

Ingevity Corporation (NGVT)

\$59.18 (Stock Price as of 12/31/2025)

Price Target (6-12 Months): **\$65.00**

Long Term: 6-12 Months | **Zacks Recommendation:** **Neutral**
(Since: 12/16/25)
Prior Recommendation: Neutral

Short Term: 1-3 Months | **Zacks Rank:** (1-5) **3-Hold**
Zacks Style Scores: VGM: A
Value: B | Growth: A | Momentum: B

Summary

Earnings estimates for Ingevity for the fourth-quarter of 2025 have been stable over the past month. The company is expected to gain from its strategy to pursue value-creating acquisitions. Ingevity has completed the successful repositioning of its Performance Chemicals business by reducing exposure to lower-margin end markets. Ongoing portfolio optimization, margin improvements and innovative growth initiatives support long-term growth. However, Ingevity faces headwinds from weak Advanced Polymer Technologies sales, tariff-related disruptions and softer global industrial demand. Lower auto production forecasts are likely to impact the Performance Materials segment, while Advanced Polymer Technologies sales remain under pressure due to repositioning efforts and challenging demand conditions.

Data Overview

52 Week High-Low	\$61.77 - \$28.49
20 Day Average Volume (sh)	336,084
Market Cap	\$2.1 B
YTD Price Change	45.5%
Beta	1.40
Dividend / Div Yld	\$0.00 / 0.0%
Industry	Chemical - Specialty
Zacks Industry Rank	Bottom 10% (218 out of 243)

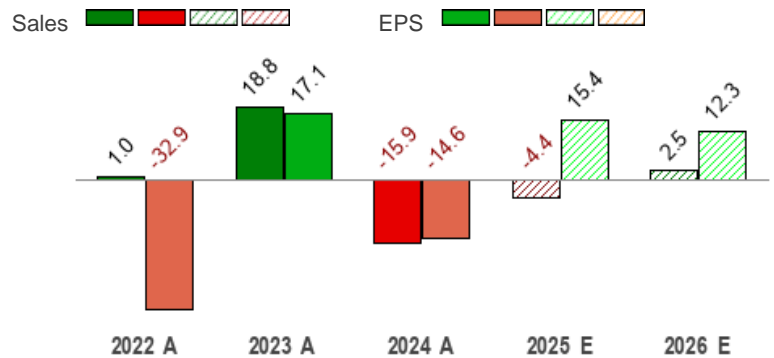
Last EPS Surprise	36.3%
Last Sales Surprise	NA
EPS F1 Est- 4 week change	NA
Expected Report Date	02/17/2026
Earnings ESP	0.0%

P/E TTM	12.8
P/E F1	14.4
PEG F1	1.0
P/S TTM	1.7

Price, Consensus & Surprise⁽¹⁾



Sales and EPS Growth Rates (Y/Y %)⁽¹⁾



Sales Estimates (millions of \$)⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026					1,377 E
2025	284 A	365 A	333 A		1,344 E
2024	340 A	391 A	377 A	299 A	1,406 A

EPS Estimates⁽¹⁾

	Q1	Q2	Q3	Q4	Annual*
2026					4.55 E
2025	0.99 A	1.39 A	1.31 A	0.91 E	4.05 E
2024	0.52 A	1.01 A	1.10 A	0.95 A	3.51 A

*Quarterly figures may not add up to annual.

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/31/2025.

(2) The report's text and the price target are as of 12/23/2025.

Overview

Based in North Charleston, SC, Ingevity Corporation is a global producer of high-performance activated carbon materials and specialty chemicals. The company provides innovative solutions through proprietary, formulated products. Ingevity started trading in May 2016 after its spinoff from the WestRock Company.

The company's products are used across a wide range of applications, including oil exploration and production, agrochemicals, asphalt paving, adhesives, lubricants, publication inks, coatings and automotive components that reduce gasoline vapor emissions.

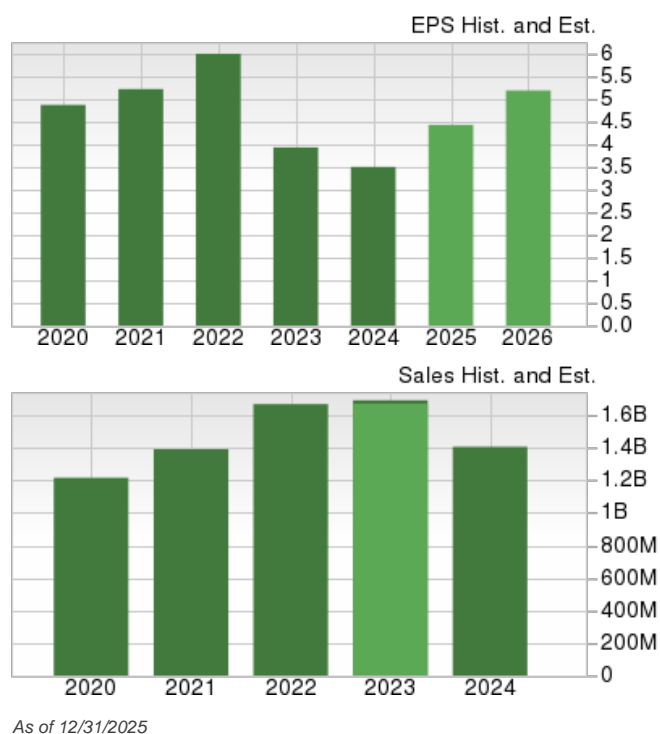
Ingevity reports through two operating segments – Performance Chemicals and Performance Materials.

Performance Chemicals (43% of 2024 sales) – This segment mainly produces applications in three product families, namely, oilfield technologies, pavement technologies and industrial specialties. These products act as critical inputs in a range of high-performance applications, including printing inks, asphalt paving, adhesives, agrochemicals, lubricants and oil exploration and production.

Performance Materials (43%) – This segment includes process purifications and automotive technologies. Process purification makes activated carbon products for water, food, beverage and chemical purification applications. Automotive technologies make automotive carbon products that are used in gasoline vapor emission control systems in trucks, cars, boats and motorcycles.

The company, in March 2018, completed the buyout of Georgia-Pacific's pine chemicals business for \$310 million. The business makes pine-based tall oil fatty acids, tall oil rosin and tall oil rosin esters that are utilized in adhesives, cleaners, paints and other coatings, inks, metalworking, mining, oilfield, packaging and rubber processing.

In February 2019, Ingevity completed the purchase of the Capa caprolactone division of Perstorp Holding AB for roughly \$652.5 million. Capa is an international market leader in the manufacture and commercialization of caprolactone and high-value downstream derivatives, which include caprolactone thermoplastics, caprolactone polyols, caprolactone lactides and hexanediol.



Reasons To Buy:

- ▲ Ingevity is expected to gain from its strategy to pursue value-creating acquisitions. The acquisition of Georgia-Pacific's pine chemicals business has benefited the company through manufacturing optimization, lower logistics costs and leveraged procurement costs. The benefits are visible through the cost savings and margin expansion being witnessed. The acquisition of the Capa caprolactone business enabled the company to acquire a new technology platform to drive revenue and earnings growth. Capa has a strong and market-leading business that focuses on high-growth end-use applications. The acquisition of Ozark Materials will also strengthen the company's position in the paving construction industry and enable it to serve customers better.
- ▲ The company has completed the successful repositioning of its Performance Chemicals business by reducing exposure to lower-margin end markets. This was evident through its improved working capital, strong free cash flow and improving EBITDA. The company expects total savings from repositioning actions of roughly \$95-\$100 million. The company also steers forward with its plans to optimize the portfolio by divesting in the Industrial Specialties business and crude tall oil (CTO) refinery.
- ▲ Ingevity is implementing several initiatives to drive long-term growth. The company has achieved its first commercial sales of Tall Oil Fatty Acid ("TOFA") in European biofuels, anticipating that this will open new opportunities and generate incremental yield. Additionally, Ingevity raised the production capacity of soy-based fatty acid at its Crossett facility, enhancing ability to meet the growing market demand. The company is also expanding the monomer production capacity of caprolactone in Warrington and increasing the polyol capacity at its DeRidder plant. Ingevity sees opportunities for increased testing and contributions to the methane value chain. The Pavement Technology business is expected to provide a significant boost, as the company is well-positioned to globalize and capitalize on this segment.

Strategic acquisitions strengthen technology capabilities and market reach. Successful repositioning, ongoing portfolio optimization and innovative growth initiatives support long-term growth.

Reasons To Sell:

- ▼ During the third quarter of 2025, Ingevity's sales in Advanced Polymer Technologies continued to slump due to weak customer demand, especially in Europe and Asia, along with competitive pricing pressure. Sales fell around 22% year over year, resulting in a bleak management outlook. The company has revised down its consolidated sales forecast for 2025 to reflect challenges in Advanced Polymer Technologies related to competitive pressures and indirect tariff impacts, which have resulted in a delayed recovery in industrial demand.
- ▼ The uncertain tariff impacts will require the company to be dynamic enough to execute a wide range of mitigation techniques. Although the company has plans laid down, successful execution might pose a challenge. Weak macroeconomic conditions due to disruptions caused by tariffs are expected to affect business and consumer sentiment in the near term, impacting demand for the company's products. Performance materials and Advanced Polymer Technologies segment face volume pressures and delayed contracts with anticipated disruptions in the near term.
- ▼ North America's auto production has been forecasted to improve slightly but will remain below prior-year levels. China might be the only market to witness year-over-year growth in auto production. These expectations are likely to adversely impact the Performance Materials segment.

Ingevity faces continued pressure from weak sales, tariff impacts and soft industrial demand, while lower auto production volumes are likely to affect Performance Materials.

Last Earnings Report

Ingevity's Earnings Decline Y/Y in Q3, Revenues Flat

Ingevity recorded a third-quarter 2025 profit from continuing operations of \$40.8 million or \$1.10 per share, compared with a profit of \$47.5 million or \$1.30 per share in the year-ago quarter.

Excluding one-time items, adjusted earnings in the quarter were \$1.31 per share, down 2% year over year.

Revenues (from continuing operations) were flat year over year at \$333.1 million in the quarter.

Gains in the Performance Chemicals segment's Road Technologies product line and Performance Materials segment were offset by reduced sales in Advanced Polymer Technologies.

Segmental Review

The Performance Chemicals division generated revenues of \$139.9 million in the reported quarter, up around 5% year over year. North American pavement sales reached record levels in the quarter.

Revenues in the Performance Materials unit rose around 3% year over year to \$155 million. This was a result of higher volumes from improved automotive production.

Sales in the Advanced Polymer Technologies segment were down roughly 22% to \$38.2 million. This downside was due to pressure from indirect tariff impacts that lowered demand in customers' end markets, sustained weak industrial demand and higher competition in China.

Financials

The third-quarter operating cash flow was \$129.7 million, with free cash flow of \$117.8 million. The company repurchased \$25 million shares during the quarter, leaving \$328 million remaining under the current \$500 million authorization. Net leverage improved to 2.7x from the previous quarter's 3x.

2025 Outlook Revised

Ingevity revised full-year total net sales guidance to between \$1.25 billion and \$1.35 billion and total adjusted EBITDA between \$390 million and \$405 million. The update reflects challenges in Advanced Polymer Technologies related to competitive pressures and indirect tariff impacts, which have further delayed the expected recovery in industrial demand.

The company announced the sale of the majority of the Industrial Specialties product line and the North Charleston crude tall oil refinery for \$110 million. The divestment is expected to close by early 2026.

FY Quarter Ending **12/31/2025**

Earnings Reporting Date	Nov 05, 2025
Sales Surprise	NA
EPS Surprise	36.27%
Quarterly EPS	1.31
Annual EPS (TTM)	4.64

Valuation

Ingevity's shares are up 45.3% over the trailing 12-month period. In the past year, the Zacks Chemicals-Specialty industry and the Zacks Basic Materials sector are down 2.9% and up 28.5%, respectively.

The S&P 500 index is up 16.3% in the past year.

The stock is currently trading at 4.98X trailing 12-month enterprise value-to EBITDA (EV/EBITDA) ratio, which compares to 12.24X for the Zacks sub-industry, 14.91X for the Zacks sector and 18.56X for the S&P 500 index.

Over the past five years, the stock has traded as high as 11.21X and as low as 3.12X, with a 5-year median of 7.55X.

Our Neutral recommendation indicates that the stock will perform in line with the market. Our \$65 price target reflects 12.55X forward 12-month earnings per share.

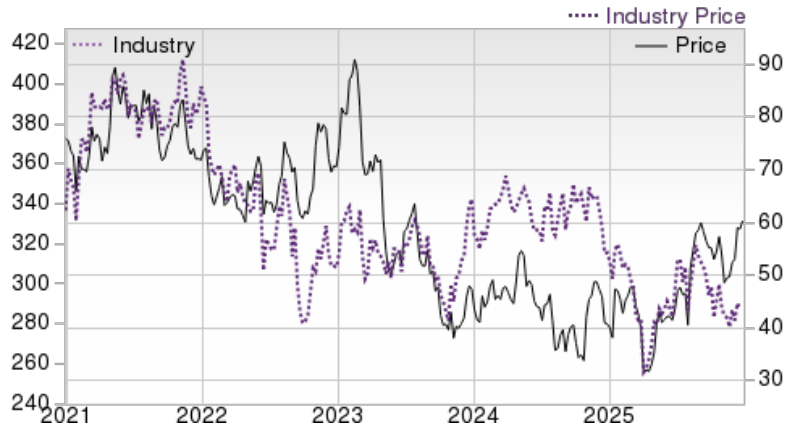
The table below shows a summary of valuation data for NGVT:

Valuation Multiples - NGVT					
		Stock	Sub-Industry	Sector	S&P 500
EV/EBITDA TTM	Current	4.98	12.24	14.91	18.56
	5-Year High	11.21	14.13	14.91	22.37
	5-Year Low	3.12	NA	5.75	13.85
	5-Year Median	7.55	11.74	10.86	17.94
P/E F 12M	Current	11.54	20.52	15.5	23.27
	5-Year High	16.07	25.17	16.68	23.78
	5-Year Low	6.41	15.03	8.03	15.73
	5-Year Median	10.95	22.26	12.87	21.22
P/B TTM	Current	15.78	3.42	3.56	8.48
	5-Year High	18.35	4.11	4.25	9.15
	5-Year Low	1.89	2.51	2.18	6.59
	5-Year Median	4.42	3.22	3.03	8.04

As of 12/22/2025

Source: Zacks Investment Research

Industry Analysis⁽¹⁾ Zacks Industry Rank: Bottom 10% (218 out of 243)



Top Peers ⁽¹⁾

Company (Ticker)	Rec	Rank
Axalta Coating Systems (AXTA)	Neutral	4
Celanese Corporation (CE)	Neutral	3
Element Solutions Inc. (ESI)	Neutral	2
Koppers Holdings Inc. (KOP)	Neutral	3
Quaker Houghton (KWR)	Neutral	2
Cabot Corporation (CBT)	Underperform	5
Eastman Chemical Company (EMN)	Underperform	4
Valvoline (VVO)	Underperform	4

Industry Comparison⁽¹⁾ Industry: Chemical - Specialty

	NGVT	X Industry	S&P 500	AXTA	CBT	ESI
Zacks Recommendation (Long Term)	Neutral	-	-	Neutral	Underperform	Neutral
Zacks Rank (Short Term)	3	-	-	4	5	2
VGM Score	A	-	-	C	A	C
Market Cap	2.13 B	2.25 B	39.51 B	7.00 B	3.51 B	6.12 B
# of Analysts	1	2	22	6	2	5
Dividend Yield	0.00%	0.49%	1.42%	0.00%	2.71%	1.27%
Value Score	B	-	-	B	B	B
Cash/Price	0.04	0.07	0.04	0.09	0.07	0.10
EV/EBITDA	163.44	11.81	14.63	9.78	5.16	14.11
PEG Ratio	1.04	2.36	2.21	1.30	3.48	1.26
Price/Book (P/B)	15.66	1.78	3.34	3.01	2.07	2.29
Price/Cash Flow (P/CF)	3.67	11.83	15.24	8.75	6.38	11.89
P/E (F1)	14.40	18.65	20.05	13.14	10.26	17.28
Price/Sales (P/S)	1.66	1.59	3.14	1.35	0.95	2.45
Earnings Yield	7.49%	4.68%	4.94%	7.62%	9.74%	5.78%
Debt/Equity	8.39	0.43	0.57	1.45	0.50	0.61
Cash Flow (\$/share)	16.11	2.27	8.98	3.69	10.39	2.10
Growth Score	A	-	-	C	A	D
Hist. EPS Growth (3-5 yrs)	-9.88%	5.11%	8.21%	9.36%	16.85%	4.76%
Proj. EPS Growth (F1/F0)	17.09%	0.00%	0.00%	6.38%	-10.76%	1.39%
Curr. Cash Flow Growth	118.95%	6.40%	7.00%	27.15%	0.55%	-9.11%
Hist. Cash Flow Growth (3-5 yrs)	14.85%	5.85%	7.48%	0.47%	14.83%	5.85%
Current Ratio	1.27	2.11	1.18	2.20	1.61	4.05
Debt/Capital	89.35%	32.33%	38.15%	59.26%	33.42%	37.85%
Net Margin	-5.14%	3.40%	12.77%	8.81%	8.91%	9.58%
Return on Equity	103.69%	9.83%	17.03%	24.92%	24.55%	14.01%
Sales/Assets	0.66	0.69	0.53	0.68	0.99	0.51
Proj. Sales Growth (F1/F0)	18.80%	0.00%	5.85%	-2.80%	-5.20%	1.60%
Momentum Score	B	-	-	F	D	B
Daily Price Chg	-0.20%	-0.78%	-0.74%	-1.52%	-0.23%	-1.11%
1 Week Price Chg	2.63%	0.92%	-0.20%	1.12%	0.54%	2.31%
4 Week Price Chg	12.64%	0.00%	0.98%	7.70%	2.70%	-3.70%
12 Week Price Chg	8.85%	-4.20%	2.71%	18.14%	-9.24%	-5.16%
52 Week Price Chg	45.23%	-5.91%	17.25%	-5.58%	-27.41%	-1.73%
20 Day Average Volume	336,084	226,603	2,520,743	3,650,532	529,996	2,005,300
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
(F1) EPS Est 4 week change	NA%	0.00%	0.00%	-0.13%	0.00%	0.31%
(F1) EPS Est 12 week change	9.63%	-0.09%	0.69%	-0.05%	-17.87%	1.35%
(Q1) EPS Est Mthly Chg	NA%	0.00%	0.00%	-0.27%	0.00%	0.28%

Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

Zacks Style Scores

The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	B
Growth Score	A
Momentum Score	B
VGM Score	A

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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