



# Ashland

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executing today, empowering tomorrow



December 10, 2024



# welcome and opening remarks

William Whitaker | VP Finance, Director of Investor Relations

# forward-looking statements

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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, operating cash flow and liquidity, as well as the economy and other future events or circumstances. These statements include but may not be limited to statements with respect to management’s expectations and beliefs regarding Ashland’s competitive advantage, portfolio reset, strategic initiatives, and expectations regarding future growth opportunities.

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## 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 B: Non-GAAP Reconciliation of this presentation.

# today's agenda

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9:00 am

## welcome and opening remarks

William Whitaker | VP Finance, Director of Investor Relations

## Ashland overview

Guillermo Novo | Chair & CEO

## GM roundtable

Alessandra Faccin Assis | SVP & GM, Life Sciences & Intermediates

Jim Minicucci | SVP & GM, Personal Care

Dago Caceres | SVP & GM, Specialty Additives

## financial overview

Kevin Willis | SVP & CFO

10:30 am

## Q&A session

11:00 am

## product showcase



# Ashland overview

Guillermo Novo | Chair & CEO

# key messages

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1

**building on our transformation** to drive a new era of profitable growth, with bold aspirations, focused execution, and consistent performance

2

harnessing the fresh energy and deep insights of our **diverse talent base** and **authentic leadership team**

3

maximizing profitability and driving near-term margin expansion by leveraging actionable and **controllable operational efficiencies**

4

capitalizing on **portfolio of meaningful growth opportunities** with clear strategy to leverage our strengths and sustain our momentum in **large and growing markets**

5

executing **disciplined capital allocation** to maintain a strong and flexible balance sheet, optimize the portfolio, and deliver value to shareholders

# Ashland business transformation

positioned the company for improved growth profile with better consistency

pre-2020

## transformed the business

- spun-off and divested non-core businesses
- improved profitability
- right-sized cost structure

post-2020

## innovated for growth, accountability, and operational excellence

- focused on **high-value areas** with **technical and market leadership**
- **pruned portfolio**, exited volatile, low margin product lines
- **transformed innovation portfolio**
- increased accountability and **ownership in business units**
- **improved financial health** and optimized cost structure
- maintained **disciplined capital allocation**

# portfolio reset

(In millions of USD)

## portfolio optimization actions to-date

- optimized CMC, MC-industrial & divested nutraceuticals
- reduced volatility
- improved focus, profitability, and RONA
- offset EPS impact with 4Q24 share repurchases

	FY2024 as reported	FY2024 portfolio reset <sup>1</sup>
sales	\$2,113	<b>\$1,949</b>
adj. EBITDA	\$459	<b>\$429</b>
adj. EBITDA margin	21.7%	<b>22.0%</b>
% of sales to big3	~70%	<b>~80%</b>

## next steps

offset \$30 million stranded cost & gross profit



targeting 200-250 bps improved adj. EBITDA margins<sup>2</sup>

targeting 150-200 bps increased RONA<sup>2</sup>

1. Portfolio reset items: nutraceuticals, CMC, MC portfolio optimization actions. See appendix A for additional detail

2. Versus FY23 financial results. Annualized impact after all actions have been completed

Note: all figures are presented on an adjusted basis except sales. Appendix B reconciles adjusted amounts reported under GAAP.



# proactively responding to market uncertainty

## near-term external headwinds

- **energy transition** negatively impacting **European manufacturing base**
- ongoing **geopolitical** and **economic uncertainty** impacting growth across multiple regions
- economic **challenges in the Chinese economy**, especially in the property market
- increased **competition in China and export markets** resulting in additional price erosion which may offset expected volume growth



## Ashland's strategic actions

- pursuing volume growth in resilient end markets
- increased focus on high impact self-help actions
- exiting or closing unprofitable operations
- augmenting our team & capabilities
- advancing "globalize" and "innovate" priorities
- maintaining a strong balance sheet, prudent manufacturing and disciplined capital allocation

strategic actions to minimize downside and maximize upside

# near-term initiatives for FY25

maximizing FY25 performance while building resilience & strength to grow

- taking action to sell or exit Avoca
- deliver on >\$20MM of cost savings in FY25 from restructuring & manufacturing productivity
- shifted seven plant turnarounds to Q1, leveraging market slowdown & seasonal low



timing change for plant turnarounds does not change full year outlook

# Ashland at a glance (NYSE: ASH)

## life sciences



**35%**  
of sales<sup>1</sup>

- pharmaceuticals
- nutrition
- crop care

## personal care



**32%**  
of sales<sup>1</sup>

- skin care
- hair care
- oral care
- household

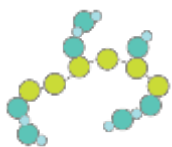
## specialty additives



**28%**  
of sales<sup>1</sup>

- coatings
- performance specialties
- construction
- energy/resources

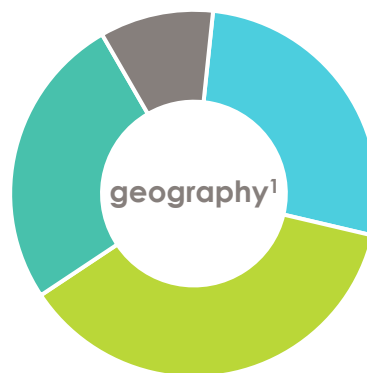
## intermediates



**5%**  
of sales<sup>1</sup>

- internal consumption
- semiconductors
- electric-vehicle

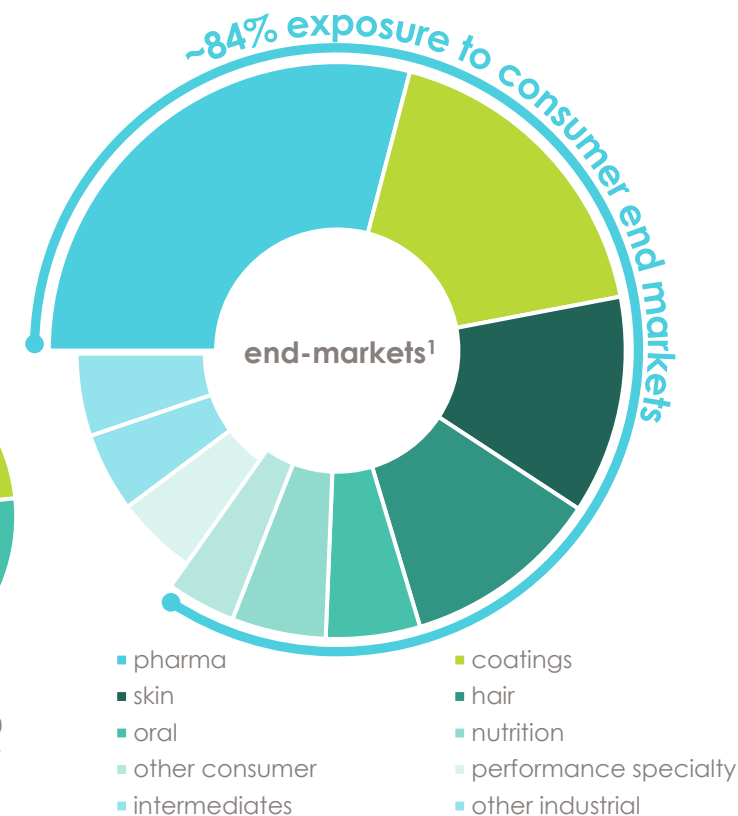
## sales breakdown



■ N. America   ■ EMEA  
■ APAC   ■ LatAm



■ Top 20   ■ #21 - #100  
■ #100 - #500   ■ remainder



**\$1.9 billion**  
sales<sup>1</sup>

**22.0%**  
adj. EBITDA margin<sup>1</sup>

**\$270 million**  
ongoing FCF

**\$429 million**  
adj. EBITDA<sup>1</sup>

**\$4.45**  
adj. EPS

**59%**  
ongoing FCF  
conversion

# leadership team with diverse experience

## today's presenters



**Guillermo Novo**  
Chair of the Board and  
Chief Executive Officer  
Joined: 2019



**Kevin Willis**  
SVP and  
Chief Financial Officer  
1987



**Alessandra Faccin Assis**  
SVP and GM, Life Sciences  
and Intermediates  
2024



**Jim Minicucci**  
SVP and GM,  
Personal Care  
2023



**Dago Caceres**  
SVP and GM, Specialty  
Additives  
2024

## additional executive leadership



**Dr. Osama M. Musa**  
SVP and  
Chief Technology Officer  
2011



**Eileen Drury**  
SVP and Chief Human  
Resources Officer  
2011



**Karl Bostaph**  
SVP,  
Operations  
2008



**Robin Lampkin**  
SVP, General Counsel  
and Secretary  
1991

# unique and sustainable competitive advantages

## scalable innovation



- new, scalable technologies that expand our toolbox and enhance our growth opportunities
- strong pipeline of innovative, sustainable solutions across markets and platforms
- ability to re-purpose existing assets to de-risk scaling

## operational scale and global reach



- leadership position in high quality, resilient markets
- extensive global infrastructure and capabilities

## sustainable relevance



- leading natural, nature-derived, and biodegradable portfolio
- ability to capitalize on consumer-driven megatrend to enhance customer relationships

## leading quality and reliability



- time-tested track record of industry-leading safe and responsible operations
- experienced team with deep industry knowledge, strong relationships, and technical capabilities

## customer intimacy



- high-quality solutions that build trust and foster deeper relationships
- ability to offer customized and differentiated additives that precisely meet customer needs
- application experts with deep understanding of customer requirements



# well-positioned in strategic growth markets

## pharma



- leading position in high-purity oral solid dose excipients
- building injectables and new drug delivery modality offerings
- active pharmaceutical ingredients manufacturing consumables

**~\$2.5bn**  
TAM<sup>1</sup>

**5 – 6%**  
expected  
growth rate<sup>1</sup>

## personal care



- industry-leading product portfolio for oral, hair, and skin care ingredients
- strong offering of natural and nature-derived products
- leading the ESG transition

**~\$5.6bn**  
TAM<sup>1</sup>

**2 – 3%**  
expected  
growth rate<sup>1</sup>

## coatings



- leading product offering in rheology
- expanding beyond rheology
- well-positioned in architectural, growing in industrial

**\$2.0bn**  
TAM<sup>1</sup>

**2 – 3%**  
expected  
growth rate<sup>1</sup>

~80% of Ashland's portfolio is in big3 markets

# driven by long-term secular industry trends

## aging population



number of people aged 60+ will more than double by 2050

## sustainability & social progress



improved access to education, health care, and economic opportunities

## emerging technologies



increased adoption of biotechnology and AI

## rising middle class



~2/3 of the world's population will be part of middle class by 2030

## clean beauty



preferences for sustainable, cruelty-free, fair trade, and low-carbon products

## global urbanization



~70% of world's population will live in urban areas by 2050

global megatrends shape our growth agenda

# executing our strategy to drive shareholder value

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execute



globalize



innovate



invest



business unit focus

enterprise focus

sustainably shaping and growing the portfolio



# execute: driving core objectives

1

## complete current portfolio optimization

reset cost structure and eliminate stranded cost  
reviewing strategic alternatives for Avoca

2

## strengthen core to build competitive advantage

optimize footprint  
drive HEC and VP&D productivity  
enable share gains

3

## enhance our commercial capabilities

shift operational culture  
allocate resources to scalable organic growth  
capitalize on expertise of new leadership teams

4

## upgrade our systems and processes

increase BU ownership of financial management  
upgrade our planning capabilities  
improve financial systems and processes

several high-impact execution initiatives to drive performance

# execute: delivering financial outcomes

## \$30 million restructuring plan

- reduce costs
- offset stranded costs via optimization actions
- no impact to growth strategies

## \$60 million manufacturing optimization

- strengthen our competitive position
- enable share gains
- improve cost position

## pursue strategic alternatives for Avoca

- focus Ashland strategy
- sell or exit

		3-year EBITDA impact		
	restructuring	~\$30 million		
	HEC optimization	~\$25 million		
	VP&D optimization	~\$25 million		
	productivity improvement	~\$10 million		
<b>total cost out:</b>		<b>\$90 million</b>		
<b>by year:</b>	<b>\$20MM</b> FY25	<b>\$60MM</b> FY26	<b>\$10MM</b> FY27	



# globalize: expanding high-margin businesses

~10% of overall sales

- accelerating growth with strategic, targeted investments
- 15% average growth rate in FY24
- margins significantly above the company average

## globalize business lines



injectables



film coatings



biofunctionals



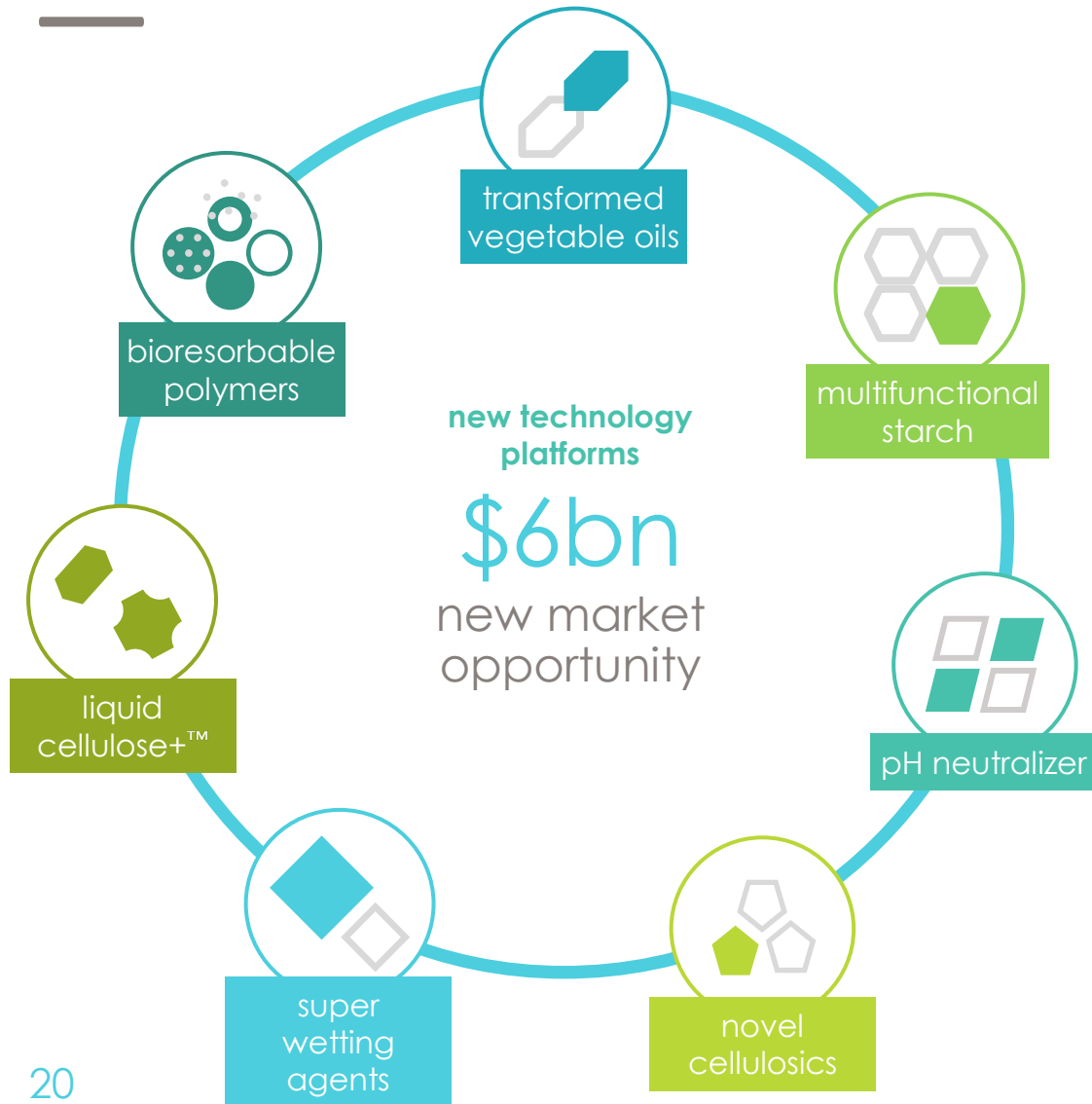
microbial protection

## what's changed?

- 1 **invested in injectables plant** in Ireland & United States
- 2 **new film coatings site** in India and new repurposed site in Brazil
- 3 **inaugurated biofunctionals** in China
- 4 **vertical integration and global expansion** in microbial protection
- 5 strengthened **internal talent base**

contributes ~150 bps to sales growth algorithm through FY27

# innovate: fueling sustainable, profitable growth



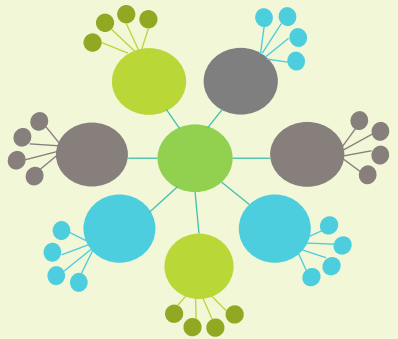
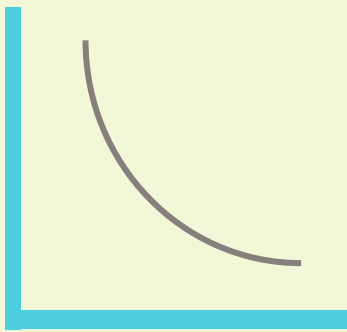


## what's changed?

- 1 hired experts to drive new markets
- 2 focused on high-impact projects
- 3 re-allocated & enhanced resources to technology platform portfolio
- 4 strengthened customer engagement

## refreshed innovation portfolio

contributes ~150 bps to sales growth algorithm through FY27 with significant upside optionality

# innovate: roadmap to sustainable material transition

performance	cost	sustainability	collaboration
 <p>technology performance &amp; breadth</p>	 <p>economies of scale</p>	 <p>sustainability profile &amp; relevance</p>	 <p>partnership to drive development &amp; investment</p>

scaling new sustainable technology platforms

# innovate: leveraging tech platforms to drive growth with strategic, low-risk bets that have high optionality

			life sciences	personal care	specialty additives
strong momentum	transformed vegetable oils	nature derived	●	✓	●
	bioresorbable polymers	biodegradable	✓		
	super wetting agents	sustainable	✓	●	✓
	pH neutralizer	sustainable	●	●	●
high future potential	multifunctional starch	sustainable		●	
	novel cellulosics	nature derived	●	●	●
	liquid cellulose	nature derived			✓

three FY24 platform launches & increased platform pipeline value<sup>1</sup> 2.5x

✓ launched & more in development ● in development

22 1. Value = projected year five revenue post-launch

# invest: strengthening portfolio through acquisitions and partnerships

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1

fill strategic gaps with bolt-on M&A



2

M&A as accelerator of platform manufacturing



3

fast-track innovation & adoption with partnerships



low-to-mid single digit upside potential provided by invest initiatives



# focused execution across business units



## personal care



## specialty additives



## life sciences

execute	drive VP&D productivity	drive HEC productivity	drive VP&D productivity
globalize	biofunctionals and microbial protection		injectables and film coatings
innovate	TVO, novel cellulose, super wetting agents, multifunctional starch, pH neutralizer	TVO, novel cellulose, super wetting agents, liquid cellulose, pH neutralizer	TVO, novel cellulose, super wetting agents, bioresorbable polymers, pH neutralizer
invest	opportunistically pursue targeted acquisitions and marketplace partnerships while divesting or rationalizing non-core operations (e.g., Avoca, construction, nutraceuticals)		

portfolio of value-creating opportunities

# Ashland sales growth algorithm

core MSD growth driven by execute, globalize, and risk-adjusted innovate initiatives, with further upside potential from invest initiatives and new technology platforms

## value of technology platforms

- elevates customer dialogue
- defends core
- new markets
- growth upside

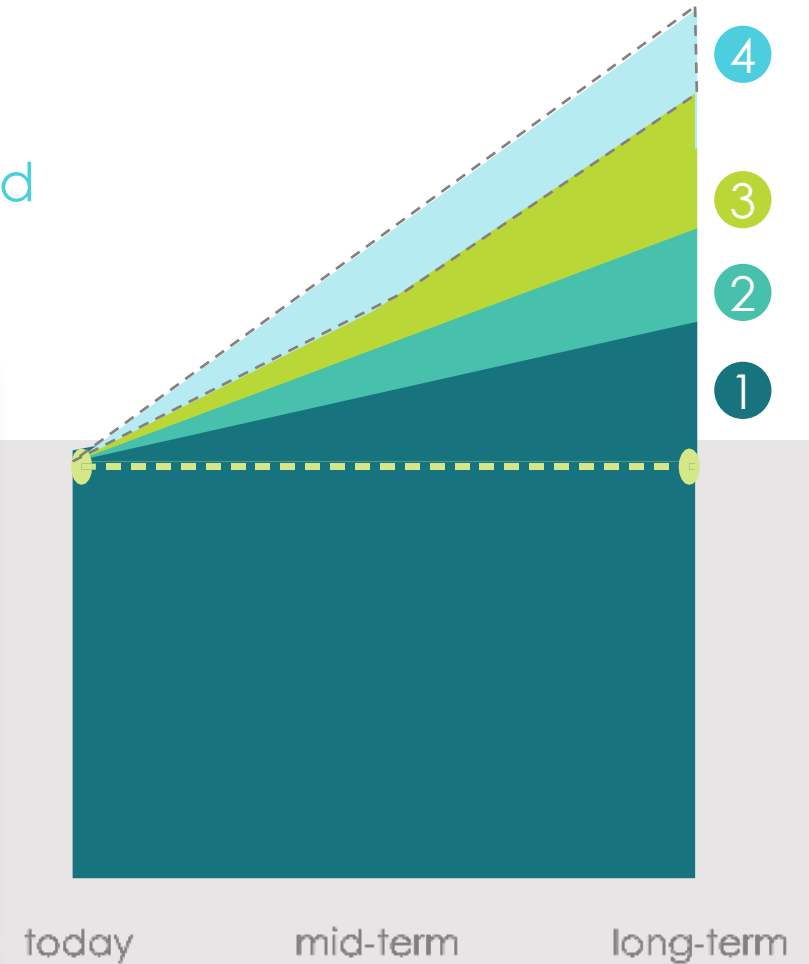
### core growth

- 1 execute:** drive growth in base business
- 2 globalize:** expand target products and verticals
- 3 innovate:** risk-adjusted new technology platforms and core innovation

- 4 invest:** step-out growth

MSD

L-MSD



# Ashland investment thesis

focused portfolio: resilient markets, differentiated products, and scalable growth

always solving™

execute

globalize

innovate

invest



leadership in high-quality consumer markets



stable, high-margin growth driven by mission-critical additives



scalable growth platforms & sustainable competitive advantage



high-impact controllable actions to drive step change in profitability



robust cash flow generation and proven track record of disciplined capital allocation

# GM panel discussion

Alessandra, Jim, and Dago | GMs

# today's panelists

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**Alessandra Faccin Assis**

SVP and GM,  
Life Sciences and  
Intermediates



**Jim Minicucci**

SVP and GM,  
Personal Care



**Dago Caceres**

SVP and GM,  
Specialty Additives

# life sciences profile

## FY 24 reset financial highlights<sup>1</sup>

FY 24 reported financial highlights<sup>2,3</sup>

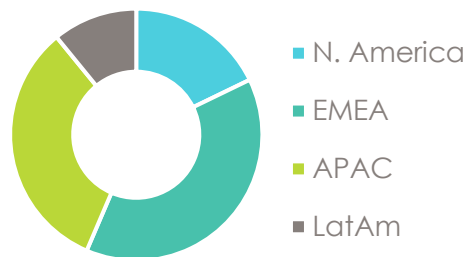
revenue  
**\$680MM**  
\$810MM

EBITDA  
**\$206MM**  
\$230MM

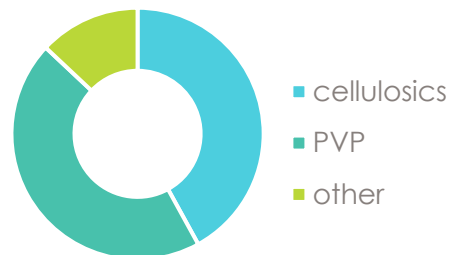
EBITDA margin  
**30.3%**  
28.4%

1. maintain & extend our leadership in OSD
2. accelerate high value injectable excipients
3. leverage platforms to penetrate adjacent markets
4. strategic participation in non-regulated markets to maximize utilization

### geographic mix<sup>1</sup>



### product mix<sup>1</sup>



### end market mix<sup>1</sup>



## end markets focus



leading pharma position



growth opportunity in crop care



optimizing nutrition

broad portfolio with global reach and expanding innovation platforms

<sup>1</sup> Financials adjusted for portfolio reset. Portfolio reset items: nutraceuticals, CMC, MC portfolio optimization actions. See appendix A for additional detail

<sup>2</sup> All figures are presented on an adjusted basis except sales. Appendix B reconciles adjusted amounts reported under GAAP.

<sup>3</sup> FY 2024 as reported on an adjusted basis except sales



# personal care profile

## FY 24 reset financial highlights<sup>1</sup>

FY 24 reported financial highlights<sup>23</sup>

revenue  
**\$624MM**  
\$634MM

EBITDA  
**\$162MM**  
\$164MM

EBITDA margin  
**26.0%**  
25.9%

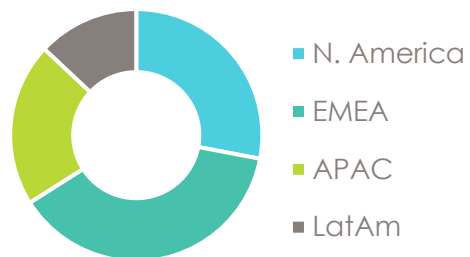
### accelerate growth in core additives

- improve supply competitiveness
- catalyze innovation-into-sales
- customer engagement model
- high-performing team

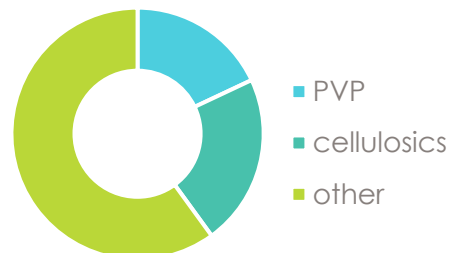
### globalize biofunctionals and microbial protection

- expand customer base
- establish regional capabilities
- tailor innovation
- stronger, dedicated teams

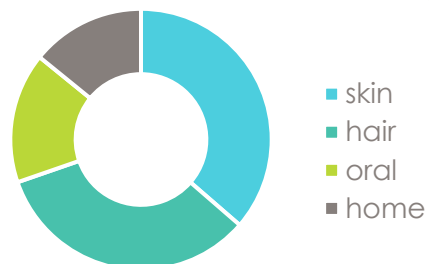
### geographic mix<sup>1</sup>



### product mix<sup>1</sup>



### end market mix<sup>1</sup>



## end markets focus



grow skin



grow hair



strengthen oral



maximize home

repositioning portfolio to unlock growth across diverse product range



# specialty additives profile

**FY 24 reset financial highlights<sup>1</sup>**

FY 24 reported financial highlights<sup>2,3</sup>

**revenue**  
**\$548MM**

\$572MM

**EBITDA**  
**\$95MM**

\$99MM

**EBITDA margin**  
**17.3%**

17.3%

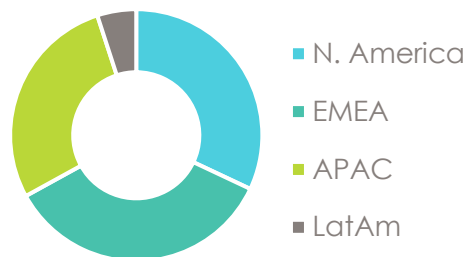
**pillar #1:** **TAM**  
**protect rheology** **\$1.2bn**

**pillar #2:** **TAM**  
**beyond rheology** **\$1.6bn**

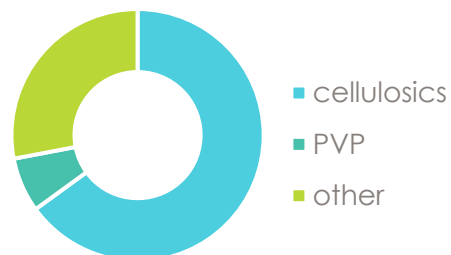
**pillar #3:** **TAM**  
**beyond the can** **>\$1.5bn**

**pillar #4:** **TAM**  
**transformational** **>\$10bn**

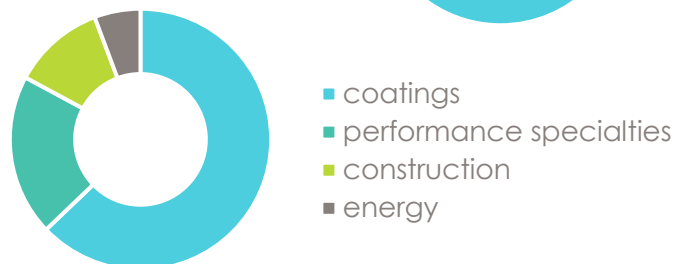
**geographic mix<sup>1</sup>**



**product mix<sup>1</sup>**



**end market mix<sup>1</sup>**



## end markets focus



coatings

GROW



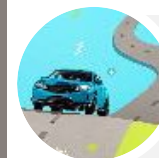
performance specialties

AGGRESSIVELY GROW



construction

OPTIMIZE



energy

OPPORTUNISTICALLY PARTICIPATE

capitalizing on growth opportunities in coatings and performance specialties

<sup>1</sup> Financials adjusted for portfolio reset. Portfolio reset items: nutraceuticals, CMC, MC portfolio optimization actions. See appendix A for additional detail

<sup>2</sup> All figures are presented on an adjusted basis except sales. Appendix B reconciles adjusted amounts reported under GAAP.

<sup>3</sup> FY 2024 as reported on an adjusted basis except sales

# delivering growth & consistency through execution

## key execution projects

- 1 HEC optimization
- 2 VP&D optimization
- 3 manufacturing productivity initiatives
- 4 restructuring

**~\$90MM**  
FY27 EBITDA impact<sup>1</sup>

controllable high impact operational efficiencies to deliver financial momentum

# sustainable, profitable growth with globalization

## key globalization segments

- 1 biofunctionals
- 2 microbial protection
- 3 film coatings
- 4 injectables



targeted investments to accelerate growth in high-value segments




# core innovation supplemented by strong pipeline of new platforms



**core innovation**




pH neutralizer



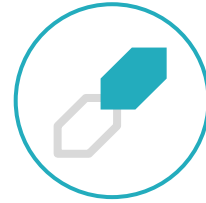
novel cellulosics



multifunctional starch



liquid cellulose+™



transformed vegetable oils



super wetting agents



bioresorbable polymers

expected FY27 revenue of ~\$100MM<sup>1</sup> with significant potential to ramp in later years

# financial overview

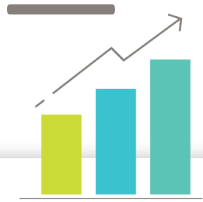
Kevin Willis | SVP & CFO

# key messages

- 1 driving **improved resilience, enhanced profitability, and greater margins** through increased focus on execution and operational excellence
- 2 building on our proprietary technology platforms to generate **sales growth above market**
- 3 leveraging **strong balance sheet** and **compelling FCF generation** to fuel ongoing **investment in innovation and growth**
- 4 pursuing value **accretive capital deployment** to compound shareholder returns



# Ashland's strategic framework driving long-term value creation



execute



globalize



innovate



invest

- drive growth in base business
- achieve cost savings and strengthen core
- enhance commercial capabilities
- upgrade systems and processes

- expand high-margin businesses
- grow target products and verticals
- strengthen go-to-market capabilities
- targeted high-value investments

- promote sustainable, profitable growth
- transform and monetize technology platform portfolio
- pursue strategic, low-risk, high-potential opportunities
- drive core innovation

- drive step-out growth
- address strategic gaps with bolt-on M&A
- accelerate innovation through M&A and partnerships

long-term financial targets

~5%

sales CAGR

>25%

adj. EBITDA

>50%

FCF conversion<sup>1</sup>

MSD growth

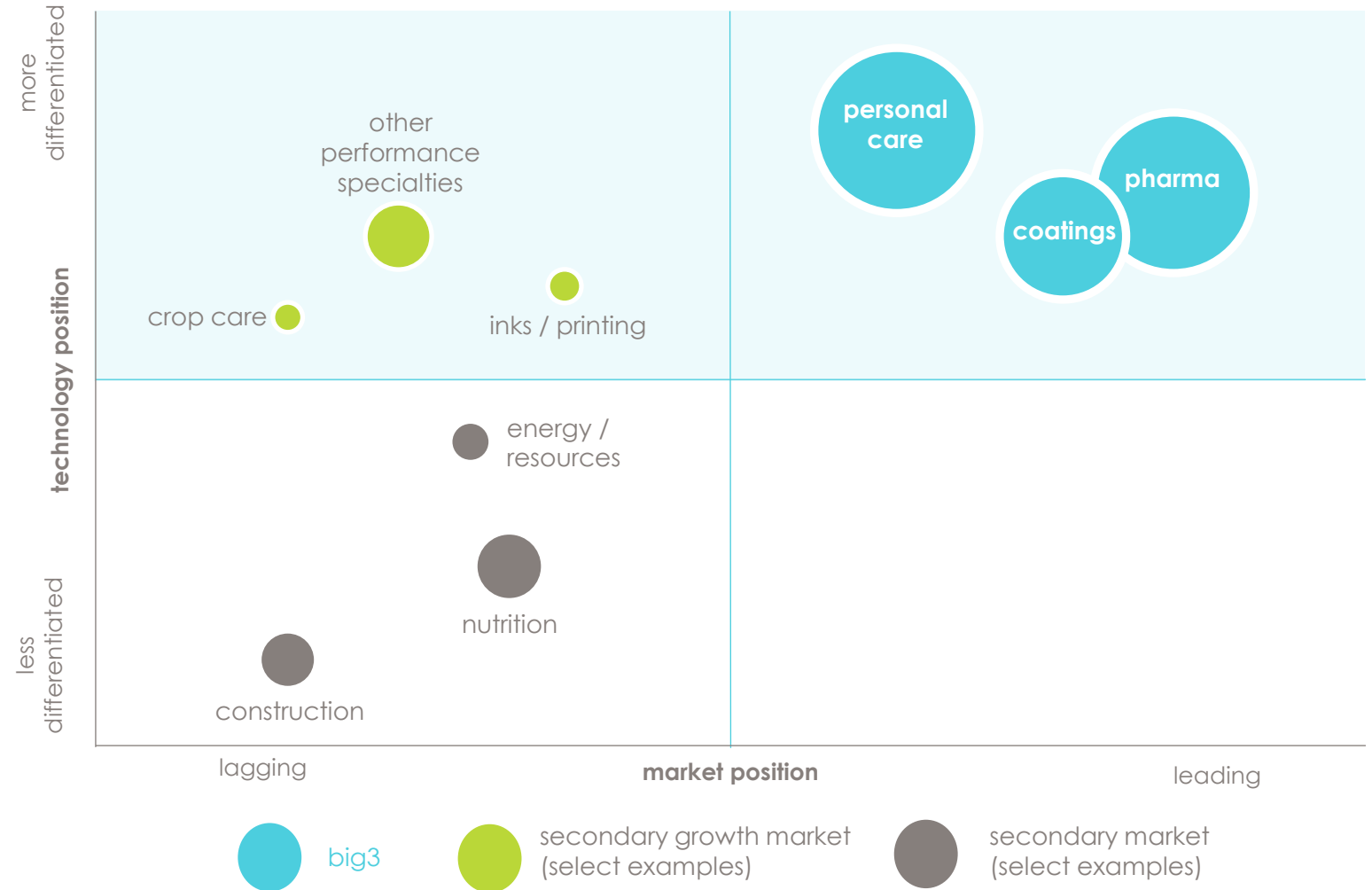
L-MSD growth



# invest: business portfolio enhancement

## portfolio priorities

- **continue to invest** in big3 to support **leading technology / market positions** and **grow the technology platforms**
- **drive go-to-market efforts** and other differentiated technologies to **expand market position**
- **harvest cash flow** to support growth or otherwise **rationalize exposure**



# driving financial impact through strategic priorities

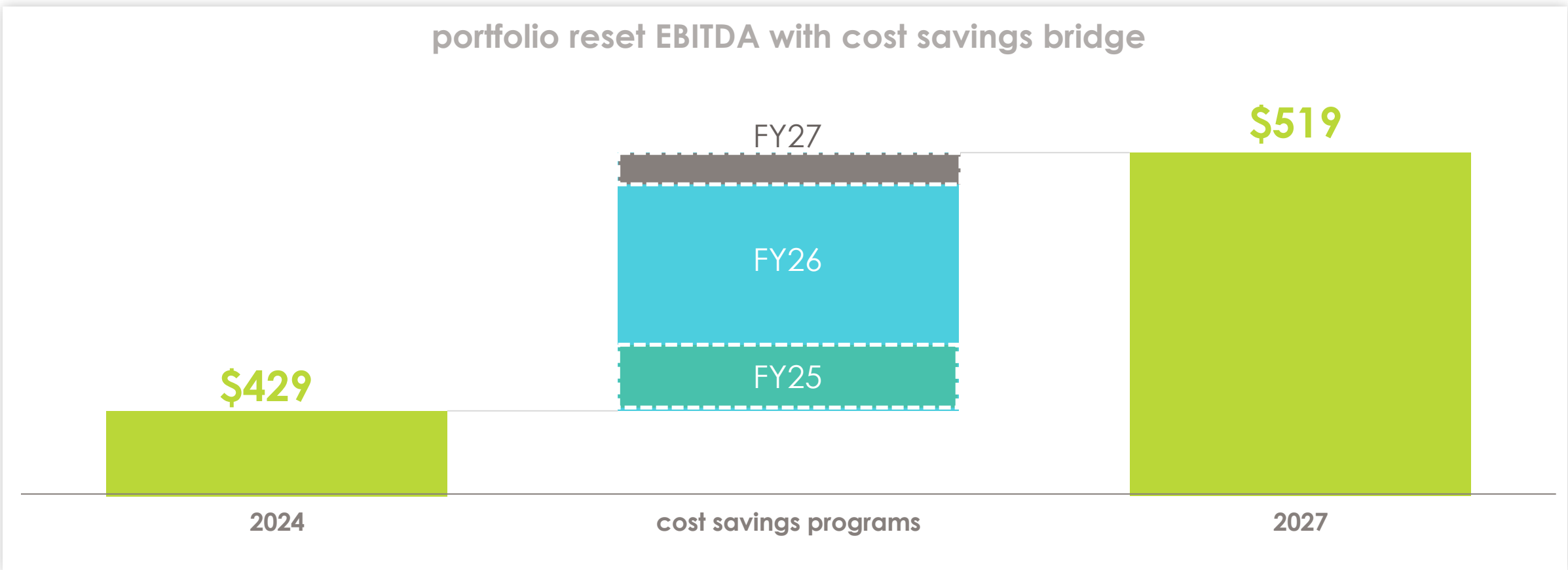
	 <b>execute</b>	 <b>globalize</b>	 <b>innovate</b>
actions taken	VP&D optimization, HEC optimization, operational efficiency	continuing to increase global capabilities, investing in our people and go-to- market strategy	focusing on seven technology platforms & high impact core technology innovation
FY27 financial goals	<b>~\$90 MM</b> EBITDA impact	<b>~\$100 MM</b> additional revenue impact	<b>~\$100 MM</b> additional revenue impact

delivering financial targets across our portfolio of strategic priorities

# significant cost savings initiatives

(In millions of USD)

portfolio reset EBITDA with cost savings bridge



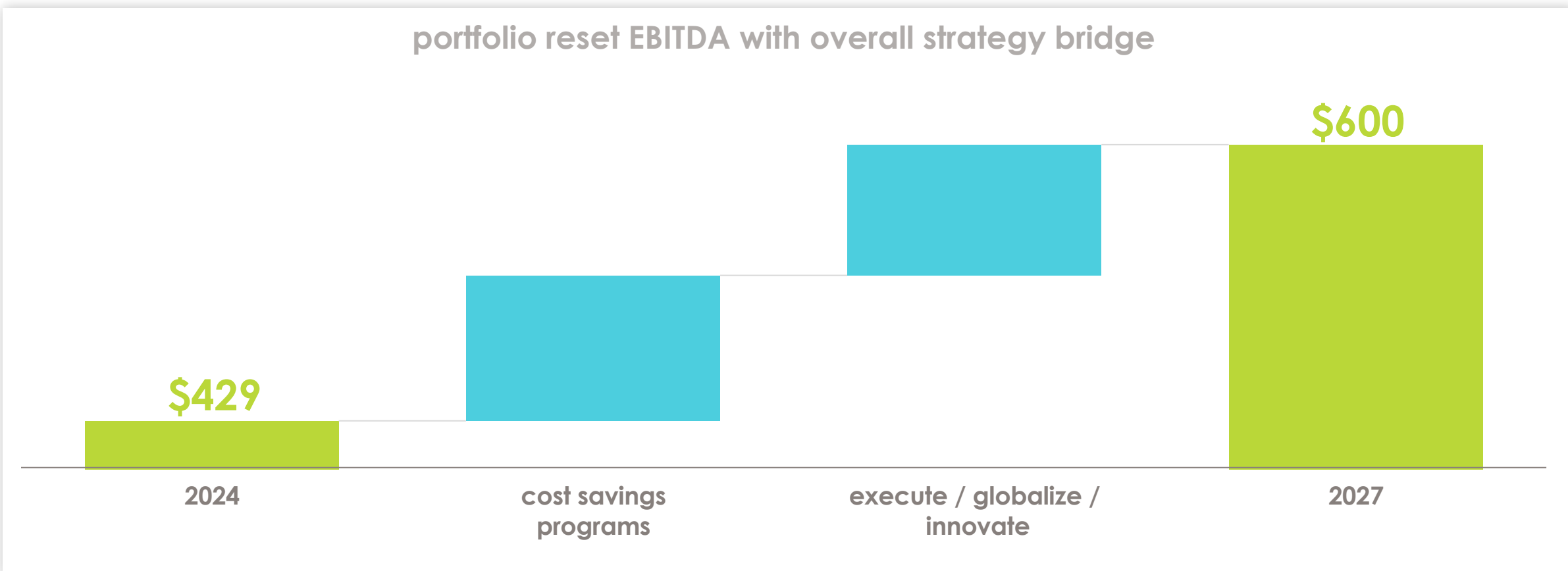
high impact controllables enable step change in EBITDA

<sup>1</sup> 2024 financials adjusted for portfolio reset. Portfolio reset items: nutraceuticals, CMC, MC portfolio optimization actions. See appendix A for additional detail

# generating strong overall growth

(In millions of USD)

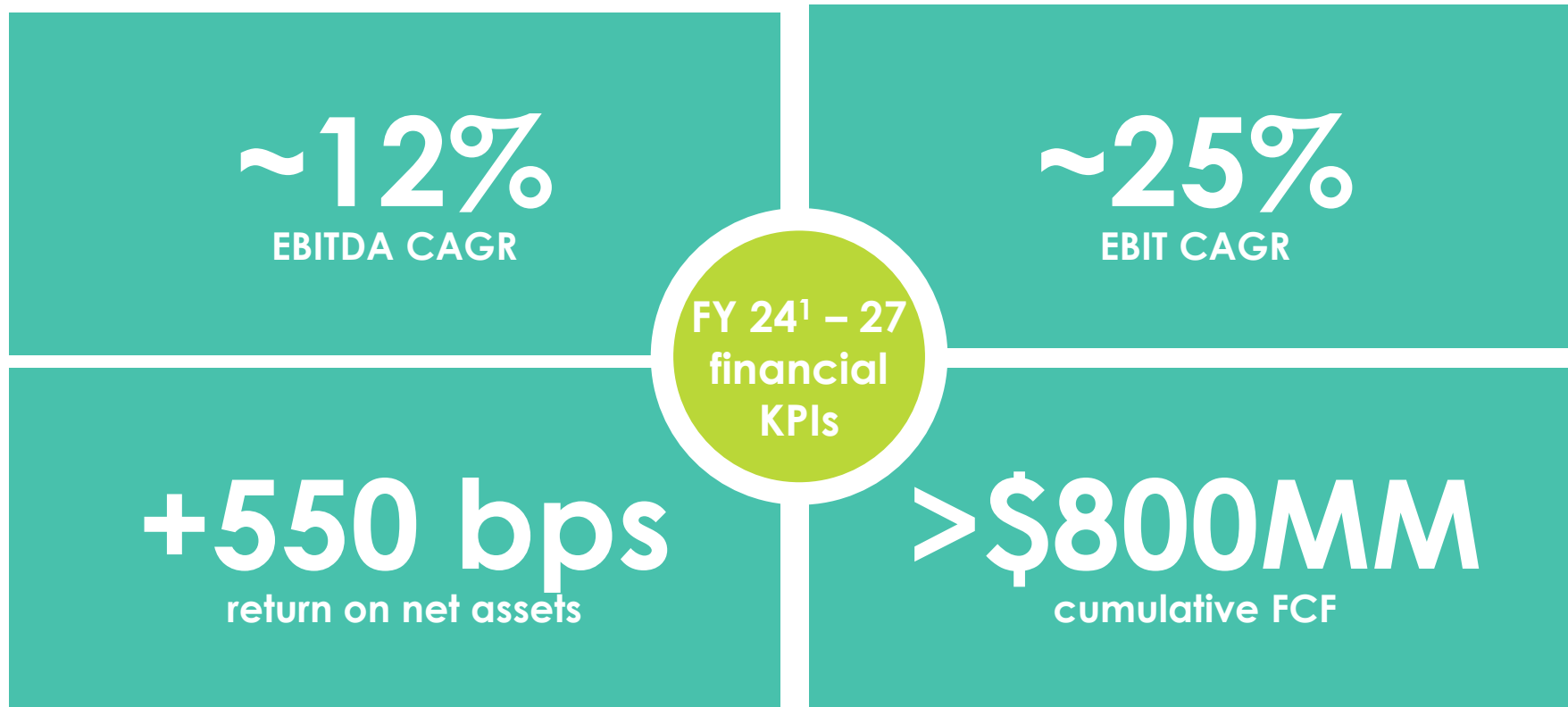
portfolio reset EBITDA with overall strategy bridge



path to \$600MM with high impact controllables & growth catalysts

# improving quality of earnings

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strong profit growth, improving capital efficiency and robust cash flow

# healthy, strong balance sheet

(In millions of USD)

## summary balance sheet

(as of September 30, 2024)

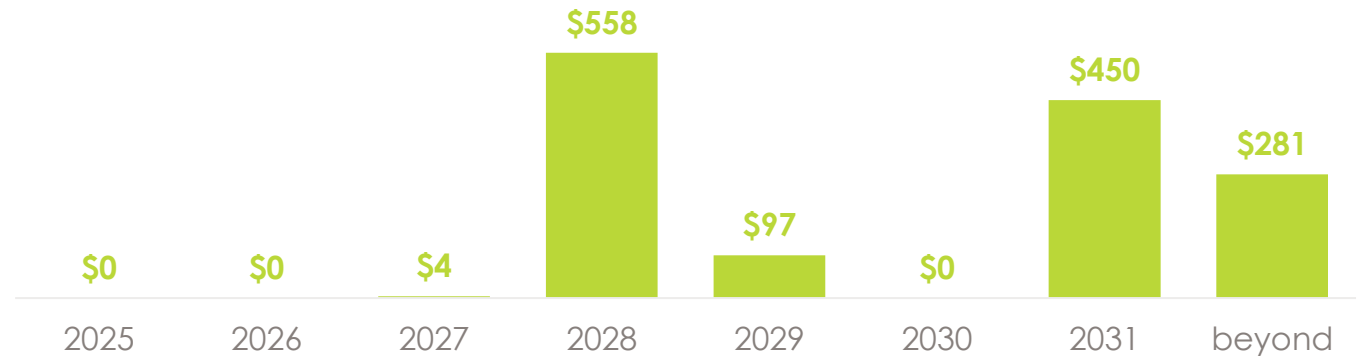
total debt	\$1,349
cash & cash equivalents	\$300
net debt	\$1,049
TTM adj. EBITDA	\$459
<b>net debt to adj. EBITDA</b>	<b>2.3x</b>

### liquidity

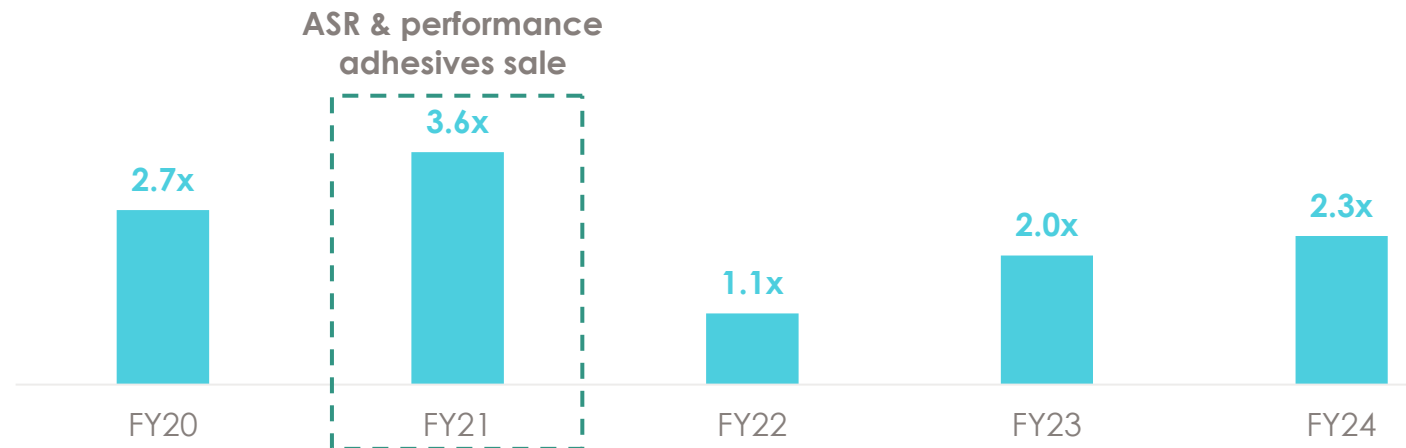
total available liquidity	\$896
pre-tax cost of debt	3.76%

**Ba1 / BB+ credit rating**

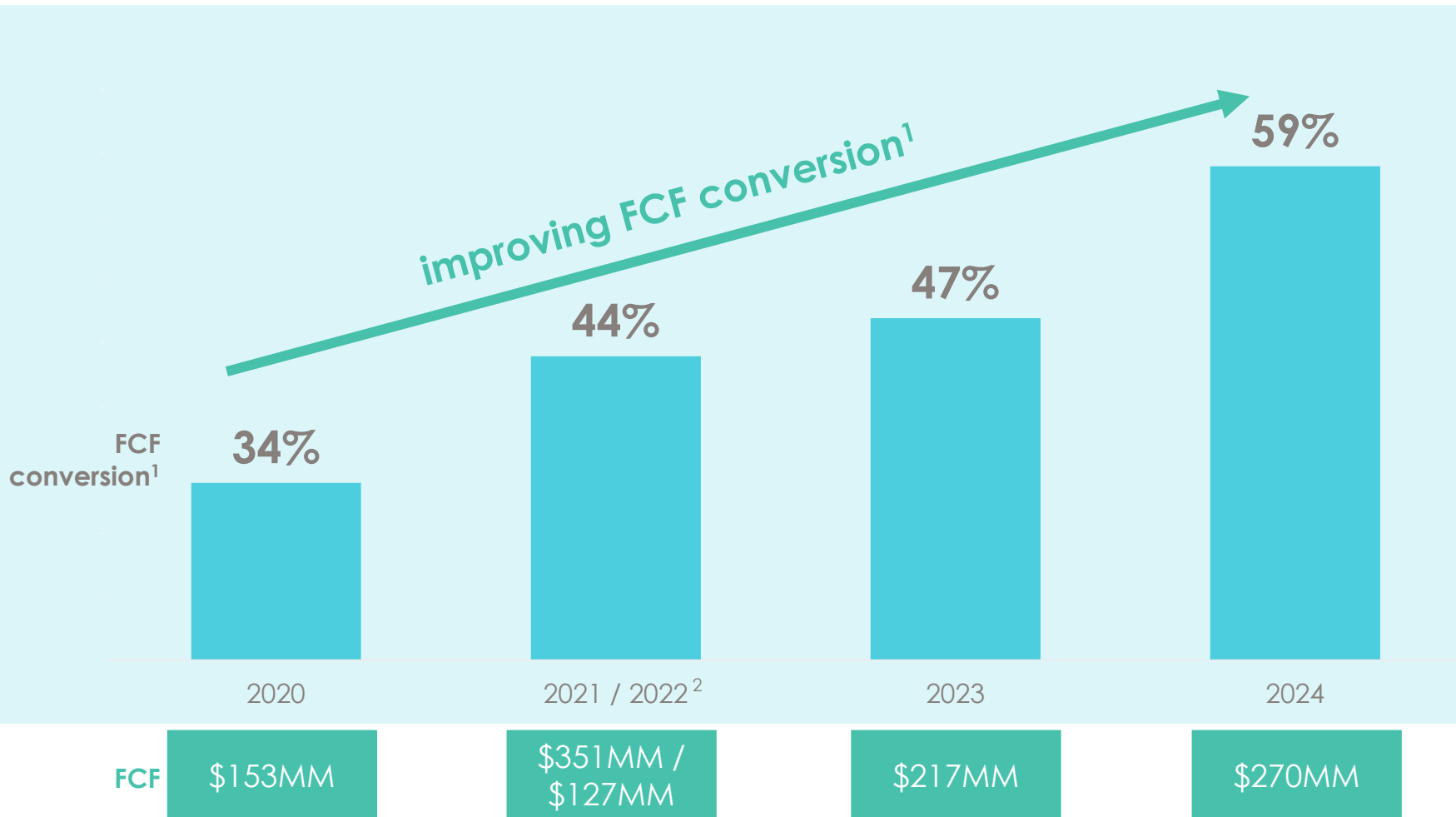
## no significant debt maturities until FY28



## net leverage target of 2.0 – 2.5x



# robust free cash flow generation



## drivers of robust cash flow

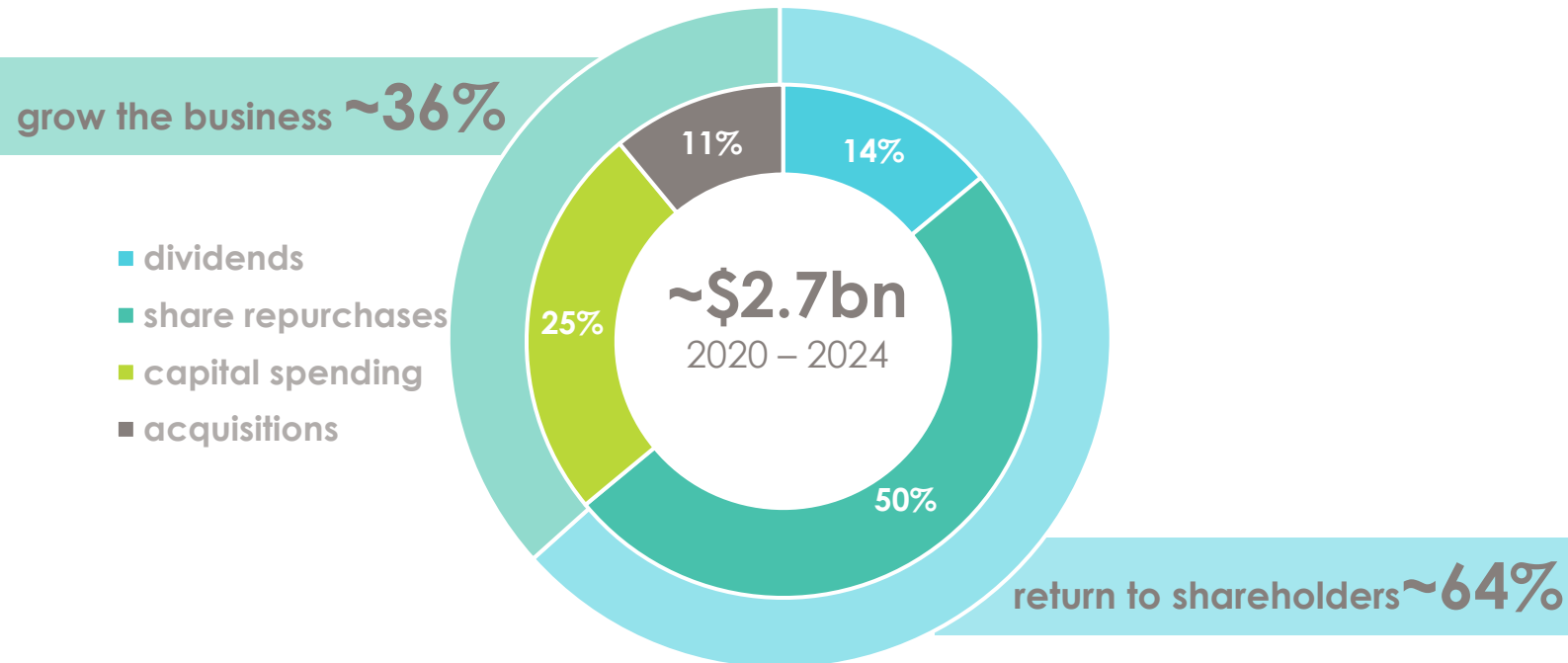
- RONA improvement focus
- disciplined capital investment
- working capital management



# disciplined capital deployment approach

history of balanced and prudent capital allocation with episodic share repurchase...

...shifting to growth off our strong foundation



## priorities

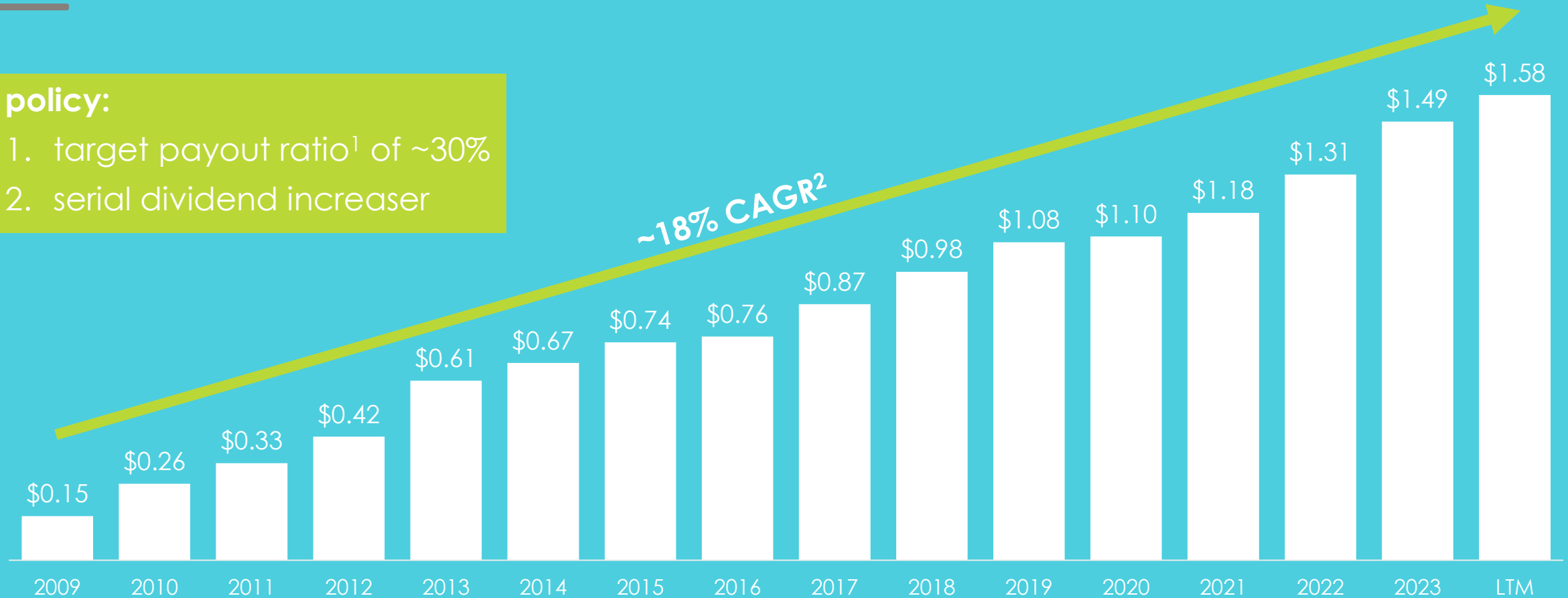
1. grow the business and maintain the core
2. increasing dividend
3. maintain optimal leverage
4. share buybacks

strong FCF generation at >50% target allows for improved capital deployment

# consistent dividend increases

## policy:

1. target payout ratio<sup>1</sup> of ~30%
2. serial dividend increaser

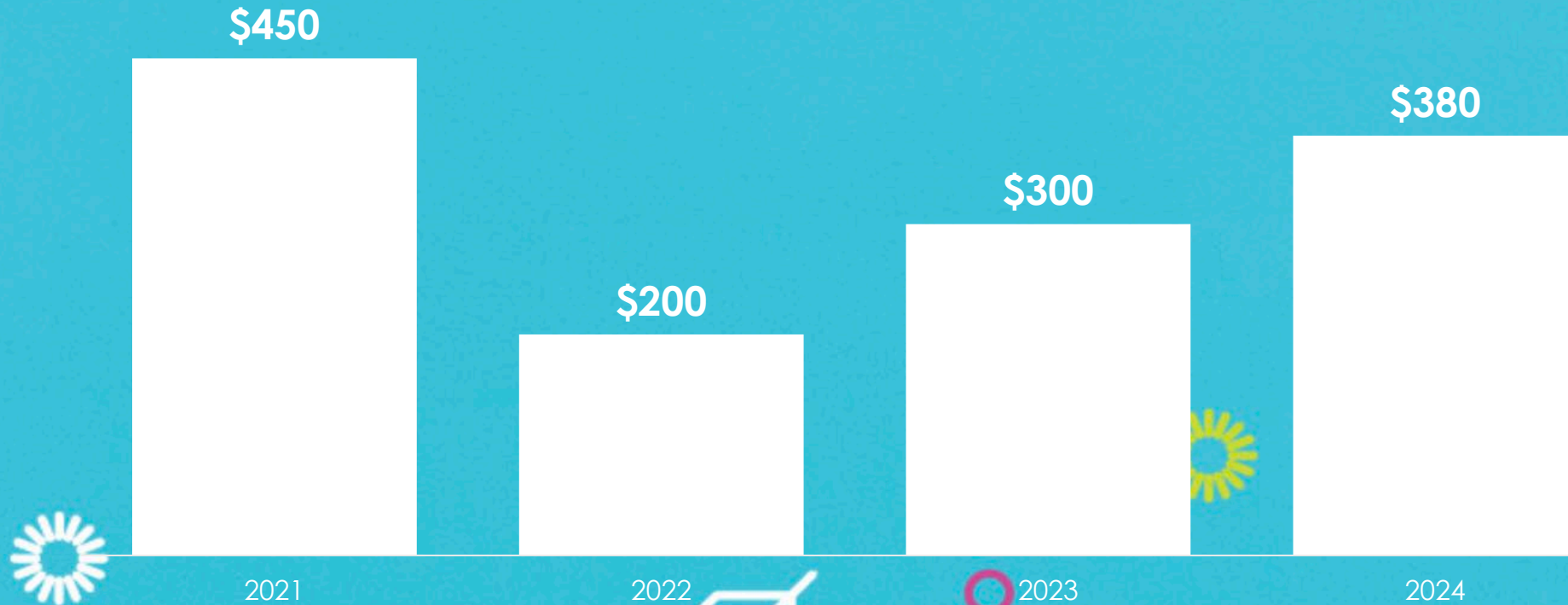


annual dividend<sup>3</sup> increase every year since 2009

# track record of repurchasing shares

(In millions of USD)

share repurchases



\$1.3 billion in shares repurchased since 2020

# FY25 outlook

(In millions of USD)

## FY25 key drivers

### forward looking insights

- recovering demand and improved production volumes; + MSD
- mixed regional dynamics with high-level of uncertainty
- longer China slowdown; heightened competitive intensity
- stable raw material environment
- globalize & innovate momentum is maintained

### key bridging items

- +\$45 MM absorption recovery vs. LY
- +\$20 MM restructuring & productivity realization
- (\$20) MM negative carry-over pricing
- Avoca business erosion; (\$15) MM impact; sell or exit
- (\$10) MM variable incentive reset

	FY24 portfolio reset <sup>1</sup>	FY25 outlook	YoY change
sales	\$1.949bn	\$1.9 – \$2.05bn	(2%) – 5%
adj. EBITDA	\$429	\$430 – \$470	0% – 10%

1. Portfolio reset items: nutraceuticals, CMC, MC portfolio optimization actions. See appendix A for additional detail

# Q1 update

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## forward looking insights

- weak Q1 regional demand in Europe & China
- pharma customer year-end inventory management
- advanced timing of plant turnarounds to Q1

## key EBITDA bridging items

- ~\$30MM absorption recovery vs. LY
- ~(\$10MM) SARD: incentive reset + globalize
- ~(\$8MM) portfolio reset
- ~(\$10MM) negative carry-over pricing
- minimal restructuring realization (2H weighted)
- **~(\$5MM) softer Q1 demand**
- **~(\$20MM) plant turnarounds**

reiterating full-year 2025 outlook

# Ashland investment thesis

focused portfolio: resilient markets, differentiated products, and scalable growth

always solving™

execute

globalize

innovate

invest



leadership in high-quality consumer markets



stable, high-margin growth driven by mission-critical additives



scalable growth platforms & sustainable competitive advantage



high-impact controllable actions to drive step change in profitability



robust cash flow generation and proven track record of disciplined capital allocation



# Q&A



# key messages

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1

**building on our transformation** to drive a new era of profitable growth, with bold aspirations, focused execution, and consistent performance

2

harnessing the fresh energy and deep insights of our **diverse talent base** and **authentic leadership team**

3

maximizing profitability and driving near-term margin expansion by leveraging actionable and **controllable operational efficiencies**

4

capitalizing on **portfolio of meaningful growth opportunities** with clear strategy to leverage our strengths and sustain our momentum in **large and growing markets**

5

executing **disciplined capital allocation** to maintain a strong and flexible balance sheet, optimize the portfolio, and deliver value to shareholders



# appendix A

# liquidity and net debt

(\$US in millions)	expiration	interest rate	Moody's rating	S&P rating	9/30/24 balance
cash					\$300
revolver availability					596
<b>cash and revolver availability<sup>1</sup></b>					<b>\$896</b>
<b>US and foreign A/R sales program<sup>1</sup></b>					<b>-</b>
debt					
2.00% notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	\$558
3.375% notes	Sept. 2031	3.375%	Ba1	BB+	450
6.875% notes	May 2043	6.875%	Ba1	BB+	282
revolving credit facility <sup>2</sup>	July 2027	Term SOFR+137.5	-	-	-
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	67
other <sup>3</sup>		-	-	-	(8)
<b>total debt</b>			<b>Ba1/stable</b>	<b>BB+/stable</b>	<b>\$1,349</b>
cash					(300)
<b>net debt</b>					<b>\$1,049</b>

1 Total liquidity of \$896 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 \$12 million of debt issuance cost discounts as of September 30, 2024.

# revenue reset detail

Revenue (\$US in millions)	life sciences	personal care	specialty additives	intermediates	total
<b>FY 2024 reported</b>	<b>\$810</b>	<b>\$634</b>	<b>\$572</b>	<b>\$97</b>	<b>\$2,113</b>
portfolio reset impact <sup>1</sup>	(130)	(10)	(24)	--	(164)
<b>FY 2024 portfolio reset</b>	<b>680</b>	<b>624</b>	<b>548</b>	<b>97</b>	<b>1,949</b>
avoca sale or exit	--	(55)	--	--	(55)
<b>FY 2024 portfolio reset with avoca</b>	<b>\$680</b>	<b>\$569</b>	<b>\$548</b>	<b>\$97</b>	<b>\$1,894</b>

FY 25 portfolio optimization impact (\$US in millions)	Q1	Q2	Q3	Q4	total
life sciences	\$(41)	\$(42)	\$(32)	\$(15)	\$(130)
personal care	(2)	(5)	(1)	(2)	(10)
specialty additives	(7)	(10)	(3)	(4)	(24)
<b>quarterly portfolio reset impact<sup>1</sup></b>	<b>(50)</b>	<b>(57)</b>	<b>(36)</b>	<b>(21)</b>	<b>(164)</b>
avoca sale or exit <sup>2</sup>	--	(12)	(17)	(17)	(46)
<b>quarterly portfolio reset with avoca</b>	<b>\$(50)</b>	<b>\$(69)</b>	<b>\$(53)</b>	<b>\$(38)</b>	<b>\$(210)</b>

# adj. EBITDA reset detail

adj. EBITDA (\$US in millions)	life sciences	personal care	specialty additives	Intermediates	unallocated	total
<b>FY 2024 reported</b>	<b>\$230</b>	<b>\$164</b>	<b>\$99</b>	<b>\$42</b>	<b>\$(76)</b>	<b>\$459</b>
portfolio reset impact <sup>1</sup>	(24)	(2)	(4)	--	--	(30)
<b>FY 2024 portfolio reset</b>	<b>206</b>	<b>162</b>	<b>95</b>	<b>42</b>	<b>(76)</b>	<b>429</b>
avoca sale or exit	--	(15)	--	--	--	(15)
<b>FY 2024 portfolio reset with avoca</b>	<b>\$206</b>	<b>\$147</b>	<b>\$95</b>	<b>\$42</b>	<b>\$(76)</b>	<b>\$414</b>

FY 25 portfolio optimization impact (\$US in millions)	Q1	Q2	Q3	Q4	total
life sciences	\$(8)	\$(8)	\$(5)	\$(3)	\$(24)
personal care	--	(1)	--	(1)	(2)
specialty additives	--	(2)	(1)	(1)	(4)
<b>quarterly portfolio reset impact<sup>1</sup></b>	<b>(8)</b>	<b>(11)</b>	<b>(6)</b>	<b>(5)</b>	<b>(30)</b>
avoca sale or exit <sup>2</sup>	--	(2)	(7)	(6)	(15)
<b>quarterly portfolio reset with avoca</b>	<b>\$(8)</b>	<b>\$(13)</b>	<b>\$(13)</b>	<b>\$(11)</b>	<b>\$(45)</b>

# Ashland's presence in China

(In millions of USD)

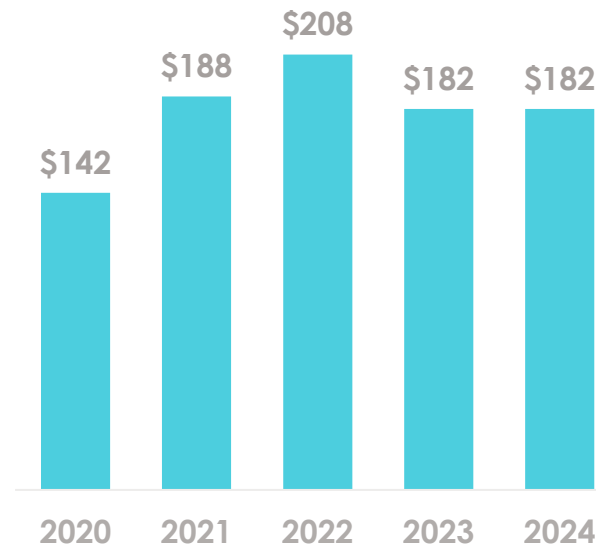
## near-term trends

- weak consumer confidence
- supply driven demand / stimulus
- potential trade wars
- deflation & price erosion
- over-levered property sector / debt restructuring

## long-term trends

- 2<sup>nd</sup> largest economy growing above global levels
- transition to consumer driven economy
- increasing domestic consumption
- demographic headwinds
- trade decoupling
- higher friction geopolitics

### China sales



### FY24 China sales by segment



**~\$62MM**  
China coatings FY24 sales

**~\$10 - \$15MM**  
China export sales  
FY 2020 - 2024

**~\$89MM**  
net tangible assets

long-term opportunity despite near-term competitive intensity



# appendix B: non-GAAP reconciliation<sup>1</sup>

<sup>1</sup> 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 September 30, 2024

(\$ millions, except percentages)

Sales <sup>1</sup>	Q4 24	Q3 24	Q2 24	Q1 24	Total	Q4 23
Life Sciences	192	195	222	200	810	\$ 203
Personal Care	162	175	169	129	634	146
Specialty Additives	144	150	157	122	572	144
Intermediates	36	36	40	33	144	37
Less: Intercompany Eliminations	(12)	(12)	(13)	(11)	(47)	(12)
<b>Total</b>	<b>\$ 522</b>	<b>\$ 544</b>	<b>\$ 575</b>	<b>\$ 473</b>	<b>\$ 2,113</b>	<b>\$ 518</b>

Adjusted EBITDA <sup>1</sup>	Q4 24	Q3 24	Q2 24	Q1 24	Total	Adjusted EBITDA Margin	Q4 23
Life Sciences	\$ 56	\$ 59	\$ 66	\$ 48	\$ 230	28.4%	\$ 48
Personal Care	47	51	45	22	164	25.9%	\$ 36
Specialty Additives	29	38	27	6	99	17.3%	\$ 8
Intermediates	10	9	12	10	42	29.2%	\$ 3
Unallocated	(18)	(18)	(24)	(16)	(76)		\$ (21)
<b>Total</b>	<b>\$ 124</b>	<b>\$ 139</b>	<b>\$ 126</b>	<b>\$ 70</b>	<b>\$ 459</b>	<b>21.7%</b>	<b>\$ 74</b>

<sup>1</sup> Quarterly totals may not add to annual amounts due to rounding. Calculation of adjusted EBITDA for each period presented have been reconciled within certain financial filings with the SEC and posted on Ashland's website for each reportable segment.

# Ashland Inc. and Consolidated Subsidiaries

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

### for the 3 and 12 Months Ended September 30, 2024 and 2023

(\$ millions)	Free cash flows	Three months ended September 30		Year ended September 30	
		2024	2023	2024	2023
	Total cash flows provided by operating activities from continuing operations	\$ 80	\$ 130	\$ 462	\$ 294
	Adjustments:				
	Additions to property, plant and equipment	(37)	(69)	(137)	(170)
	Free cash flows	\$ 43	\$ 61	\$ 325	\$ 124
	Cash (inflows) outflows from U.S. Accounts Receivable Sales Program <sup>(a)</sup>	10	26	(1)	40
	Cash (inflows) outflows from Foreign Accounts Receivable Sales Program <sup>(b)</sup>	18	-	(104)	-
	Restructuring-related payments <sup>(c)</sup>	4	5	14	8
	Environmental and related litigation payments <sup>(d)</sup>	13	12	36	45
	Ongoing free cash flow	\$ 88	\$ 104	\$ 270	\$ 217
	Net income (loss)	\$ 16	\$ (4)	\$ 169	\$ 178
	Adjusted EBITDA <sup>(e)</sup>	\$ 124	\$ 74	\$ 459	\$ 459
	Operating cash flow conversion <sup>(f)</sup>	500%	Not meaningful	273%	165%
	Ongoing free cash flow conversion <sup>(g)</sup>	71%	141%	59%	47%

- (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 by operating activities from continuing operations divided by Net income (loss).
- (g) Ongoing free cash flow conversion is defined as Ongoing free cash flow divided by Adjusted EBITDA

Adjusted operating income	Three months ended September 30		Year ended September 30	
	2024	2023	2024	2023
Operating income (loss) (as reported)	\$ 32	\$ (10)	\$ (26)	\$ 172
Key items, before tax:				
Nutraceutical impairment and sale	8	-	107	-
Accelerated depreciation	1	-	57	-
Environmental reserve adjustments	4	25	45	56
Restructuring, separation and other costs	2	5	30	10
Asset impairments	11	-	11	4
Other plant optimization costs	5	-	10	-
Nutraceutical VAT reserve	7	-	7	-
Argentina currency devaluation impact	-	-	5	-
Legal settlement	4	-	4	-
Income on acquisitions and divestitures, net	-	(6)	-	(6)
ICMS Brazil tax credit	-	-	-	(12)
Held for sale depreciation and amortization	(2)	-	(3)	-
Adjusted operating income (non-GAAP)	\$ 72	\$ 14	\$ 247	\$ 224

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

for the 3 and 12 Months Ended September 30, 2024 and 2023

(\$ millions)				
	Three months ended		Year ended	
	September 30		September 30	
	2024	2023	2024	2023
	\$ 19	\$ (8)	\$ 199	\$ 168
<b>Income (loss) from continuing operations (as reported)</b>				
Key items, before tax:				
Nutraceutical impairment and sale	8	-	107	-
Accelerated depreciation	1	-	57	-
Environmental reserve adjustments	4	25	45	56
Restructuring, separation and other costs	2	5	30	10
Loss (gain) on pension and other postretirement plan remeasurements	14	(2)	14	(2)
Asset impairments	11	-	11	4
Other plant optimization costs	5	-	10	-
Nutraceutical VAT reserve	7	-	7	-
Argentina currency devaluation impact	-	-	5	-
Legal settlement	4	-	4	-
Income on acquisitions and divestitures, net	-	(6)	-	(6)
ICMS Brazil tax credit	-	-	-	(12)
Held for sale depreciation and amortization	(2)	-	(3)	-
Unrealized (gain) loss on securities	(21)	18	(60)	(29)
Key items, before tax	33	40	227	21
Tax effect of key items <sup>(a)</sup>	(7)	(9)	(31)	(1)
Key items, after tax	26	31	196	20
Tax specific key items:				
Uncertain tax positions	-	(9)	9	(32)
Valuation allowance	5	(5)	5	(6)
Restructuring and separation activity	-	-	(115)	-
Other and tax reform related activity	(4)	(6)	(133)	(6)
Tax specific key items <sup>(b)</sup>	1	(20)	(234)	(44)
Total key items	27	11	(38)	(24)
<b>Adjusted income from continuing operations (non-GAAP)</b>	<b>\$ 46</b>	<b>\$ 3</b>	<b>\$ 161</b>	<b>\$ 144</b>
Amortization expense adjustment (net of tax) <sup>(c)</sup>	15	18	63	74
<b>Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense</b>	<b>\$ 61</b>	<b>\$ 21</b>	<b>\$ 224</b>	<b>\$ 218</b>

(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 included the following:

- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities.
- Valuation allowance: Includes the impact from the release of certain foreign tax credit valuation allowances.
- Restructuring and separation activity: Includes the tax impact of the held for sale classification for the Nutraceuticals business.
- Other and tax reform: Includes the impact from the remeasurement of foreign deferred tax balances resulting from the impact from rate changes for foreign jurisdictions and other tax law changes enacted during 2024.

(c) Amortization expense adjustment (net of tax) tax rates were 19% and 20% for the three and twelve months ended September 30, 2024, respectively, and 20% for the three and twelve months ended September 30, 2023.

# Ashland Inc. and Consolidated Subsidiaries

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

### for the 3 and 12 Months Ended September 30, 2024 and 2023

	Three months ended		Year ended	
	September 30		September 30	
	2024	2023	2024	2023
<b>Diluted EPS from continuing operations (as reported)</b>	\$ 0.39	\$ (0.15)	\$ 3.95	\$ 3.13
Key items, before tax:				
Nutraceutical impairment and sale	0.16	-	2.14	-
Accelerated depreciation	0.02	-	1.14	-
Environmental reserve adjustments	0.08	0.49	0.90	1.04
Restructuring, separation and other costs	0.04	0.09	0.60	0.19
Loss (gain) on pension and other postretirement plan remeasurements	0.29	(0.04)	0.29	(0.04)
Asset impairments	0.22	-	0.22	0.08
Other plant optimization costs	0.10	-	0.20	-
Nutraceutical VAT reserve	0.14	-	0.14	-
Argentina currency devaluation impact	-	-	0.10	-
Legal settlement	0.08	-	0.08	-
Income on acquisitions and divestitures, net	-	(0.12)	-	(0.11)
ICMS Brazil tax credit	-	-	-	(0.22)
Held for sale depreciation and amortization	(0.04)	-	(0.06)	-
Unrealized (gain) loss on securities	(0.42)	0.35	(1.20)	(0.54)
Key items, before tax	0.67	0.77	4.55	0.40
Tax effect of key items <sup>(a)</sup>	(0.13)	(0.18)	(0.62)	(0.02)
Key items, after tax	0.54	0.59	3.93	0.38
Tax specific key items:				
Uncertain tax positions	-	(0.17)	0.18	(0.60)
Valuation allowance	0.10	(0.11)	0.10	(0.12)
Restructuring and separation activity	-	-	(2.30)	-
Other and tax reform related activity	(0.08)	(0.11)	(2.66)	(0.11)
Tax specific key items <sup>(b)</sup>	0.02	(0.39)	(4.68)	(0.83)
Total key items	0.56	0.20	(0.75)	(0.45)
<b>Adjusted diluted EPS from continuing operations (non-GAAP)</b>	<u>\$ 0.95</u>	<u>\$ 0.05</u>	<u>\$ 3.20</u>	<u>\$ 2.68</u>
Amortization expense adjustment (net of tax) <sup>(c)</sup>	0.31	0.36	1.25	1.39
<b>Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense</b>	<u>\$ 1.26</u>	<u>\$ 0.41</u>	<u>\$ 4.45</u>	<u>\$ 4.07</u>

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

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- Valuation allowance: Includes the impact from the release of certain foreign tax credit valuation allowances.

- Restructuring and separation activity: Includes the tax impact of the held for sale classification for the Nutraceuticals business.

- Other and tax reform: Includes the impact from the remeasurement of foreign deferred tax balances resulting from the impact from rate changes for foreign jurisdictions and other tax law changes enacted during 2024.

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