



# earnings conference call --- second-quarter fiscal 2023

May 3, 2023 | 9:00 am ET

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**Ashland**<sup>™</sup>  
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 effects of the COVID-19 pandemic, and 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 B: Non-GAAP Reconciliation of this presentation.

# agenda

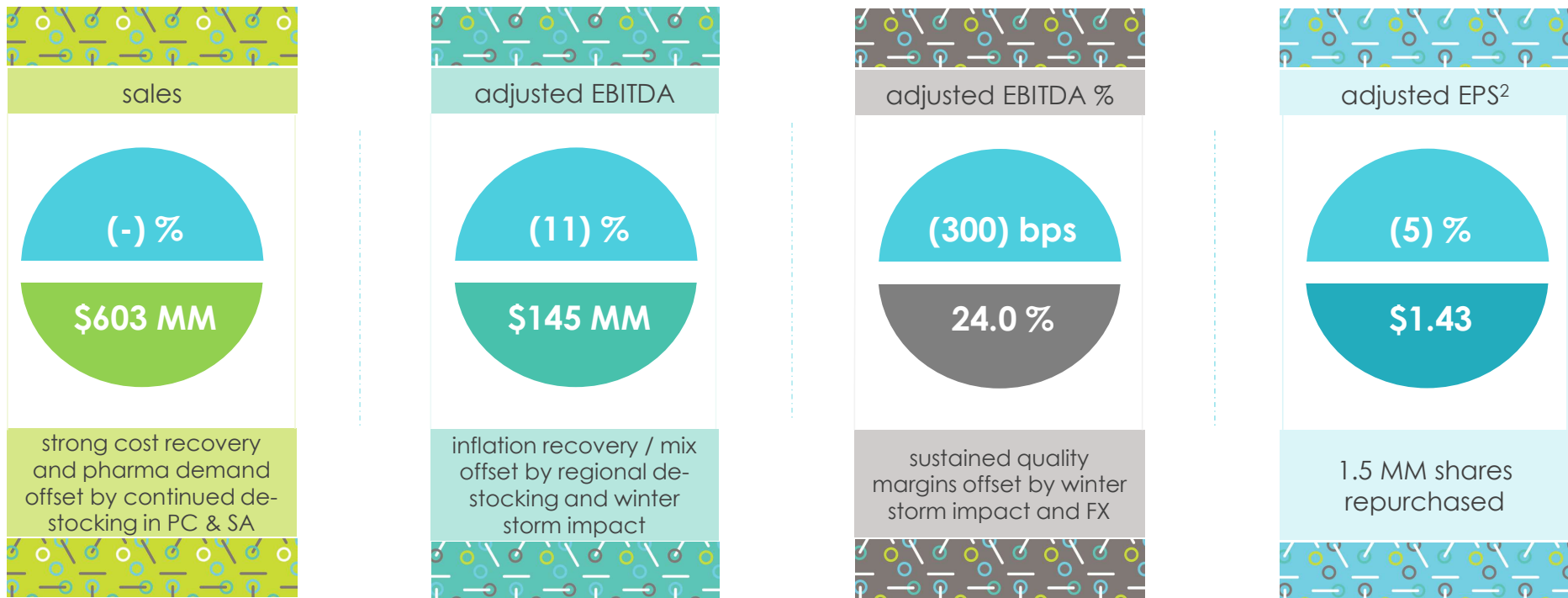
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- Q2 performance summary
- Q2 financial results
- outlook
- closing comments
- Q&A



# Q2 performance summary

# Q2 results consistent with expectations



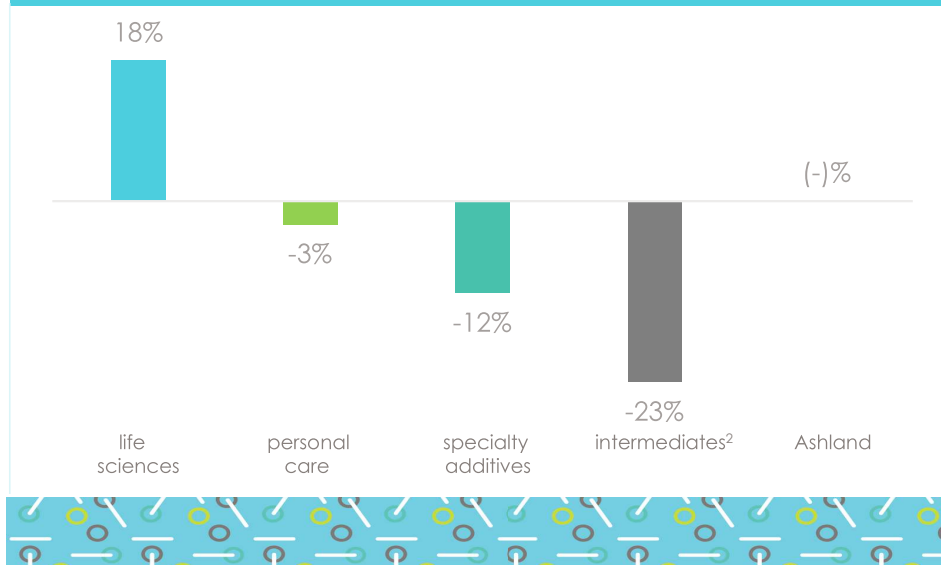
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- 1 Comparisons versus prior-year quarter. All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating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

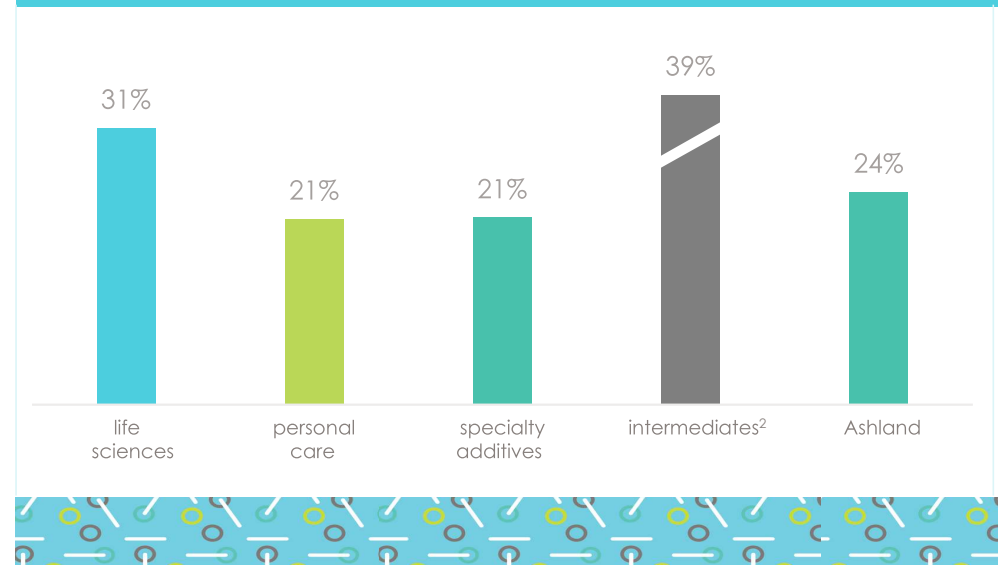


# continued inflation recovery & de-stocking

sales<sup>1</sup> growth in pharma offset by de-stocking



with Adj. EBITDA margins impacted by winter storm<sup>3</sup>



1 Comparisons versus prior-year quarter.

2 Merchant sales represents ~70% of Intermediates.

3 \$13 million of costs related to the December 2022 winter storm.



# Q2 financial results

# fiscal-second quarter adjusted results<sup>1</sup>

## operating results summary

Ashland			
(\$US in millions, except percentages)	Q2 FY23	Q2 FY22	change
sales	\$603	\$604	(-) %
gross profit margin	32.7 %	36.4 %	(370) bps
SG&A / R&D costs / intangible amortization	\$110	\$119	(8) %
operating income	\$87	\$101	(14) %
EBITDA	\$145	\$163	(11) %
EBITDA margin	24.0 %	27.0 %	(300) bps
EPS (excluding acquisition amortization) <sup>2</sup>	\$1.43	\$1.50	(5) %
ongoing free cash flow <sup>3</sup>	\$37	(\$5)	NM

<sup>1</sup> 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.

<sup>2</sup> Unless otherwise noted, earnings are reported on a diluted-share basis.

<sup>3</sup> 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.



# life sciences

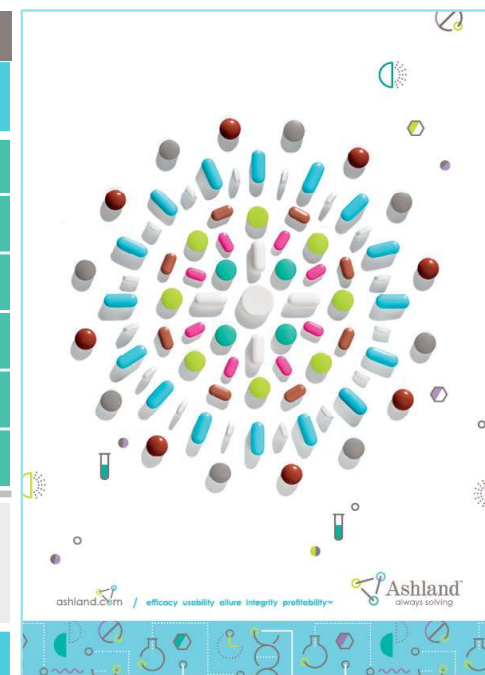
## highlights

- strong pharma demand
- favorable product mix
- disciplined cost recovery through pricing
- continued margin expansion
- \$5 million winter storm impact
- unfavorable FX negatively impacted sales by 2 percent and EBITDA by 7 percent

adjusted results summary <sup>1</sup>			
(\$US in millions, except percentages)	Q2 FY23	Q2 FY22	change
sales	\$240	\$204	+18 %
gross profit	\$89	\$73	+22 %
gross profit margin	37.1 %	35.8 %	+130 bps
operating income	\$58	\$43	+35 %
EBITDA	\$75	\$58	+29 %
EBITDA margin	31.3 %	28.4 %	+290 bps
	+DD	-DD	+MSD
	pharma	nutraceuticals	nutrition & other

Q2 FY23 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

<sup>1</sup> 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 continued cost recovery through pricing
- o continued customer de-stocking
- o \$6 million winter storm impact
- o unfavorable FX negatively impacted sales by 2 percent and EBITDA by 4 percent

adjusted results summary <sup>1</sup>			
(\$US in millions, except percentages)	Q2 FY23	Q2 FY22	change
sales	\$167	\$172	(3) %
gross profit	\$52	\$67	(22) %
gross profit margin	31.1 %	39.0 %	(790) bps
operating income	\$14	\$28	(50) %
EBITDA	\$35	\$49	(29) %
EBITDA margin	21.0 %	28.5 %	(750) bps

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

Q2 FY23 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

<sup>1</sup> 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

- o disciplined cost recovery through pricing
- o continued customer de-stocking
- o higher energy costs
- o \$1 million cost impact from winter storm
- o unfavorable FX negatively impacted sales by 2 percent and EBITDA by 2 percent

adjusted results summary <sup>1</sup>			
(\$US in millions, except percentages)	Q2 FY23	Q2 FY22	change
sales	\$161	\$182	(12) %
gross profit	\$37	\$51	(27) %
gross profit margin	23.0 %	28.0 %	(500) bps
operating income	\$15	\$26	(42) %
EBITDA	\$34	\$48	(29) %
EBITDA margin	21.1 %	26.4 %	(530) bps
-MSD		-DD	
coatings		construction, energy, performance spec.	

Q2 FY23 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

<sup>1</sup> 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

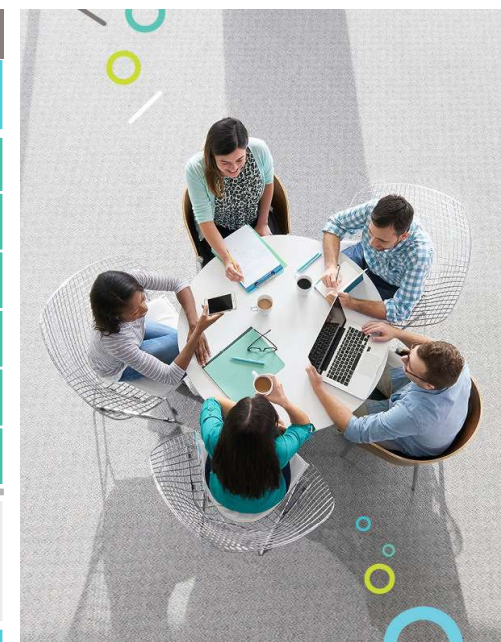
## highlights

- merchant: consistent pricing with lower volumes
- captive: lower pricing with higher volumes
- \$2 million cost impact from winter storm at Lima, OH facility

adjusted results summary <sup>1</sup>			
(\$US in millions, except percentages)	Q2 FY23	Q2 FY22	change
sales	\$51	\$66	(23) %
gross profit	\$19	\$29	(34) %
gross profit margin	37.3 %	43.9 %	(660) bps
operating income	\$17	\$27	(37) %
EBITDA	\$20	\$30	(33) %
EBITDA margin	39.2 %	45.5 %	(630) bps
-DD		-DD	
merchant		captive	

Q2 FY23 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

<sup>1</sup> 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

## strong financial position with increased flexibility

### new share repurchases under \$500 million evergreen share repurchase authorization

- initiated two Rule 10b5-1 trading plan agreements during the quarter totaling \$200 million
- repurchased 1.5 million shares during the March quarter and an additional ~500 thousand shares in early April
- \$300 million remains under the current evergreen repurchase authorization

### strong balance sheet<sup>1</sup>

- cash and liquidity available of ~\$1.1 billion
- net debt<sup>2</sup> of \$929 million
- net leverage<sup>3</sup> of 1.6x
- no long-term debt maturities for the next four years

### other long-term capital allocation priorities

- \$150 – \$200 million growth capital investment over next 3 years
- increased flexibility to pursue future M&A strategy

## enhanced balance sheet strength and flexibility

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1 All figures as of March 31, 2023.

2 Net debt = total debt less cash.

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





outlook



# updated outlook

## reducing full-year outlook for sales and earnings

### forward looking insights

- tailwind from inflation-recovery actions
- pharma demand remains strong
- customer de-stocking in Personal Care and Specialty Additives persisted through April
- inventory control actions initiated in April; expect ~\$20 million of related costs in second half of fiscal year
- global demand trends will drive potential further action
- end-market resilience consistent with historical trends
- rebalancing of Q3 & Q4 turnarounds

### risks (+/-)

- global recession impact on consumer demand
- extended customer de-stocking in specific segments or regions
- potential need for added inventory-control actions impacting absorption
- inflationary cost trends return
- price vs. cost balance
- growth in China following re-opening
- escalation of Russia/Ukraine war

### sales

\$2.3 – \$2.4 billion

### adjusted EBITDA

\$580 – \$610 million

agile, disciplined,  
focused on what  
we can control

closing comments

# Ashland

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## focused additives and specialty ingredients company

- o flexible, agile
  - o consistent execution
  - o solid growth
  - o high margins
  - o strong free cash flow
- ✓ leadership positions in high-quality markets and with exciting profitable growth opportunities
  - ✓ strong technology, commercial and operations capabilities
  - ✓ global infrastructure
  - ✓ compelling growth platforms with scale and sustainable competitive advantage
  - ✓ strong financial performance and cash flow generation
  - ✓ experienced management team with proven track record and execution discipline
  - ✓ ESG is embedded in our strategy and operating plans

thank you and Q&A



appendix A: adjusted results  
summary and balance sheet

# adjusted results summary<sup>1</sup>

(\$US in millions, except percentages and per share data)	Q2 FY23	Q2 FY22	change
sales	\$603	\$604	(-) %
gross profit	\$197	\$220	(10) %
gross profit margin	32.7 %	36.4 %	(370) bps
SG&A / R&D costs / intangible amort.	\$110	\$119	(8) %
operating income	\$87	\$101	(14) %
depreciation & amortization	\$60	\$61	(2) %
EBITDA	\$145	\$163	(11) %
EBITDA margin	24.0 %	27.0 %	(300) bps
net interest and other expense	\$10	\$15	(33) %
effective tax rate	21 %	23 %	(200) bps
income from continuing operations	\$59	\$67	(12) %
income from continuing operations (excluding intangible amortization)	\$78	\$86	(9) %
diluted share count (million shares)	55	57	(4) %
EPS (excluding intangible amortization)	\$1.43	\$1.50	(5) %

<sup>1</sup> 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.



# Q2 business unit consolidation<sup>1</sup>

(\$US in millions, except percentages)	life sciences	personal care	specialty additives	Intermediates	intercompany eliminations <sup>2</sup>	unallocated and other <sup>3</sup>	Ashland
sales	\$240	\$167	\$161	\$51	(\$16)	-	\$603
gross profit	\$89	\$52	\$37	\$19	-	-	\$197
gross profit margin	37.1 %	31.1 %	23.0 %	37.3 %	-	-	32.7 %
EBITDA	\$75	\$35	\$34	\$20	-	(\$19)	\$145
EBITDA margin	31.3 %	21.0 %	21.1 %	39.2 %	-	-	24.0 %

<sup>1</sup> 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.

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

<sup>3</sup> 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	3/31/23 balance
cash					\$399
revolver and A/R facilities availability					690
<b>cash, A/R and revolver availability<sup>1</sup></b>					<b>\$1,089</b>
<b>US A/R sales program<sup>1</sup></b>					<b>-</b>
debt					
2.00% notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	\$545
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 <sup>2</sup>	July 2027	Term SOFR+125	-	-	-
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	62
other <sup>3</sup>		-	-	-	(11)
<b>total debt</b>			<b>Ba1/stable</b>	<b>BB+/stable</b>	<b>\$1,328</b>
cash					(399)
<b>net debt</b>					<b>\$929</b>

1 Total liquidity of \$1,089 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 \$14 million of debt issuance cost discounts as of March 31, 2023.

## 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 12 Months Ended March 31, 2023

(\$ millions, except percentages)

<b>Sales<sup>1</sup></b>	<b>Q2 23</b>	<b>Q1 23</b>	<b>Q4 22</b>	<b>Q3 22</b>	<b>Total</b>		<b>Q2 22</b>
Life Sciences	\$ 240	\$ 207	\$ 213	\$ 228	\$ 888		\$ 204
Personal Care	167	138	188	172	665		172
Specialty Additives	161	143	187	194	685		182
Intermediates	51	54	64	73	242		66
Less: Intercompany Eliminations	(16)	(17)	(21)	(23)	(77)		(20)
<b>Total</b>	<b>\$ 603</b>	<b>\$ 525</b>	<b>\$ 631</b>	<b>\$ 644</b>	<b>\$ 2,403</b>		<b>\$ 604</b>

<b>Adjusted EBITDA<sup>1</sup></b>	<b>Q2 23</b>	<b>Q1 23</b>	<b>Q4 22</b>	<b>Q3 22</b>	<b>Total</b>	<b>Adjusted EBITDA Margin</b>	<b>Q2 22</b>
Life Sciences	\$ 75	\$ 52	\$ 57	\$ 67	\$ 251	28.3%	\$ 58
Personal Care	35	32	56	45	168	25.3%	49
Specialty Additives	34	23	43	56	156	22.8%	48
Intermediates	20	23	17	34	94	38.8%	30
<i>Unallocated</i>	(19)	(22)	(26)	(28)	(95)		(22)
<b>Total</b>	<b>\$ 145</b>	<b>\$ 108</b>	<b>\$ 147</b>	<b>\$ 174</b>	<b>\$ 574</b>	<b>23.9%</b>	<b>\$ 163</b>

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<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

## Segment Components of Key Items for Applicable Income Statement Captions

In millions - preliminary and unaudited)

(\$ millions)

	Three Months Ended March 31, 2023					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
<b>OPERATING INCOME (LOSS)</b>						
Operating key items:						
Environmental reserve adjustments	\$ -	\$ -	\$ -	\$ -	\$ (4)	\$ (4)
All other operating income (loss)	58	14	15	17	(17)	87
Operating income (loss)	58	14	15	17	(21)	83
<b>NET INTEREST AND OTHER EXPENSE (INCOME)</b>						
Key items					(20)	(20)
All other net interest and other expense					10	10
					(10)	(10)
<b>OTHER NET PERIODIC BENEFIT LOSS</b>					(2)	(2)
<b>INCOME TAX EXPENSE (BENEFIT)</b>						
Tax effect of key items (a)					3	3
Tax specific key items (b)					(20)	(20)
All other income tax expense					16	16
					(1)	(1)
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	\$ 58	\$ 14	\$ 15	\$ 17	\$ (12)	\$ 92

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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 Slides 31 and 32 for additional information.



Ashland Inc. and Consolidated Subsidiaries  
**Segment Components of Key Items for Applicable  
Income Statement Captions**  
In millions - preliminary and unaudited)

(\$ millions)

	Three Months Ended March 31, 2022					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
<b>OPERATING INCOME (LOSS)</b>						
Operating key items:						
Environmental reserve adjustments	\$ -	\$ -	\$ -	\$ -	\$ (7)	\$ (7)
Restructuring, separation and other costs	-	-	-	-	(1)	(1)
Income on acquisitions and divestitures, net	-	-	-	-	7	7
All other operating income (loss)	43	28	26	27	(23)	101
Operating income (loss)	43	28	26	27	(24)	100
<b>NET INTEREST AND OTHER EXPENSE (INCOME)</b>						
Key items					28	28
All other net interest and other expense					15	15
					43	43
<b>OTHER NET PERIODIC BENEFIT INCOME</b>					1	1
<b>INCOME TAX EXPENSE (BENEFIT)</b>						
Tax effect of key items (a)					(6)	(6)
Tax specific key items (b)					6	6
All other income tax expense (benefit)					20	20
					20	20
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	\$ 43	\$ 28	\$ 26	\$ 27	\$ (86)	\$ 38

(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 Slides 31 and 32 for additional information.



# Ashland Inc. and Consolidated Subsidiaries

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

### for the 3 and 6 Months Ended March 31, 2023 and 2022

(\$ millions)

	Three months ended March 31		Six months ended March 31	
	2023	2022	2023	2022
<b>Free cash flows</b>				
Total cash flows provided (used) by operating activities from continuing operations	\$ 56	\$ 16	\$ 27	\$ 31
Adjustments:				
Additions to property, plant and equipment	(35)	(22)	(58)	(37)
Free cash flows	\$ 21	\$ (6)	\$ (31)	\$ (6)
Cash outflows from U.S. Accounts Receivable Sales Program (a)	3	(15)	22	(5)
Restructuring-related payments (b)	-	1	1	5
Environmental and related litigation payments (c)	13	15	24	28
Ongoing free cash flow	\$ 37	\$ (5)	\$ 16	\$ 22
Net Income	91	786	132	834
Adjusted EBITDA (d)	\$ 145	\$ 163	\$ 253	\$ 269
Operating cash flow conversion (e)	62%	2%	20%	4%
Ongoing free cash flow conversion (f)	26%	-3%	6%	8%

(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 March 31		Six months ended March 31	
	2023	2022	2023	2022
<b>Adjusted operating income</b>				
<b>Operating income (as reported)</b>	\$ 83	\$ 100	\$ 120	\$ 142
Key items, before tax:				
Restructuring, separation and other costs	-	1	1	2
Environmental reserve adjustments	4	7	12	10
Income on acquisitions and divestitures, net	-	(7)	-	(7)
Asset impairments	-	-	4	-
<b>Adjusted operating income (non-GAAP)</b>	\$ 87	\$ 101	\$ 137	\$ 147

Ashland Inc.

## Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended March 31, 2023 and 2022

(\$ millions)

Adjusted EBITDA - Ashland Inc.	Three months ended March 31	
	2023	2022
Net income	\$ 91	\$ 786
Income tax expense (benefit)	(1)	20
Net interest and other expense (income)	(10)	43
Depreciation and amortization	60	61
EBITDA	140	910
(Income) loss from discontinued operations (net of taxes)	1	(748)
Operating key items (see Slides 25 and 26)	4	1
Adjusted EBITDA	\$ 145	\$ 163

Ashland Inc.

## Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended March 31, 2023 and 2022

(\$ millions)

	Three months ended March 31	
	<u>2023</u>	<u>2022</u>
<u>EBITDA - Life Sciences</u>		
Operating income	\$ 58	\$ 43
Add:		
Depreciation and amortization	17	15
EBITDA	<u>\$ 75</u>	<u>\$ 58</u>
<u>EBITDA - Personal Care</u>		
Operating income	\$ 14	\$ 28
Add:		
Depreciation and amortization	21	21
EBITDA	<u>\$ 35</u>	<u>\$ 49</u>

Specialties Additives and Intermediates  
**Reconciliation of Non-GAAP Data – Adjusted EBITDA**  
 for 3 Months Ended March 31, 2023 and 2022

(\$ millions)

	Three months ended March 31	
	<u>2023</u>	<u>2022</u>
<u>EBITDA - Specialty Additives</u>		
Operating income	\$ 15	\$ 26
Add:		
Depreciation and amortization	19	22
EBITDA	<u>\$ 34</u>	<u>\$ 48</u>
 <u>EBITDA - Intermediates</u>		
Operating income	\$ 17	\$ 27
Add:		
Depreciation and amortization	3	3
EBITDA	<u>\$ 20</u>	<u>\$ 30</u>

# Ashland Inc. and Consolidated Subsidiaries

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

### for the 3 and 6 Months Ended March 31, 2023 and 2022

(\$ millions)

#### Income from continuing operations (as reported)

Key items, before tax:

Restructuring, separation and other costs

Unrealized (gains) losses on securities

Environmental reserve adjustments

Gain on acquisitions and divestitures

Asset impairments

Key items, before tax

Tax effect of key items (a)

Key items, after tax

Tax specific key items:

Restructuring and separation activity

Valuation allowance

Uncertain tax positions

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 March 31		Six months ended March 31	
	2023	2022	2023	2022
Income from continuing operations (as reported)	\$ 92	\$ 38	\$ 134	\$ 70
Key items, before tax:				
Restructuring, separation and other costs	-	1	1	2
Unrealized (gains) losses on securities	(20)	28	(41)	24
Environmental reserve adjustments	4	7	12	10
Gain on acquisitions and divestitures	-	(7)	-	(7)
Asset impairments	-	-	4	-
Key items, before tax	(16)	29	(24)	29
Tax effect of key items (a)	3	(6)	5	(6)
Key items, after tax	(13)	23	(19)	23
Tax specific key items:				
Restructuring and separation activity	-	10	-	10
Valuation allowance	-	(4)	-	(4)
Uncertain tax positions	(20)	-	(20)	-
Tax specific key items (b)	(20)	6	(20)	6
Total key items	(33)	29	(39)	29
Adjusted income from continuing operations (non-GAAP)	\$ 59	\$ 67	\$ 95	\$ 99
Amortization expense adjustment (net of tax) (c)	19	19	37	38
Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense	\$ 78	\$ 86	\$ 132	\$ 137

(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: includes 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) Amortization expense adjustment (net of tax) tax rates were 20% for the three and six months ended March 31, 2023 and 2022.

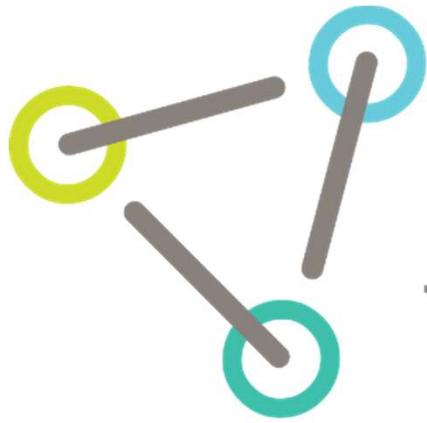
Ashland Inc. and Consolidated Subsidiaries  
**Reconciliation of Non-GAAP Data – Adjusted Diluted EPS from  
Continuing Operations**  
for the 3 and 6 Months Ended March 31, 2023 and 2022

	Three months ended		Six months ended	
	March 31		March 31	
	2023	2022	2023	2022
<b>Diluted EPS from continuing operations (as reported)</b>	\$ 1.68	\$ 0.66	\$ 2.43	\$ 1.20
Key items, before tax:				
Restructuring, separation and other costs	-	0.02	0.02	0.04
Unrealized (gains) losses on securities	(0.35)	0.49	(0.74)	0.42
Environmental reserve adjustments	0.07	0.14	0.22	0.19
Gain on acquisitions and divestitures	-	(0.12)	-	(0.12)
Asset impairments	-	-	0.07	-
Key items, before tax	(0.28)	0.53	(0.43)	0.53
Tax effect of key items (a)	0.05	(0.12)	0.09	(0.12)
Key items, after tax	(0.23)	0.41	(0.34)	0.41
Tax specific key items:				
Restructuring and separation activity	-	0.17	-	0.17
Valuation allowance	-	(0.07)	-	(0.07)
Uncertain tax positions	(0.36)	-	(0.36)	-
Tax specific key items (b)	(0.36)	0.10	(0.36)	0.10
Total key items	(0.59)	0.51	(0.70)	0.51
<b>Adjusted diluted EPS from continuing operations (non-GAAP)</b>	<b>\$ 1.09</b>	<b>\$ 1.17</b>	<b>\$ 1.73</b>	<b>\$ 1.71</b>
Amortization expense adjustment (net of tax) (c)	0.34	0.33	0.67	0.66
<b>Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense</b>	<b>\$ 1.43</b>	<b>\$ 1.50</b>	<b>\$ 2.40</b>	<b>\$ 2.37</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:  
-Restructuring and separation activity: includes 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) Amortization expense adjustment (net of tax) tax rates were 20% for the three and six months ended March 31, 2023 and 2022.



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