earnings conference call

fourth-quarter fiscal 2023

November 9, 2023 | 8:00 am ET

Ashland™
always solving

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 conflict 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

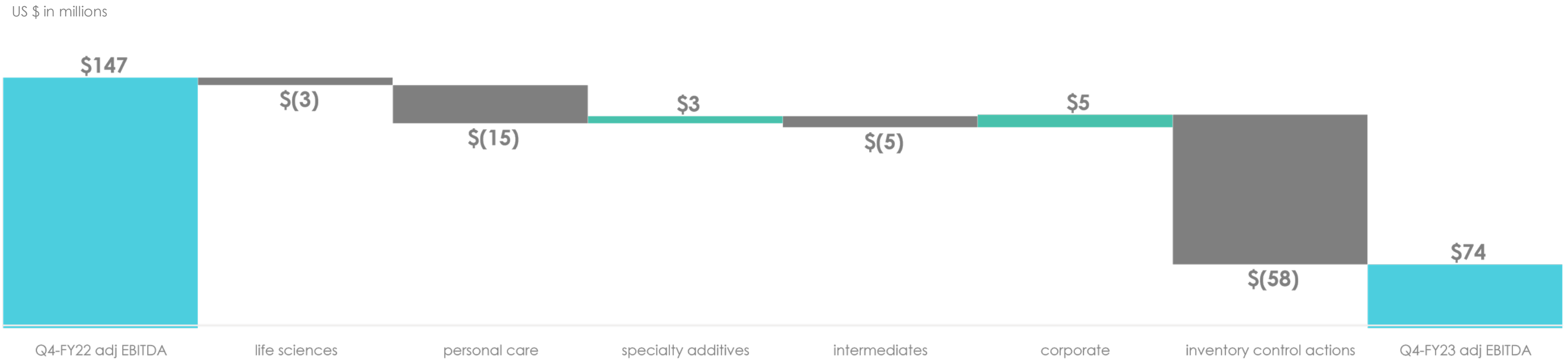
- Q4 performance summary
- Q4 and FY23 financial results
- priorities for 2024
- outlook
- closing comments
- Q&A

Ashland
always solving

performance summary

proactive inventory control impacted Q4 results

adj. EBITDA bridge[1]: Q4-FY22 to Q4-FY23



- proactive inventory control actions drove most of year-over-year reduction in adjusted EBITDA
- inventory reduced by $86 million compared to June 30, 2023
- volume/mix was modestly weaker than expected (primarily in personal care)
- favorable raw-material costs compared to prior year

1 Segment results exclude inventory control actions.

Ashland™
always solving

fiscal 2023 "year in review"

major factors impacting results

volume	down 18%, significant customer inventory destocking
price / mix	up $178MM or +7%, FY22 carryover and FY23 actions
sales	down $200MM or (8%)
unit costs (mfg[1])	up, higher unit-production cost from lower volume (lower demand and inventory-control actions); flat manufacturing expenses
costs (SARD[1])	down, flat underlying SARD expense with lower variable pay
adj. EBITDA	down 22%

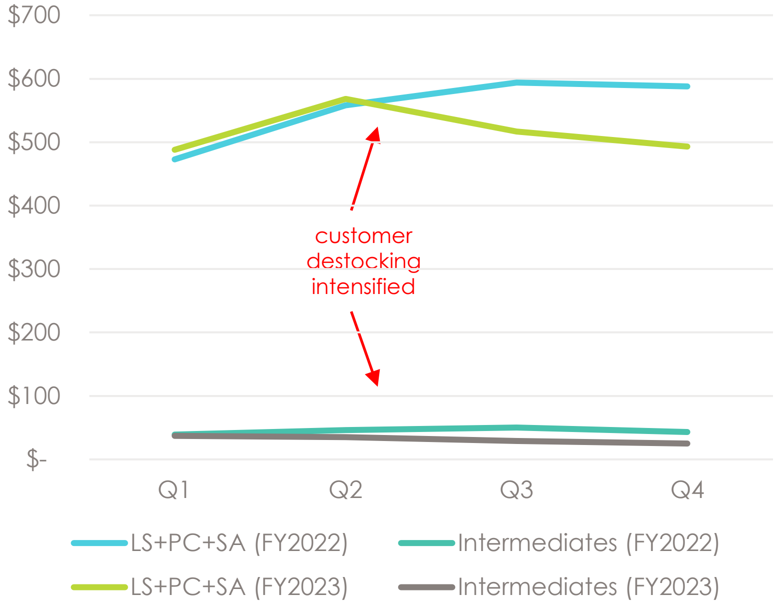
1 Mfg = Manufacturing costs
2 SARD = Selling, administrative, research and development expense

Ashland™ always solving

Q4 and FY23 financial results

customer destocking had a significant impact

sales by fiscal quarter (USD MMs)



Note: LS = Life Sciences, PC = Personal Care, SA = Specialty Additives. Intermediates results exclude captive sales.

fiscal year 2023 sales progression

- carryover pricing more than offset soft volumes in Q1 and Q2
- destocking began early in the fiscal year, primarily among distributors in Europe and China
- customer destocking intensified in late April and early May
- continued throughout the fiscal year
- all end markets negatively impacted (except for pharma)
- absence of normal seasonal strength during the second-half of the fiscal year

Ashland™ always solving

fiscal-fourth quarter adjusted results[1]

operating results summary

Ashland			
($US in millions, except percentages)	**Q4 FY23**	**Q4 FY22**	**change**
sales	$518	$631	(18) %
gross profit margin	24.9 %	33.1 %	(820) bps
SG&A / R&D costs / intangible amortization	$116	$123	(6) %
operating income	$14	$87	(84) %
EBITDA	$74	$147	(50) %
EBITDA margin	14.3 %	23.3 %	(900) bps
EPS (excluding acquisition amortization)[2]	$0.41	$1.46	(72) %
ongoing free cash flow[3]	$104	$93	+12 %

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. Accounts Receivable Sales Program, restructuring-related payments and environmental and related litigation payments.

Ashland™ always solving

life sciences

highlights

- sustained pricing
- pharma demand resilient compared to strong prior year
- strong recovery in nutraceuticals
- continued destocking in other end markets
- $6 million of inventory-control actions

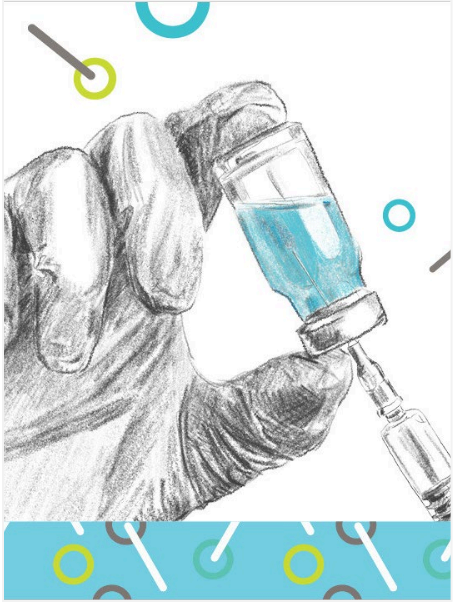
adjusted results summary[1]

($US in millions, except percentages)	Q4 FY23	Q4 FY22	change
sales	$203	$213	(5) %
gross profit	$63	$72	(13) %
gross profit margin	31.0 %	33.8 %	(280) bps
operating income	$31	$40	(23) %
EBITDA	$48	$57	(16) %
EBITDA margin	23.6 %	26.8 %	(320) bps

pharma	nutraceuticals	nutrition & other
-LSD	+DD	-DD

Q4 FY23 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.



Ashland™ always solving

personal care

highlights

- global consumer demand remains resilient
- continued customer destocking across end markets
- sustained pricing
- $5 million of inventory-control actions

adjusted results summary[1]

($US in millions, except percentages)	Q4 FY23	Q4 FY22	change
sales	$146	$188	(22) %
gross profit	$53	$74	(28) %
gross profit margin	36.3 %	39.4 %	(310) bps
operating income	$14	$35	(60) %
EBITDA	$36	$56	(36) %
EBITDA margin	24.7 %	29.8 %	(510) bps

skin care	hair care	oral care	household
-DD	-DD	-DD	-DD

Q4 FY23 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.

Ashland™ always solving

specialty additives

highlights

- continued customer destocking across end markets
- architectural coatings less impacted
- weak construction demand in Europe
- $38 million of inventory-control actions

adjusted results summary[1]

($US in millions, except percentages)	Q4 FY23	Q4 FY22	change
sales	$144	$187	(23) %
gross profit	$11	$47	(77) %
gross profit margin	7.6 %	25.1 %	(1,750) bps
operating income	($12)	$24	(150) %
EBITDA	$8	$43	(81) %
EBITDA margin	5.6 %	23.0 %	(1,740) bps

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

Q4 FY23 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.

Ashland™ always solving

intermediates

highlights

- merchant: lower pricing and volumes
- captive: lower transfer pricing and volumes
- $9 million of inventory-control actions

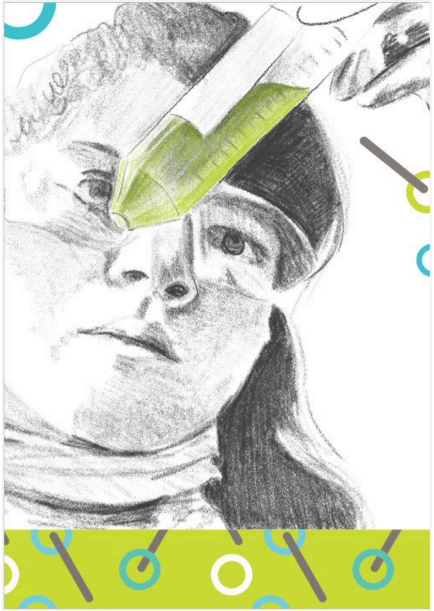
adjusted results summary[1]

($US in millions, except percentages)	Q4 FY23	Q4 FY22	change
sales	$37	$64	(42) %
gross profit	$2	$16	(88) %
gross profit margin	5.4 %	25.0 %	(1,960) bps
operating income	-	$14	(100) %
EBITDA	$3	$17	(82) %
EBITDA margin	8.1 %	26.6 %	(1,850) bps

merchant	captive
-DD	-DD

Q3 FY23 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.



Ashland™ always solving

fiscal year 2023 adjusted results summary[1]

($US in millions, except %s and per-share data)	FY23	FY22	change
sales	$2,191	$2,391	(8%)
EBITDA	$459	$590	(22) %
EBITDA margin	20.9 %	24.7 %	(380) bps
EPS (excluding intangibles amortization)[2]	$4.07	$5.70	(29) %
ongoing free cash flow[3]	$217	$127	+71 %

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. Accounts Receivable Sales Program, restructuring-related payments and environmental and related litigation payments.

Ashland™ always solving

strong balance sheet

strong financial position with increased flexibility

strong balance sheet[1]

- cash and liquidity available of ~$1.1 billion
- net debt[2] of $913 million; net leverage[3] of 2.0x; no long-term debt maturities for the next three years

proactive inventory management and free cash flow generation

- reduced inventory levels by $86 million since June 30, 2023
- generated $104 million of ongoing free cash flow during fiscal Q4
- ongoing free cash flow of $217 million in fiscal year 2023

other long-term capital allocation priorities

- pursuing 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 September 30, 2023.
2 Net debt = total debt less cash.
3 Net leverage = net debt / last-twelve-month Adjusted EBITDA.

2024 priorities

fiscal year 2024 challenges

limited visibility with multiple variables

concerns about global recession or economic slowdown

- economic headwinds in US, Europe and China
- geopolitical uncertainty

uncertainty regarding normalization of customer demand

- many customers still have high inventory levels

pricing/margins discipline is critical

- lower pricing has immediate impact
- Impact of lower raw-material costs

innovation: launching new innovation platforms with major impact starting in 2025

- investing to accelerate impact

despite reductions, Ashland inventory days remain elevated based on outlook scenarios

unit manufacturing costs remain high and volatile until production volumes increase and stabilize

Ashland™ always solving

scenario planning

key variables

recession risk

demand-recovery timing

pricing/margin headwinds

impact

- wide range of results
- risk of lower sales volumes
- pricing / raw material cost misalignment resulting in margin compression
- plant cost absorption volatility resulting in higher manufacturing unit costs
- higher risk in segments without market and technology leadership

objective – build residence across multiple scenarios

strategic priorities

shape and grow the portfolio

execute	globalize	innovate	acquire
○ expand leading technology capacity ○ exit select product / business lines	○ high-value product segments in key geographies ○ expand big3 in Asia	○ existing technology platforms ○ new technology platforms	○ drug delivery technologies ○ natural & biotech technologies ○ high-value additives

sustainably shape and grow

focus #1

Ashland™
always solving

execute: four primary portfolio actions

strengthen our base and improve profitability

1. divest nutraceuticals business
2. optimize & consolidate CMC business
3. optimize & consolidate MC-Industrial business
4. rebalance global HEC production network

execute: impact[1] of our actions

build resilience and strength to grow

impact

lower sales $200 – 225 MM

lower gross profit ~$20 MM

stranded costs ~$80 MM

offset actions impact $100 MM

net adj. EBITDA impact $ 0MM

- optimize plant network loading
- reduce direct cost
- restructure to offset stranded allocated cost
- reduce working Capital and CAPEX
- reallocate resources to growth segments
- increase adjusted EBITDA margins by 200 – 250bps
- increase return on net assets (RONA) by 150 – 200bps

1 Annualized impact after actions have been completed.

Ashland always solving

strategic priorities

shape and grow the portfolio

execute	globalize	innovate	acquire
o expand leading technology capacity o exit select product / business lines	o high-value product segments in key geographies o expand big3 in Asia	o existing technology platforms o new technology platforms	o drug delivery technologies o natural & biotech technologies o high-value additives

sustainably shape and grow

focus #2

Ashland
always solving

investing in our future

passion to win and act with urgency

globalize

- 4 businesses (biofunctionals, preservatives, injectables, OSD film coatings)
- all are high-growth and high-margin
- adding commercial / technical resources to accelerate growth (>$5MM)

innovate

- existing tech platforms: focus on high-value launches
- new tech platforms: accelerate commercialization / get in the hands of customers
- adding commercial / technical resources for new tech platform growth (>$5MM)

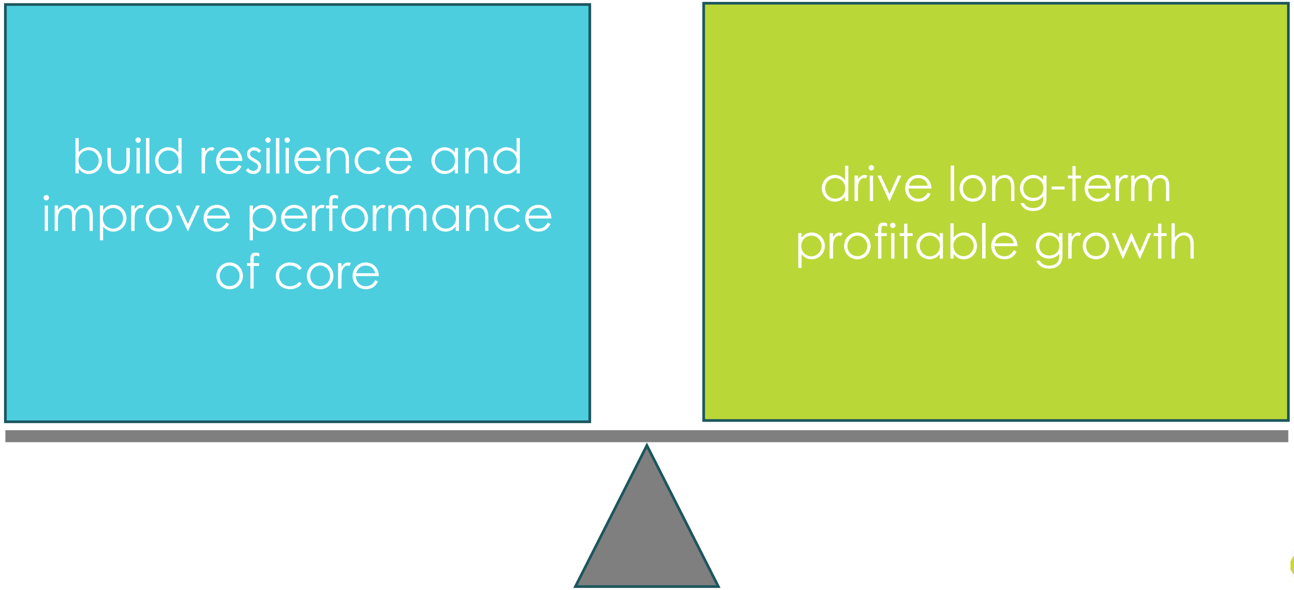
acquire

- bolt-on M&A
- focus on Big3 (pharma, personal care, coatings)
- acquisitions augment our organic-growth-focus

Ashland™ always solving

proactive and balanced approach

coherent strategy and business model



fiscal year 2024 outlook

FY2024 roadmap

our base-line performance (2023)

- compensation reset
- 2024 demand recovery
- plant loading
- margin dynamics (price/RM cost)

FY2024 base line performance

- portfolio action impact
- growth investments

our goal (accelerate impact)

- **merit and incentive comp reset:** ~$40 million
- **demand recovery and plant loading:** key scenario variables: no recovery, recovery in fiscal Q3, recovery in mid to end of fiscal Q2
- **margins:** maintain margins
- **portfolio actions:** accelerate impact
- **growth investments:** fund to accelerate organic growth opportunities (globalization and innovate)

Ashland™ always solving

fiscal Q1 outlook

limited visibility to timing of demand recovery

- seasonality has returned, performance driven by second half of the fiscal year
- too much uncertainty to define probabilities of each scenario
- actively engaging stakeholders on portfolio actions

fiscal Q1 outlook

- weaker demand, with Q1 demand progressing as expected with risk to December results from potential customer year-end inventory actions
- lower production volumes, including some inventory-control action carryover
- lower Intermediates pricing

sales

$470 – $490 million

adjusted EBITDA

$55 – $65 million

agile, disciplined, focused on what we can control

Ashland™
always solving

closing comments

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**

- stay 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 and Q&A

Ashland
always solving

appendix A: adjusted results summary and balance sheet

Q4 adjusted results summary[1]

($US in millions, except percentages and per share data)	Q4 FY23	Q4 FY22	change
sales	$518	$631	(18) %
gross profit	$129	$209	(38) %
gross profit margin	24.9 %	33.1 %	(820) bps
SG&A / R&D costs / intangible amort.	$116	$123	(6) %
operating income	$14	$87	(84) %
depreciation & amortization	$62	$60	+3 %
EBITDA	$74	$147	(50) %
EBITDA margin	14.3 %	23.3 %	(930) bps
net interest and other expense	$10	$11	(9) %
effective tax rate	NM	18 %	NM
income from continuing operations	$3	$62	(95) %
income from continuing operations (excluding intangible amortization)	$21	$80	(74) %
diluted share count (million shares)	51	55	(7) %
EPS (excluding intangible amortization)	$0.41	$1.46	(72) %

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.

Ashland™ always solving

FY 2023 adjusted results summary[1]

($US in millions, except %s and per-share data)	FY23	FY22	change
sales:			
life sciences	$869	$815	+7 %
personal care	$598	$678	(12) %
specialty additives	$600	$719	(17) %
intermediates	$185	$256	(28) %
intersegment sales	($61)	($77)	(21) %
sales	**$2,191**	**$2,391**	**(8%)**
EBITDA:			
life sciences	$247	$218	+13 %
personal care	$137	$186	(26) %
specialty additives	$94	$185	(49) %
intermediates	$63	$100	(37) %
unallocated & other	($82)	($99)	(17) %
EBITDA	**$459**	**$590**	**(22) %**
EBITDA margin	**20.9 %**	**24.7 %**	**(380) bps**
EPS (excluding intangibles amortization)[2]	**$4.07**	**$5.70**	**(29) %**
ongoing free cash flow[3]	**$217**	**$127**	**+71 %**

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. Accounts Receivable Sales Program, restructuring-related payments and environmental and related litigation payments.

Q4 business unit consolidation[1]

($US in millions, except percentages)	life sciences	personal care	specialty additives	Intermediates	intercompany eliminations[2]	unallocated and other[3]	Ashland
sales	$203	$146	$144	$37	($12)	-	$518
gross profit	$63	$53	$11	$2	-	-	$129
gross profit margin	31.0 %	36.3 %	7.6 %	5.4 %	-	-	24.9 %
EBITDA	$48	$36	$8	$3	-	($21)	$74
EBITDA margin	23.6 %	24.7 %	5.6 %	8.1 %	-	-	14.3 %

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.).

Ashland™ always solving

liquidity and net debt

($US in millions)	expiration	interest rate	Moody's rating	S&P rating	9/30/23 balance
cash					$417
revolver and A/R facilities availability					698
cash, A/R and revolver availability[1]					**$1,115**
US A/R sales program[1]					**-**
debt					
2.00% notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	$528
3.375% notes	Sept. 2031	3.375%	Ba1	BB+	450
6.875% notes	May 2043	6.875%	Ba1	BB+	282
European A/R securitization	July 2023	CP+70	-	-	-
revolving credit facility[2]	July 2027	Term SOFR+125	-	-	-
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	64
other[3]		-	-	-	6
total debt			**Ba1/stable**	**BB+/stable**	**$1,330**
cash					(417)
net debt					**$913**

1 Total liquidity of $1,115 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 September 30, 2023.

Ashland™ always solving

appendix B: non-GAAP reconciliation[1]

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™ always solving

Ashland Inc. and Consolidated Subsidiaries

Reconciliation of Non-GAAP Data

for the 12 Months Ended September 30, 2023

($ millions, except percentages)

Sales[1]	Q4 23	Q3 23	Q2 23	Q1 23	Total	Q4 22
Life Sciences	$ 203	$ 219	$ 240	$ 207	$ 869	$ 213
Personal Care	146	146	167	139	598	188
Specialty Additives	144	152	161	143	600	187
Intermediates	37	43	51	54	185	64
Less: Intercompany Eliminations	(12)	(14)	(16)	(19)	(61)	(21)
Total	$ 518	$ 546	$ 603	$ 525	$ 2,191	$ 631

Adjusted EBITDA[1]	Q4 23	Q3 23	Q2 23	Q1 23	Total	Adjusted EBITDA Margin	Q4 22
Life Sciences	$ 48	$ 72	$ 75	$ 52	$ 247	28.4%	$ 57
Personal Care	36	35	35	31	137	22.9%	56
Specialty Additives	8	29	34	23	94	15.7%	43
Intermediates	3	16	20	24	63	34.1%	17
Unallocated	(21)	(19)	(19)	(23)	(82)		(26)
Total	$ 74	$ 133	$ 145	$ 108	$ 459	20.9%	$ 147

[1] 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™ always solving

Ashland Inc. and Consolidated Subsidiaries

Segment Components of Key Items for Applicable Income Statement Captions

for the 3 Months Ended September 30, 2023

In millions - preliminary and unaudited)

($ millions)

	Three Months Ended September 30, 2023					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Environmental reserve adjustments	$ -	$ -	$ -	$ -	$ (25)	$ (25)
Restructuring, separation and other costs	-	-	-	-	(5)	(5)
Income on acquisitions and divestitures, net	-	-	-	-	6	6
All other operating income (loss)	31	14	(12)	-	(19)	14
Operating income (loss)	31	14	(12)	-	(43)	(10)
NET INTEREST AND OTHER EXPENSE						
Key items					18	18
All other net interest and other expense					10	10
					28	28
OTHER NET PERIODIC BENEFIT LOSS (INCOME)						
Key items					(2)	(2)
All other net periodic benefit losses					2	2
					-	-
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items (a)					(9)	(9)
Tax specific key items (b)					(20)	(20)
All other income tax expense					(1)	(1)
					(30)	(30)
INCOME (LOSS) FROM CONTINUING OPERATIONS	$ 31	$ 14	$ (12)	$ -	$ (41)	$ (8)

(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 44 for additional information.

Ashland™ always solving

Ashland Inc. and Consolidated Subsidiaries

Segment Components of Key Items for Applicable Income Statement Captions

for the 3 Months Ended September 30, 2022

In - preliminary and unaudited)

($ millions) millions

	Three Months Ended September 30, 2022					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Environmental reserve adjustments	$ -	$ -	$ -	$ -	$ (6)	$ (6)
Restructuring, separation and other costs	-	-	-	-	(2)	(2)
All other operating income (loss)	40	35	24	14	(26)	87
Operating income (loss)	40	35	24	14	(34)	79
NET INTEREST AND OTHER EXPENSE						
Key items					29	29
All other net interest and other expense					11	11
					40	40
OTHER NET PERIODIC BENEFIT LOSS (INCOME)					(22)	(22)
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items (a)					2	2
Tax specific key items (b)					(15)	(15)
All other income tax expense					14	14
					1	1
INCOME (LOSS) FROM CONTINUING OPERATIONS	$ 40	$ 35	$ 24	$ 14	$ (53)	$ 60

(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 44 for additional information.

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

for the 3 and 12 Months Ended September 30, 2023 and 2022

($ millions)	Three months ended September 30		Year ended September 30	
Free cash flows	**2023**	**2022**	**2023**	**2022**
Total cash flows provided (used) by operating activities from continuing operations	$ 130	$ 179	$ 294	$ 193
Adjustments:				
Additions to property, plant and equipment	(69)	(46)	(170)	(113)
Free cash flows	$ 61	$ 133	$ 124	$ 80
Cash (inflows) outflows from U.S. Accounts Receivable Sales Program [a]	26	(59)	40	(17)
Restructuring-related payments [b]	5	1	8	10
Environmental and related litigation payments [c]	12	18	45	54
Ongoing free cash flow	$ 104	$ 93	$ 217	$ 127
Net Income (loss)	(4)	57	178	927
Adjusted EBITDA [d]	$ 74	$ 147	$ 459	$ 590
Operating cash flow conversion [e]	Not meaningful	314%	165%	21%
Ongoing free cash flow conversion [f]	141%	63%	47%	22%

(a) Represents activity associated with the U.S. Accounts Receivable Sales Program impacting each period presented.
(b) Restructuring payments incurred during each period presented.
(c) Represents cash outflows associated with environmental and related litigation payments which will be reimbursed by the Environmental trust.
(d) See Adjusted EBITDA reconciliation.
(e) Operating cash flow conversion is defined as Cash flows provided by operating activities from continuing operations divided by Net Income.
(f) Ongoing free cash flow conversion is defined as Ongoing free cash flow divided by Adjusted EBITDA

	Three months ended September 30		Year ended September 30	
Adjusted operating income	**2023**	**2022**	**2023**	**2022**
Operating income (loss) (as reported)	$ (10)	$ 79	$ 172	$ 333
Key items, before tax:				
Restructuring, separation and other costs	5	2	10	5
Environmental reserve adjustments	25	6	56	53
ICMS Brazil tax credit	-	-	(12)	-
Income on acquisitions and divestitures, net	(6)	-	(6)	(42)
Asset impairments	-	-	4	-
Adjusted operating income (non-GAAP)	$ 14	$ 87	$ 224	$ 349

Ashland™ always solving

Ashland Inc.

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended September 30, 2023 and 2022

($ millions)

Adjusted EBITDA - Ashland Inc.	Three months ended September 30 2023	Three months ended September 30 2022
Net income (loss)	$ (4)	$ 57
Income tax expense (benefit)	(30)	1
Net interest and other expense	28	40
Depreciation and amortization	62	60
EBITDA	56	158
Loss (income) from discontinued operations, net of income taxes	(4)	3
Gain on pension and other postretirement plan remeasurements	(2)	(22)
Operating key items (see Tables 39 and 40)	24	8
Adjusted EBITDA	$ 74	$ 147

Ashland Inc.

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended September 30, 2023 and 2022

($ millions)	Three months ended September 30	
	2023	2022
EBITDA - Life Sciences		
Operating income	$ 31	$ 40
Add:		
Depreciation and amortization	17	17
EBITDA	$ 48	$ 57
EBITDA - Personal Care		
Operating income	$ 14	$ 35
Add:		
Depreciation and amortization	22	21
EBITDA	$ 36	$ 56

Ashland™ always solving

Specialties Additives and Intermediates

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended September 30, 2023 and 2022

($ millions)

	Three months ended September 30	
	2023	**2022**
EBITDA - Specialty Additives		
Operating income (loss)	$ (12)	$ 24
Add:		
Depreciation and amortization	20	19
EBITDA	$ 8	$ 43
EBITDA - Intermediates		
Operating income	$ -	$ 14
Add:		
Depreciation and amortization	3	3
EBITDA	$ 3	$ 17

Ashland™ always solving

Ashland Inc. and Consolidated Subsidiaries

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

for the 3 and 12 Months Ended September 30, 2023 and 2022

($ millions)	Three months ended September 30		Year ended September 30	
	2023	2022	2023	2022
Income (loss) from continuing operations (as reported)	$ (8)	$ 60	$ 168	$ 181
Key items, before tax:				
Restructuring, separation and other costs	5	2	10	5
Unrealized (gains) losses on securities	18	29	(29)	102
Environmental reserve adjustments	25	6	56	53
Gain on pension and other postretirement plan remeasurements	(2)	(22)	(2)	(22)
ICMS Brazil tax credit	-	-	(12)	-
Income on acquisitions and divestitures, net	(6)	-	(6)	(42)
Asset impairments	-	-	4	-
Key items, before tax	40	15	21	96
Tax effect of key items (a)	(9)	2	(1)	(21)
Key items, after tax	31	17	20	75
Tax specific key items:				
Restructuring and separation activity	-	(7)	-	3
Valuation allowance	(5)	-	(6)	(4)
Uncertain tax positions	(9)	(8)	(32)	(8)
Other and tax reform related activity	(6)	-	(6)	-
Tax specific key items (b)	(20)	(15)	(44)	(9)
Total key items	11	2	(24)	66
Adjusted income from continuing operations (non-GAAP)	$ 3	$ 62	$ 144	$ 247
Amortization expense adjustment (net of tax) (c)	18	18	74	75
Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense	$ 21	$ 80	$ 218	$ 322

(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:
-Restructuring and separation activity: inlcudes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments
-Uncertain tax positions: includes the impact from settlement of certain tax positions within various tax authorities.
(c) Amoritization expense adjustment (net of tax) tax rates were 20% for the three and twelve months ended September 30, 2023 and 2022.

Ashland™ always solving

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

for the 3 and 12 Months Ended September 30, 2023 and 2022

	Three months ended September 30		Year ended September 30	
	2023	2022	2023	2022
Diluted EPS from continuing operations (as reported)	$ (0.15)	$ 1.09	$ 3.13	$ 3.20
Key items, before tax:				
Restructuring, separation and other costs	0.09	0.04	0.19	0.09
Unrealized (gains) losses on securities	0.35	0.53	(0.54)	1.82
Environmental reserve adjustments	0.49	0.11	1.04	0.95
Gain on pension and other postretirement plan remeasurements	(0.04)	(0.40)	(0.04)	(0.40)
ICMS Brazil tax credit	-	-	(0.22)	-
Income on acquisitions and divestitures, net	(0.12)	-	(0.11)	(0.75)
Asset impairments	-	-	0.08	-
Key items, before tax	0.77	0.28	0.40	1.71
Tax effect of key items (a)	(0.18)	0.04	(0.02)	(0.38)
Key items, after tax	0.59	0.32	0.38	1.33
Tax specific key items:				
Restructuring and separation activity	-	(0.13)	-	0.06
Valuation allowance	(0.11)	-	(0.12)	(0.07)
Uncertain tax positions	(0.17)	(0.15)	(0.60)	(0.15)
Other and tax reform related activity	(0.11)	-	(0.11)	-
Tax specific key items (b)	(0.39)	(0.28)	(0.83)	(0.16)
Total key items	0.20	0.04	(0.45)	1.17
Adjusted diluted EPS from continuing operations (non-GAAP)	$ 0.05	$ 1.13	$ 2.68	$ 4.37
Amortization expense adjustment (net of tax) (c)	0.36	0.33	1.39	1.33
Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense	$ 0.41	$ 1.46	$ 4.07	$ 5.70

(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:
-Restructuring and separation activity: inlcudes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments
-Uncertain tax positions: includes the impact from settlement of certain tax positions within various tax authorities.
(c) Amoritization expense adjustment (net of tax) tax rates were 20% for the three and twelve months ended September 30, 2023 and 2022.

Ashland™ always solving

Ashland™
always solving