



earnings conference call first quarter fiscal 2024

January 31, 2024 9:00 a.m. ET



Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Ashland has identified some of these forward-looking statements with words such as "anticipates," "believes," "expects," "estimates," "is likely," "predicts," "projects," "forecasts," "objectives," "may," "will," "should," "plans" and "intends" and the negative of these words or other comparable terminology. Ashland may from time to time make forward-looking statements in its annual reports, quarterly reports and other filings with the U.S. Securities and Exchange Commission (SEC), news releases and other written and oral communications. These forward-looking statements are based on Ashland's expectations and assumptions, as of the date such statements are made, regarding Ashland's future operating performance, financial condition, as well as the economy and other future events or circumstances. These statements include but may not be limited to Ashland's expectations regarding its ability to drive sales and earnings growth and effectively manage cost.

Ashland's expectations and assumptions include, without limitation, internal forecasts and analyses of current and future market conditions and trends, management plans and strategies, operating efficiencies and economic conditions (such as prices, supply and demand, cost of raw materials, and the ability to recover raw-material cost increases through price increases), and risks and uncertainties associated with the following: the impact of acquisitions and/or divestitures Ashland has made or may make (including the possibility that Ashland may not realize the anticipated benefits from such transactions); Ashland's substantial indebtedness (including the possibility that such indebtedness and related restrictive covenants may adversely affect Ashland's future cash flows, results of operations, financial condition and its ability to repay debt); severe weather, natural disasters, public-health crises, cyber events and legal proceedings and claims (including product recalls, environmental and asbestos matters); the ongoing Ukraine-Russia and Israel-Hamas conflicts on the geographies in which we operate, the end markets we serve and on our supply chain and customers, and without limitation, risks and uncertainties affecting Ashland that are described in Ashland's most recent Form 10-K (including Item 1A Risk Factors) filed with the SEC, which is available on Ashland's website at <http://investor.ashland.com> or on the SEC's website at <http://www.sec.gov>. Various risks and uncertainties may cause actual results to differ materially from those stated, projected or implied by any forward-looking statements. Ashland believes its expectations and assumptions are reasonable, but there can be no assurance that the expectations reflected herein will be achieved. Unless legally required, Ashland undertakes no obligation to update any forward-looking statements made in this presentation whether as a result of new information, future events or otherwise.

Regulation G: Adjusted Results

The information presented herein regarding certain unaudited adjusted results does not conform to generally accepted accounting principles in the United States (U.S. GAAP) and should not be construed as an alternative to the reported results determined in accordance with U.S. GAAP. Ashland has included this non-GAAP information to assist in understanding the operating performance of the company and its reportable segments. The non-GAAP information provided may not be consistent with the methodologies used by other companies. All non-GAAP information has been reconciled with reported U.S. GAAP results under Appendix A: Non-GAAP Reconciliation of this presentation.

agenda

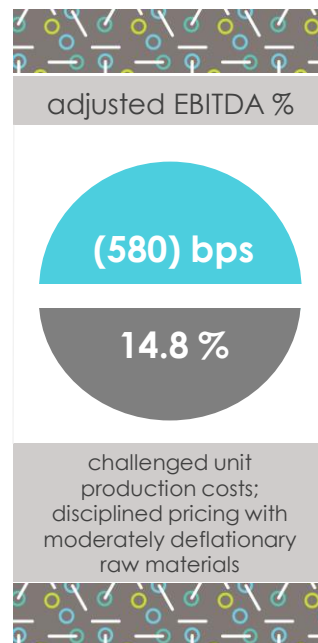
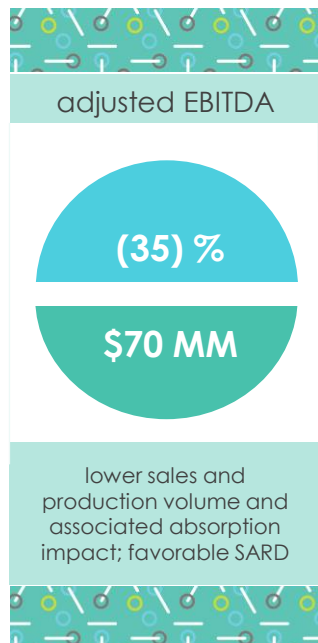
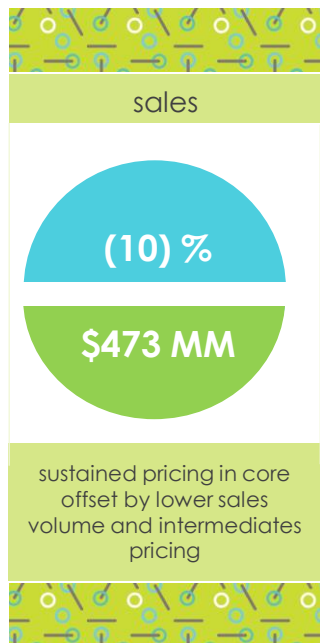
- Q1 performance summary
- Q1 financial results
- outlook
- update on strategic priorities
- closing comments
- Q&A



Guillermo Novo, Chair & CEO
Q1 performance summary



Q1 highlights¹

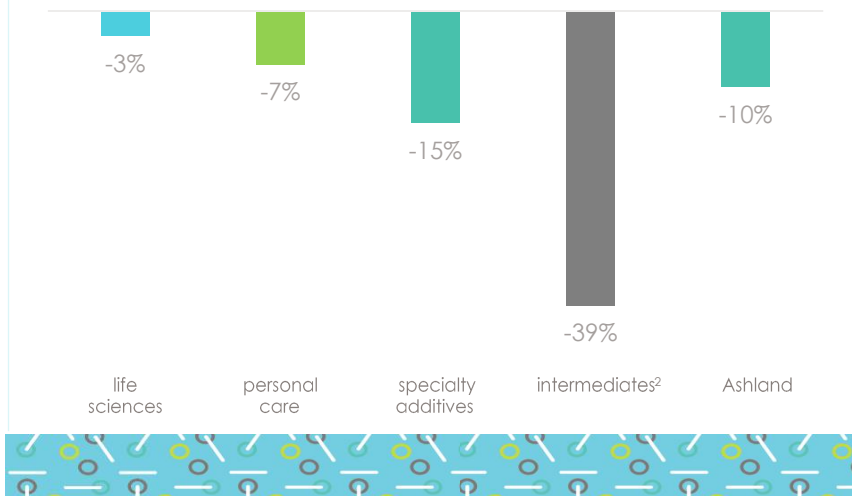


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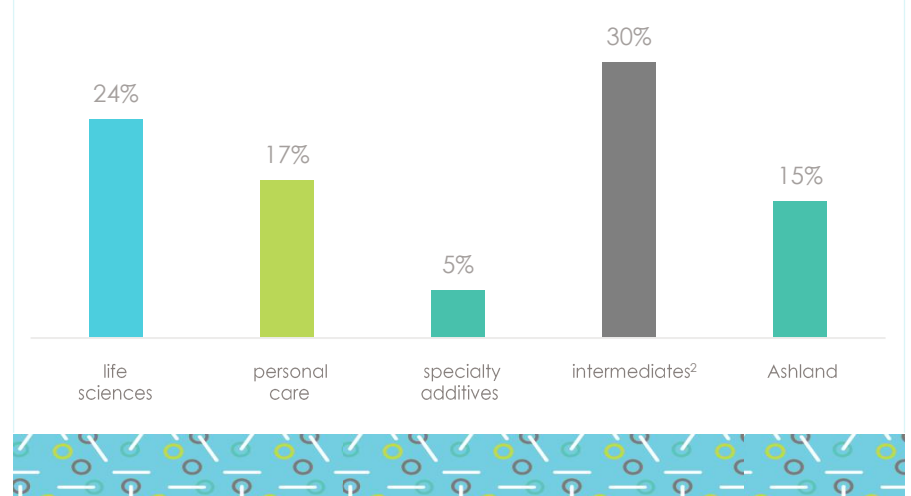
- 1 Comparisons versus prior-year quarter. All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income, income from continuing operations to adjusted income from continuing operations, diluted earnings per share to adjusted diluted earnings per share and adjusted diluted earnings per share, excluding amortization expense.
- 2 Unless otherwise noted, earnings are reported on a diluted-share basis and exclude amortization expense.

producing to demand

sales¹ impacted by weaker demand



with Adj. EBITDA margins impacted by lower production



¹ Comparisons versus prior-year quarter.
² Merchant sales represents ~65% of Intermediates.

Kevin Willis, CFO
Q1 financial results



fiscal-first quarter adjusted results¹

operating results summary

Ashland			
(\$US in millions, except percentages)	Q1 FY24	Q1 FY23	change
sales	\$473	\$525	(10) %
gross profit margin	25.2 %	31.4 %	(620) bps
SG&A / R&D costs / intangible amortization	\$103	\$116	(11) %
operating income	\$16	\$50	(68) %
EBITDA	\$70	\$108	(35) %
EBITDA margin	14.8 %	20.6 %	(580) bps
EPS (excluding acquisition amortization) ²	\$0.45	\$0.97	(54) %
ongoing free cash flow ³	\$66	(\$21)	NM



1 All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income, income from continuing operations to adjusted income from continuing operations, diluted earnings per share to adjusted diluted earnings per share and adjusted diluted earnings per share, excluding amortization expense.

2 Unless otherwise noted, earnings are reported on a diluted-share basis.

3 Ongoing free cash flow defined as total cash flow provided by operating activities, less adjustments to property, plant and equipment and excluding any inflows or outflows related to U.S. and Foreign Accounts Receivable Sales Program, restructuring-related payments and environmental and related litigation payments.

business unit reviews

life sciences



personal care



specialty additives



intermediates



life sciences

highlights

- o pharma demand down compared to strong prior year
- o maintained strong recovery in nutraceuticals
- o continued weakness in nutrition end-markets
- o disciplined pricing with moderately deflationary raw materials
- o unfavorable product mix

adjusted results summary ¹			
(\$US in millions, except percentages)	Q1 FY24	Q1 FY23	change
sales	\$200	\$207	(3) %
gross profit	\$63	\$67	(6) %
gross profit margin	31.5 %	32.4 %	(90) bps
operating income	\$32	\$35	(9) %
EBITDA	\$48	\$52	(8) %
EBITDA margin	24.0 %	25.1 %	(110) bps

-HSD	+DD	-DD
pharma	nutraceuticals	nutrition & other



Q1 FY24 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

¹ All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income.

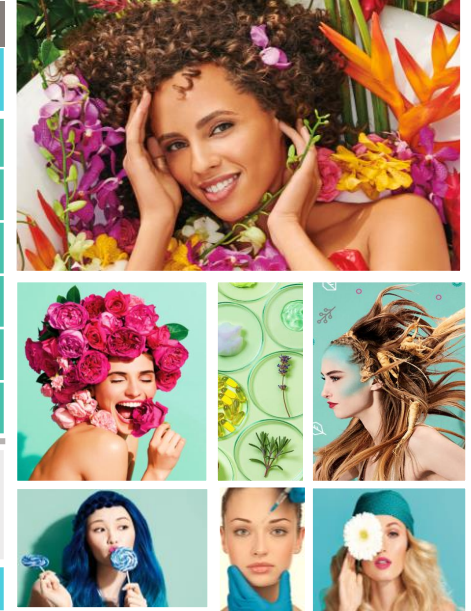
personal care

highlights

- o global consumer demand remains resilient
- o continued weakness in skin-care and oral-care partially offset by hair-care
- o continued Avoca challenges
- o disciplined pricing with moderately deflationary raw materials
- o absorption on lower production volume (no advance inventory build)

adjusted results summary ¹			
(\$US in millions, except percentages)	Q1 FY24	Q1 FY23	change
sales	\$129	\$138	(7) %
gross profit	\$38	\$49	(22) %
gross profit margin	29.5 %	35.5 %	(600) bps
operating income	\$2	\$11	(82) %
EBITDA	\$22	\$32	(31) %
EBITDA margin	17.1 %	23.2 %	(610) bps

-HSD	+MSD	-DD	+LSD
skin care	hair care	oral care	household



Q1 FY24 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

¹ All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income.

specialty additives

highlights

- carryover impacts of lower volumes
- architectural coating volumes less impacted
- pricing offset by moderately deflationary raw materials
- absorption on lower production volume (no advance inventory build)

adjusted results summary ¹			
(\$US in millions, except percentages)	Q1 FY24	Q1 FY23	change
sales	\$122	\$143	(15) %
gross profit	\$9	\$27	(67) %
gross profit margin	7.4 %	18.9 %	(1,150) bps
operating income	(\$11)	\$5	NM
EBITDA	\$6	\$23	(74) %
EBITDA margin	4.9 %	16.1 %	(1,120) bps

-DD	-DD
coatings	construction, energy, performance spec.



Q1 FY24 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

¹ All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income.

intermediates

highlights

- o merchant: broadly lower pricing and volumes
- o captive: lower transfer pricing, partially offset by improved raw material cost, and reduced volumes

adjusted results summary ¹			
(\$US in millions, except percentages)	Q1 FY24	Q1 FY23	change
sales	\$33	\$54	(39) %
gross profit	\$9	\$22	(59) %
gross profit margin	27.3 %	40.7 %	(1,340) bps
operating income	\$7	\$20	(65) %
EBITDA	\$10	\$23	(57) %
EBITDA margin	30.3 %	42.6 %	(1,230) bps
	-DD	-DD	
	merchant	captive	

Q1 FY24 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

¹ All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income.



strong balance sheet

robust financial position with increased flexibility

share repurchases under \$1 billion authorization

- new \$100 million trading plan completed in December
- repurchased 1.2 million shares during the first quarter
- \$900 million remains under the current authorization
- repurchased \$1.05 billion / 11.1 million shares over the last 30 months

strong balance sheet¹

- cash and liquidity available of ~\$1.0 billion
- net debt² of \$901 million; net leverage³ of 2.1x
- no long-term debt maturities for the next three years

proactive inventory management and free cash flow generation

- reduced year-over-year inventory levels by \$136 million
- \$66 million of first quarter ongoing free cash flow

other long-term capital allocation priorities

- growth capital investment over the coming years
- slowing certain growth investments to keep pace with demand recovery
- increased flexibility to pursue future M&A strategy

enhanced balance sheet strength and flexibility



¹ All figures as of December 31, 2023.

² Net debt = total debt less cash.

³ Net leverage = net debt / last-twelve-month Adjusted EBITDA.

Kevin Willis, CFO
outlook



execute: four primary portfolio actions

strengthen our base and drive performance

	status	key updates
1 divest nutraceuticals business	✓	target to sign and close within FY24
2 optimize & consolidate CMC business	✓	action underway to wind-down U.S. production in 2Q-3Q FY24 / shift select SKUs
3 optimize & consolidate MC-Industrial business	✓	advanced planning with implementation to commence shortly
4 rebalance global HEC production network	✓	transition in-process to migrate product lines across the network

execute: a more durable and resilient portfolio

impact of our actions: **stronger performance**

**adj. EBITDA
margin**



200 - 250 bps
expansion

**returns²
(RONA)**



150 - 200 bps
increase

**network³
utilization rate**



10 - 15%
increase

**working
capital**



~10% overall
reduction

impact¹

- modest reduction in FY24 sales from portfolio actions
 - CMC + MC-Industrial: \$30-40 million lower sales
 - Nutraceuticals: dependent on closing date
 - HEC: no impact
- no change in adjusted EBITDA dollars
 - gross profit loss / stranded costs offset by restructuring
 - EBITDA neutral post-actions
- overall production network utilization increase

fiscal Q2 and full-year outlook

forward looking insights

- converging sales volume and customer end-market demand
- forecasting sequential Q2 recovery with second-half momentum
- normalized order lead times
- deflationary raw materials to partially offset softer pricing
- producing to demand with an absorption benefit vs. prior year

risks and opportunities

- global recession impact on consumer
- demand recovery timing and magnitude
- changes in specific segment, region or customer demand
- variability in plant loading and operating levels
- price vs. raw material cost balance
- inflationary cost trends return

fiscal Q2	
sales	\$565 - \$585 million
adjusted EBITDA	\$115 - \$125 million
fiscal full-year	
sales	\$2.15 - \$2.25 billion
adjusted EBITDA	\$460 - \$500 million



agile, disciplined,
focused on what
we can control

Guillermo Novo, Chair & CEO
update on strategic priorities



strategic priorities

shape and grow the portfolio

execute

- expand leading technology capacity
- exit select product / business lines

globalize

- high-value product segments in key geographies
- expand big3 in Asia

innovate

- existing technology platforms
- new technology platforms

acquire

- drug delivery technologies
- natural & biotech technologies
- high-value additives

sustainably shape and grow

globalize: expanding high-margin businesses

pharma

injectables



- growing pipeline for viatel™ & vialose™ (both, value & number of programs)
- recent launch (viatel™ ultrapure) gaining adoption with commercial sales

OSD film coatings



- new customer wins enabling share gain in Latin America, Europe and U.S.
- enhancing customer experience with streamlined processes & local support

personal care

biofunctionals



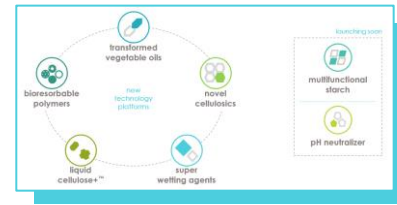
- commissioned new production facility in Nanjing, China – supplying customers
- adding commercial members in select geographies (e.g., U.S.)

preservatives



- expanding labs across the globe with equivalent capabilities
- launching new multi-functional preservatives

innovate: advancing scalable growth



select updates



transformed vegetable oils

introduced 3 products in personal care (skin, sun & oral care) – sales ramping

exciting discoveries in coatings with additional functionalities

development progressing well in crop care for seed coatings



super wetting agents

launched 3 easy-wet™ products with first commercial sales in coatings and growing pipeline

advancing OSD and injectable development (solubilizer)

crop care: field trials conducted with target launch in FY24



pH neutralizer

customer evaluations in-process with multiple samples

testing has verified multiple functionalities (beyond buffer)

first launch scheduled this year

positive feedback and active engagement programs with leading personal care and coatings customers

our approach

build resilience focus on building clarity vs. certainty

- act on what we can control
- develop plans assuming the worse case
- be positioned to capitalize on upside

- remain on strategy
- maintain operating and capital allocation discipline
- take action to maximize fiscal year 2024 performance
- leverage opportunity to refine portfolio and improve quality/focus
- invest in our long-term growth strategy



thank you



Q&A





appendix A: adjusted results
summary and balance sheet

Q1 adjusted results summary¹

(US\$ in millions, except percentages and per share data)	Q1 FY24	Q1 FY23	change
sales	\$473	\$525	(10) %
gross profit	\$119	\$165	(28) %
gross profit margin	25.2 %	31.4 %	(620) bps
SG&A / R&D costs / intangible amort.	\$103	\$116	(11) %
operating income	\$16	\$50	(68) %
depreciation & amortization	\$56	\$59	(5) %
EBITDA	\$70	\$108	(35) %
EBITDA margin	14.8 %	20.6 %	(580) bps
net interest and other expense	\$7	\$7	- %
effective tax rate	13 %	15 %	(200) bps
income from continuing operations	\$6	\$36	(83) %
income from continuing operations (excluding intangible amortization)	\$23	\$54	(57) %
diluted share count (million shares)	51	55	(7) %
EPS (excluding intangible amortization)	\$0.45	\$0.97	(54) %

¹ All figures are presented on an adjusted basis except Sales and Diluted share count (million shares). Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income, income from continuing operations to adjusted income from continuing operations, diluted earnings per share to adjusted diluted earnings per share and adjusted diluted earnings per share, excluding amortization expense.

Q1 business unit consolidation¹

(\$US in millions, except percentages)	life sciences	personal care	specialty additives	Intermediates	intercompany eliminations ²	unallocated and other ³	Ashland
sales	\$200	\$129	\$122	\$33	(\$11)	-	\$473
gross profit	\$63	\$38	\$9	\$9	-	-	\$119
gross profit margin	31.5 %	29.5 %	7.4 %	27.3 %	-	-	25.2 %
EBITDA	\$48	\$22	\$6	\$10	-	(\$16)	\$70
EBITDA margin	24.0 %	17.1 %	4.9 %	30.3 %	-	-	14.8 %

¹ All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income, income from continuing operations to adjusted income from continuing operations and diluted earnings per share to adjusted diluted earnings per share.

² Intercompany sales from intermediates to all other segments recorded at market pricing and are eliminated in consolidation.

³ Unallocated and other includes legacy costs plus corporate governance (finance, legal, executive, etc.).

liquidity and net debt

(\$US in millions)	expiration	interest rate	Moody's rating	S&P rating	12/31/23 balance
cash					\$440
revolver and A/R facilities availability					596
cash and revolver availability¹					\$1,036
US and foreign A/R sales program¹					-
debt					
2.00% notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	\$554
3.375% notes	Sept. 2031	3.375%	Ba1	BB+	450
6.875% notes	May 2043	6.875%	Ba1	BB+	282
revolving credit facility ²	July 2027	Term SOFR+137.5	-	-	-
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	64
other ³		-	-	-	(9)
total debt			Ba1/stable	BB+/stable	\$1,341
cash					(440)
net debt					\$901

¹ Total liquidity of \$1,036 million from all sources.

² Term SOFR benchmark rate to include 10 bps credit adjustment spread on USD 1-, 3-, and 6-month borrowings.

³ Includes \$13 million of debt issuance cost discounts as of December 31, 2023.

appendix B: non-GAAP reconciliation¹

¹ Although Ashland provides forward looking guidance for adjusted EBITDA in this presentation, Ashland is not reaffirming or providing forward-looking guidance for U.S. GAAP reported financial measures or a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP measure because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items without unreasonable effort.

Ashland Inc. and Consolidated Subsidiaries
Reconciliation of Non-GAAP Data
for the 12 Months Ended December 31, 2023

(\$ millions, except percentages)

Sales¹	Q1 24	Q4 23	Q3 23	Q2 23	Total	Q1 23
Life Sciences	\$ 200	\$ 203	\$ 219	\$ 240	\$ 862	\$ 207
Personal Care	129	146	146	167	588	138
Specialty Additives	122	144	152	161	579	143
Intermediates	33	37	43	51	164	54
Less: Intercompany Eliminations	(11)	(12)	(14)	(16)	(53)	(17)
Total	\$ 473	\$ 518	\$ 546	\$ 603	\$ 2,140	\$ 525

Adjusted EBITDA¹	Q1 24	Q4 23	Q3 23	Q2 23	Total	Adjusted EBITDA Margin	Q1 23
Life Sciences	\$ 48	\$ 48	\$ 72	\$ 75	\$ 243	28.2%	\$ 52
Personal Care	22	36	35	35	128	21.8%	32
Specialty Additives	6	8	29	34	77	13.3%	23
Intermediates	10	3	16	20	49	29.9%	23
<i>Unallocated</i>	(16)	(21)	(19)	(19)	(75)		(22)
Total	\$ 70	\$ 74	\$ 133	\$ 145	\$ 422	19.7%	\$ 108

Segment Components of Key Items for Applicable

Income Statement Captions – for the 3 months ended December 31, 2023

In millions - preliminary and unaudited

(\$ millions)

	Three Months Ended December 31, 2023					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Environmental reserve adjustments	\$ -	\$ -	\$ -	\$ -	\$ (4)	\$ (4)
Restructuring, separation and other costs	-	-	-	-	(4)	(4)
Accelerated depreciation	-	-	(21)	-	-	(21)
Argentina currency devaluation impact	-	-	-	-	(5)	(5)
All other operating income (loss)	32	2	(11)	7	(14)	16
Operating income (loss)	32	2	(32)	7	(27)	(18)
NET INTEREST AND OTHER EXPENSE (INCOME)						
Key items					(31)	(31)
All other net interest and other expense					7	7
					(24)	(24)
OTHER NET PERIODIC BENEFIT LOSS					2	2
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items (a)					(1)	(1)
Tax specific key items (b)					(24)	(24)
All other income tax expense					1	1
					(24)	(24)
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>\$ 32</u>	<u>\$ 2</u>	<u>\$ (32)</u>	<u>\$ 7</u>	<u>\$ 19</u>	<u>\$ 28</u>

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(a) Represents the tax effect of the key items that are previously identified above.

(b) Represents key items resulting from tax specific financial transactions, tax law changes or other matters that fall within the definition of tax specific key items. See slide 37 for additional information.



Segment Components of Key Items for Applicable

Income Statement Captions – for the 3 months ended December 31, 2022

In millions - preliminary and unaudited

(\$ millions)

	Three Months Ended December 31, 2022					Total
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	
OPERATING INCOME (LOSS)						
Operating key items:						
Environmental reserve adjustments	\$ -	\$ -	\$ -	\$ -	\$ (8)	\$ (8)
Restructuring, separation and other costs	(1)	-	-	-	-	(1)
Asset impairments	-	-	(4)	-	-	(4)
All other operating income (loss)	35	11	5	20	(21)	50
Operating income (loss)	34	11	1	20	(29)	37
NET INTEREST AND OTHER EXPENSE (INCOME)						
Key items					(21)	(21)
All other net interest and other expense					7	7
					(14)	(14)
OTHER NET PERIODIC BENEFIT LOSS					1	1
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items (a)					2	2
All other income tax expense					6	6
					8	8
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>\$ 34</u>	<u>\$ 11</u>	<u>\$ 1</u>	<u>\$ 20</u>	<u>\$ (24)</u>	<u>\$ 42</u>

Ashland Inc. and Consolidated Subsidiaries

Reconciliation of Non-GAAP Data – Free Cash Flow and Adjusted Operating Income

for the 3 Months Ended December 31, 2023 and 2022

(\$ millions)

	Three months ended	
	December 31	
	2023	2022
Free cash flows		
Total cash flows provided (used) by operating activities from continuing operations	\$ 201	\$ (29)
Adjustments:		
Additions to property, plant and equipment	(36)	(23)
Free cash flows	\$ 165	\$ (52)
Cash (inflows) outflows from U.S. Accounts Receivable Sales Program ^(a)	(8)	19
Cash inflows from Foreign Accounts Receivable Sales Program ^(b)	(102)	-
Restructuring-related payments ^(c)	3	1
Environmental and related litigation payments ^(d)	8	11
Ongoing free cash flow	\$ 66	\$ (21)
Net Income	26	40
Adjusted EBITDA ^(e)	\$ 70	\$ 108
Operating cash flow conversion ^(f)	773%	-73%
Ongoing free cash flow conversion ^(g)	94%	-19%

^(a) Represents activity associated with the U.S. Accounts Receivable Sales Program impacting each period presented.

^(b) Represents activity associated with the Foreign Accounts Receivable Sales Program impacting each period presented.

^(c) Restructuring payments incurred during each period presented.

^(d) Represents cash outflows associated with environmental and related litigation payments which will be reimbursed by the Environmental trust.

^(e) See Adjusted EBITDA reconciliation.

^(f) Operating cash flow conversion is defined as Cash flows provided (used) by operating activities from continuing operations divided by Net Income.

^(g) Ongoing free cash flow conversion is defined as Ongoing free cash flow divided by Adjusted EBITDA

	Three months ended	
	December 31	
	2023	2022
Adjusted operating income		
Operating income (loss) (as reported)	\$ (18)	\$ 37
Key items, before tax:		
Restructuring, separation and other costs	4	1
Environmental reserve adjustments	4	8
Accelerated depreciation	21	-
Argentina currency devaluation impact	5	-
Asset impairments	-	4
Adjusted operating income (non-GAAP)	\$ 16	\$ 50

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended December 31, 2023 and 2022

(\$ millions)

Adjusted EBITDA - Ashland Inc.	Three months ended December 31	
	2023	2022
Net income	\$ 26	\$ 40
Income tax expense (benefit)	(24)	8
Net interest and other income	(24)	(14)
Depreciation and amortization ^(a)	56	59
EBITDA	34	93
Loss from discontinued operations, net of income taxes	2	2
Operating key items (see slides 31 and 32)	34	13
Adjusted EBITDA	\$ 70	\$ 108

^(a) Depreciation and amortization excludes accelerated depreciation of \$21 million for Specialty Additives for the three months ended December 31, 2023, which is included as a key item within this table as a component of Adjusted EBITDA.

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended December 31, 2023 and 2022

(\$ millions)

	Three months ended December 31	
	<u>2023</u>	<u>2022</u>
<u>Adjusted EBITDA - Life Sciences</u>		
Operating income	\$ 32	\$ 34
Add:		
Depreciation and amortization	16	17
Operating key items (see slides 31 and 32)	-	1
Adjusted EBITDA	<u>\$ 48</u>	<u>\$ 52</u>
<u>EBITDA - Personal Care</u>		
Operating income	\$ 2	\$ 11
Add:		
Depreciation and amortization	20	21
EBITDA	<u>\$ 22</u>	<u>\$ 32</u>

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended December 31, 2023 and 2022

(\$ millions)

	Three months ended December 31	
	<u>2023</u>	<u>2022</u>
<u>Adjusted EBITDA - Specialty Additives</u>		
Operating income (loss)	\$ (32)	\$ 1
Add:		
Depreciation and amortization ^(a)	17	18
Operating key items (see slides 31 and 32)	21	4
Adjusted EBITDA	<u>\$ 6</u>	<u>\$ 23</u>
 <u>EBITDA - Intermediates</u>		
Operating income	\$ 7	\$ 20
Add:		
Depreciation and amortization	3	3
EBITDA	<u>\$ 10</u>	<u>\$ 23</u>

^(a) Depreciation and amortization excludes accelerated depreciation of \$21 million for Specialty Additives for the three months ended December 31, 2023, which is included as a key item within this table as a component of Adjusted EBITDA.

Ashland Inc. and Consolidated Subsidiaries

Reconciliation of Non-GAAP Data – Adjusted Income from Continuing Operations

for the 3 Months Ended December 31, 2023 and 2022

(\$ millions)

Income from continuing operations (as reported)

Key items, before tax:

Restructuring, separation and other costs

Unrealized gains on securities

Environmental reserve adjustments

Accelerated depreciation

Argentina currency devaluation impact

Asset impairments

Key items, before tax

Tax effect of key items ^(a)

Key items, after tax

Tax specific key items:

Other and tax reform related activity

Tax specific key items ^(b)

Total key items

Adjusted income from continuing operations (non-GAAP)

Amortization expense adjustment (net of tax) ^(c)

Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense

	Three months ended December 31	
	2023	2022
	\$ 28	\$ 42
	4	1
	(31)	(21)
	4	8
	21	-
	5	-
	-	4
	3	(8)
	(1)	2
	2	(6)
	(24)	-
	(24)	-
	(22)	(6)
	\$ 6	\$ 36
	17	18
	\$ 23	\$ 54

(a) Represents the tax effect of the key items that are previously identified above.

(b) Represents key items resulting from tax specific financial transactions, tax law changes or other matters that fall within the definition of tax-specific key items. These tax-specific key items include the following:
 other and tax reform: includes the impact from the remeasurement of Ashland's foreign deferred tax balance resulting from the impact from rate changes for foreign jurisdictions and other tax law changes enacted during 2023.

(c) Amortization expense adjustment (net of tax) tax rates were 20% for the three months ended December 31, 2023 and 2022.



Reconciliation of Non-GAAP Data – Adjusted Diluted EPS from Continuing Operations

for the 3 Months Ended December 31, 2023 and 2022

	Three months ended	
	December 31	
	<u>2023</u>	<u>2022</u>
Diluted EPS from continuing operations (as reported)	\$ 0.54	\$ 0.76
Key items, before tax:		
Restructuring, separation and other costs	0.08	0.02
Unrealized gains on securities	(0.60)	(0.38)
Environmental reserve adjustments	0.08	0.14
Accelerated depreciation	0.41	-
Argentina currency devaluation impact	0.10	-
Asset impairments	-	0.07
Key items, before tax	0.07	(0.15)
Tax effect of key items ^(a)	(0.02)	0.03
Key items, after tax	0.05	(0.12)
Tax specific key items:		
Other and tax reform related activity	(0.47)	-
Tax specific key items ^(b)	(0.47)	-
Total key items	(0.42)	(0.12)
Adjusted diluted EPS from continuing operations (non-GAAP)	<u>\$ 0.12</u>	<u>\$ 0.64</u>
Amortization expense adjustment (net of tax) ^(c)	0.33	0.33
Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense	<u>\$ 0.45</u>	<u>\$ 0.97</u>

(a) Represents the tax effect of the key items that are previously identified above.

(b) Represents key items resulting from tax specific financial transactions, tax law changes or other matters that fall within the definition of tax-specific key items. These tax-specific key items include the following:

 other and tax reform: includes the impact from the remeasurement of Ashland's foreign deferred tax balance resulting from the impact from rate changes for foreign jurisdictions and other tax law changes enacted during 2023.

(c) Amortization expense adjustment (net of tax) tax rates were 20% for the three months ended December 31, 2023 and 2022.



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