financial measures included in this presentation provide meaningful supplemental information as they are used by the Company's management to evaluate the Company's operating performance, enhance a reader's understanding of the financial performance of the Company, and facilitate a better comparison among fiscal periods and performance relative to its competitors, as these non-GAAP measures exclude items that are not considered core to the Company's operations.