Ashland Inc. and Consolidated Subsidiaries

Table 1

STATEMENTS OF CONSOLIDATED INCOME (LOSS)

(In millions except per share data - preliminary and unaudited)

	Three months ended September 30		Year ended September 30	
	2026	**2025**	**2026**	**2025**
Sales	$ 498	$ 478	$ 1,863	$ 1,824
Cost of sales	319	319	1,262	1,275
GROSS PROFIT	179	159	601	549
Selling, general and administrative expense	113	76	377	344
Research and development expense	14	13	55	54
Intangibles amortization expense	14	15	60	63
Equity and other income	2	2	4	4
Goodwill impairment	-	-	-	706
(Loss) income on divestitures, net	(11)	4	(8)	(161)
OPERATING INCOME (LOSS)	29	61	105	(775)
Net interest and other expense[a]	21	-	40	33
Other net periodic benefit (income) loss	(1)	(3)	(4)	1
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	9	64	69	(809)
Income tax expense	26	31	44	13
(LOSS) INCOME FROM CONTINUING OPERATIONS	(17)	33	25	(822)
Income (loss) from discontinued operations, net of income taxes	1	(1)	(21)	(23)
NET (LOSS) INCOME	$ (16)	$ 32	$ 4	$ (845)
DILUTED EARNINGS (LOSS) PER SHARE				
(Loss) income from continuing operations	$ (0.36)	$ 0.73	$ 0.55	$ (17.74)
Income (loss) from discontinued operations	0.01	(0.02)	(0.46)	(0.49)
Net (loss) income	$ (0.35)	$ 0.71	$ 0.09	$ (18.23)
AVERAGE DILUTED COMMON SHARES OUTSTANDING[b]	46	46	46	46
SALES				
Life Sciences	180	173	671	641
Personal Care	163	151	592	577
Specialty Additives	131	131	504	511
Intermediates	33	33	135	137
Intersegment sales	(9)	(10)	(39)	(42)
	$ 498	$ 478	$ 1,863	$ 1,824
OPERATING INCOME (LOSS)				
Life Sciences	33	39	131	(262)
Personal Care	35	26	101	90
Specialty Additives	1	5	(12)	(338)
Intermediates	4	2	11	8
Unallocated and other	(44)	(11)	(126)	(273)
	$ 29	$ 61	$ 105	$ (775)

(a) Zero denotes less than $1 million of activity.

(b) As a result of the loss from continuing operations for both the three months ended September 30, 2026 and year ended September 30, 2025, the effect of the share-based awards convertible to common shares would be anti-dilutive. In accordance with U.S. GAAP, these shares have been excluded from the diluted earnings (loss) per share calculation for the period.

Ashland Inc. and Consolidated Subsidiaries

Table 2

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions - preliminary and unaudited)

	September 30 2026	September 30 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 480	$ 215
Accounts receivable, net	266	242
Inventories	482	568
Other assets	108	180
Total current assets	1,336	1,205
Noncurrent assets		
Property, plant and equipment		
Cost	3,304	3,355
Accumulated depreciation	2,170	2,154
Net property, plant and equipment	1,134	1,201
Goodwill	698	705
Intangibles, net	498	563
Operating lease assets, net	99	103
Restricted investments	248	297
Asbestos insurance receivable, net	137	127
Deferred income taxes	138	157
Other assets	239	253
Total noncurrent assets	3,191	3,406
Total assets	$ 4,527	$ 4,611
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	$ 210	$ 189
Accrued expenses and other liabilities	220	213
Current portion of long-term debt	4	-
Current operating lease obligations	18	21
Total current liabilities	452	423
Noncurrent liabilities		
Long-term debt	1,367	1,384
Asbestos litigation reserves	385	389
Deferred income taxes	24	31
Employee benefit obligations	77	96
Operating lease obligations	83	85
Other liabilities	291	299
Total noncurrent liabilities	2,227	2,284
Equity	1,848	1,904
Total liabilities and equity	$ 4,527	$ 4,611

Ashland Inc. and Consolidated Subsidiaries

Table 3

STATEMENTS OF CONSOLIDATED CASH FLOWS

(In millions - preliminary and unaudited)

	Three months ended September 30		Year ended September 30	
	2026	**2025**	**2026**	**2025**
CASH FLOWS PROVIDED BY OPERATING ACTIVITIES FROM CONTINUING OPERATIONS				
Net (loss) income	$ (16)	$ 32	$ 4	$ (845)
(Income) loss from discontinued operations, net of income taxes	(1)	1	21	23
Adjustments to reconcile (loss) income from continuing operations to cash flows from operating activities				
Depreciation and amortization	45	50	185	237
Original issue discount and debt issuance cost amortization	2	2	8	7
Deferred income taxes	3	68	7	73
Gain from sales of property, plant and equipment	(3)	(5)	(5)	(16)
Equity income from affiliates	-	-	(1)	-
Stock based compensation expense	5	2	18	14
Loss from excess tax deduction on stock based compensation	-	(3)	(1)	(3)
Income (loss) from restricted investments	7	(17)	(21)	(33)
Loss on divestitures, net	13	2	13	177
Goodwill impairment	-	-	-	706
Asset impairments	18	-	18	-
Pension contributions	(3)	(3)	(12)	(12)
Gain on pension and other postretirement plan remeasurements	(2)	(4)	(7)	(3)
Change in operating assets and liabilities[a]	22	(85)	158	(191)
Total cash flows provided by operating activities from continuing operations	90	40	385	134
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES FROM CONTINUING OPERATIONS				
Additions to property, plant and equipment	(37)	(34)	(88)	(98)
Proceeds from disposal of property, plant and equipment	2	5	6	16
Proceeds from sale of operations	-	-	2	16
Proceeds from settlement of Company-owned life insurance contracts	2	7	27	12
Company-owned life insurance payments	(3)	(3)	(4)	(5)
Funds restricted for specific transactions	-	-	(9)	(8)
Reimbursements from restricted investments	22	21	74	62
Proceeds from sale of securities	31	20	71	56
Purchases of securities	(31)	(18)	(71)	(54)
Total cash flows provided (used) by investing activities from continuing operations	(14)	(2)	8	(3)
CASH FLOWS USED BY FINANCING ACTIVITIES FROM CONTINUING OPERATIONS				
Repurchase of common stock	-	-	-	(100)
Debt issuance costs	-	-	(2)	-
Cash dividends paid	(19)	(19)	(76)	(76)
Stock based compensation employee withholding taxes paid in cash	(2)	-	(3)	(3)
Total cash flows used by financing activities from continuing operations	(21)	(19)	(81)	(179)
CASH PROVIDED (USED) BY CONTINUING OPERATIONS	55	19	312	(48)
Cash used by discontinued operations				
Operating cash flows	(15)	(13)	(46)	(40)
Effect of currency exchange rate changes on cash and cash equivalents[b]	-	2	(1)	3
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	40	8	265	(85)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	440	207	215	300
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 480	$ 215	$ 480	$ 215
DEPRECIATION AND AMORTIZATION				
Life Sciences	14	14	56	75
Personal Care	14	16	60	65
Specialty Additives	15	17	63	84
Intermediates	2	3	5	13
Unallocated and other	-	-	1	-
	$ 45	$ 50	$ 185	$ 237

(a) Excludes changes resulting from operations sold.

(b) Zero denotes less than $1 million of activity.

Ashland Inc. and Consolidated Subsidiaries Table 4

RECONCILIATION OF NON-GAAP DATA - ADJUSTED EBITDA

(In millions - preliminary and unaudited)

	Three months ended September 30	
Adjusted EBITDA - Ashland Inc.	**2026**	**2025**
Net (loss) income	$ (16)	$ 32
Income tax expense	26	31
Net interest and other income	21	-
Depreciation and amortization[(a)]	45	49
EBITDA	76	112
(Income) loss from discontinued operations, net of income taxes	(1)	1
Gain on pension and other postretirement plan remeasurements	(2)	(4)
Operating key items (see Table 5)	48	10
Adjusted EBITDA	$ 121	$ 119
Adjusted EBITDA - Life Sciences		
Operating income	$ 33	$ 39
Add:		
Depreciation and amortization	14	14
Operating key items (see Table 5)	17	2
Adjusted EBITDA	$ 64	$ 55
Adjusted EBITDA - Personal Care		
Operating income	$ 35	$ 26
Add:		
Depreciation and amortization[(a)]	14	15
Operating key items (see Table 5)	-	2
Adjusted EBITDA	$ 49	$ 43
Adjusted EBITDA - Specialty Additives		
Operating income	$ 1	$ 5
Add:		
Depreciation and amortization	15	17
Operating key items (see Table 5)	4	7
Adjusted EBITDA	$ 20	$ 29
Adjusted EBITDA - Intermediates		
Operating income	$ 4	$ 2
Add:		
Depreciation and amortization	2	3
Adjusted EBITDA	$ 6	$ 5

(a) Depreciation and amortization excludes accelerated depreciation expense of $1 million for Personal Care for the three months ended September 30, 2025, which is included as a key item within this table as a component of Adjusted EBITDA.

Ashland Inc. and Consolidated Subsidiaries Table 5

SEGMENT COMPONENTS OF KEY ITEMS FOR APPLICABLE CONSOLIDATED INCOME (LOSS) STATEMENT CAPTIONS

(In millions - preliminary and unaudited)

	Three Months Ended September 30, 2026					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated and other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Asset impairments	$ (16)	$ -	$ (2)	$ -	$ -	$ (18)
Argentina liquidation cumulative translation adjustment	-	-	-	-	(13)	(13)
Restructuring, separation and other costs	-	-	-	-	(9)	(9)
Environmental reserve adjustments	-	-	-	-	(5)	(5)
Other plant optimization costs	(1)	-	(2)	-	-	(3)
All other operating income (loss)	50	35	5	4	(17)	77
Operating income (loss)	33	35	1	4	(44)	29
NET INTEREST AND OTHER EXPENSE						
Key items					9	9
All other net interest and other expense					12	12
					21	21
OTHER NET PERIODIC BENEFIT INCOME						
Key items					(2)	(2)
All other net periodic benefit loss					1	1
					(1)	(1)
INCOME TAX EXPENSE						
Tax effect of key items[(a)]					(4)	(4)
Tax specific key items[(b)]					7	7
All other income tax expense					23	23
					26	26
(LOSS) INCOME FROM CONTINUING OPERATIONS	$ 33	$ 35	$ 1	$ 4	$ (90)	$ (17)

	Three Months Ended September 30, 2025					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated and other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Other plant optimization costs	$ (2)	$ (1)	$ (7)	$ -	$ -	$ (10)
Restructuring, separation and other costs	-	-	-	-	(4)	(4)
Nutraceutical business sale	-	-	-	-	(1)	(1)
Environmental reserve adjustments	-	-	-	-	(1)	(1)
Accelerated depreciation	-	(1)	-	-	-	(1)
Tax credit	-	-	-	-	3	3
Income on divestitures, net	-	-	-	-	4	4
All other operating income (loss)	41	28	12	2	(12)	71
Operating income (loss)	39	26	5	2	(11)	61
NET INTEREST AND OTHER EXPENSE						
Key items					(15)	(15)
All other net interest and other expense					15	15
					-	-
OTHER NET PERIODIC BENEFIT LOSS						
Key items					(4)	(4)
All other net periodic benefit loss					1	1
					(3)	(3)
INCOME TAX EXPENSE						
Tax effect of key items[(a)]					2	2
Tax specific key items[(b)]					11	11
All other income tax expense					18	18
					31	31
INCOME (LOSS) FROM CONTINUING OPERATIONS	$ 39	$ 26	$ 5	$ 2	$ (39)	$ 33

(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 Table 7 for additional information.

Ashland Inc. and Consolidated Subsidiaries

Table 6

RECONCILIATION OF CERTAIN NON-GAAP DATA

(In millions - preliminary and unaudited)

	Three months ended September 30		Year ended September 30	
Free cash flows	**2026**	**2025**	**2026**	**2025**
Total cash flows provided by operating activities from continuing operations	$ 90	$ 40	$ 385	$ 134
Adjustments:				
Additions to property, plant and equipment	(37)	(34)	(88)	(98)
Free Cash Flows	$ 53	$ 6	$ 297	$ 36
Tax refund[(a)]	-	-	(103)	-
Cash (inflows) outflows from U.S. Accounts Receivable Sales Program[(b)]	-	1	(9)	12
Cash (inflows) outflows from Foreign Accounts Receivable Sales Program[(c)]	3	19	(9)	6
Restructuring-related payments[(d)]	6	11	23	34
Environmental and related litigation payments[(e)]	12	15	33	39
Ongoing Free Cash Flow	$ 74	$ 52	$ 232	$ 127
Net (loss) income	$ (16)	$ 32	$ 4	$ (845)
Adjusted EBITDA[(f)]	$ 121	$ 119	$ 385	$ 401
Operating Cash Flow Conversion[(g)]	Not meaningful	125%	9,625%	Not meaningful
Ongoing Free Cash Flow Conversion[(h)]	61%	44%	60%	32%

(a) Represents receipt of tax refund related to the capital loss carryback from the Nutraceutical business sale.

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

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

(d) Restructuring payments incurred during each period presented.

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

(f) See Adjusted EBITDA reconciliation.

(g) Operating Cash Flow Conversion is defined as Cash flows provided by operating activities from continuing operations divided by net (loss) income.

(h) 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	**2026**	**2025**	**2026**	**2025**
Operating income (loss) (as reported)	$ 29	$ 61	$ 105	$ (775)
Key items, before tax:				
Environmental reserve adjustments	5	1	33	34
Restructuring, separation and other costs	9	4	23	22
Other plant optimization costs	3	10	21	22
Asset impairments	18	-	18	-
Argentina liquidation cumulative translation adjustment	13	-	13	-
Accelerated depreciation	-	1	5	41
Goodwill impairment	-	-	-	706
Avoca business impairment and sale	-	-	-	175
Nutraceutical business impairment and sale	-	1	-	1
Held for sale depreciation and amortization	-	-	-	(2)
Income on divestitures, net	-	(4)	(2)	(14)
Tax credit	-	(3)	(8)	(3)
Adjusted Operating Income (non-GAAP)	$ 77	$ 71	$ 208	$ 207

Ashland Inc. and Consolidated Subsidiaries Table 7

RECONCILIATION OF CERTAIN NON-GAAP DATA

(In millions except per share data - preliminary and unaudited)

	Three months ended September 30		Year ended September 30	
	2026	**2025**	**2026**	**2025**
(Loss) income from continuing operations (as reported)	$ (17)	$ 33	$ 25	$ (822)
Key items, before tax:				
Environmental reserve adjustments	5	1	33	34
Restructuring, separation and other costs	9	4	23	22
Other plant optimization costs	3	10	21	22
Asset impairments	18	-	18	-
Argentina liquidation cumulative translation adjustment	13	-	13	-
Accelerated depreciation	-	1	5	41
Goodwill impairment	-	-	-	706
Avoca business impairment and sale	-	-	-	175
Nutraceutical business impairment and sale	-	1	-	1
Held for sale depreciation and amortization	-	-	-	(2)
Income on divestitures, net	-	(4)	(2)	(14)
Tax credit	-	(3)	(8)	(3)
Unrealized (gains) losses on securities	9	(15)	(9)	(20)
Gain on pension and other postretirement plan remeasurements	(2)	(4)	(7)	(3)
Key items, before tax	55	(9)	87	959
Tax effect of key items[(a)]	(4)	2	(14)	(62)
Key items, after tax	51	(7)	73	897
Tax specific key items:				
Valuation allowance	7	8	7	9
Other and tax reform related activity	-	3	-	22
Tax specific key items[(b)]	7	11	7	31
Total key items	58	4	80	928
Adjusted Income from Continuing Operations (non-GAAP)	$ 41	$ 37	$ 105	$ 106
Intangibles amortization expense adjustment (net of tax)[(c)]	11	13	48	51
Adjusted Income from Continuing Operations (non-GAAP) Excluding Intangibles Amortization Expense	$ 52	$ 50	$ 153	$ 157

(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:

- Valuation allowance: Includes the impact from the release of certain foreign tax credit valuation allowances.
- 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 the year ended September 30, 2025.

(c) Intangibles amortization expense adjustment (net of tax) tax rates were 20% for the three months and years ended September 30, 2026 and 2025.

Ashland Inc. and Consolidated Subsidiaries Table 7 (Continued)

RECONCILIATION OF CERTAIN NON-GAAP DATA

(In millions except per share data - preliminary and unaudited)

	Three months ended September 30		Year ended September 30	
	2026	**2025**	**2026**	**2025**
Diluted EPS from continuing operations (as reported)	$ (0.36)	$ 0.73	$ 0.55	$ (17.74)
Key items, before tax:				
Environmental reserve adjustments	0.11	0.02	0.72	0.76
Restructuring, separation and other costs	0.20	0.09	0.50	0.48
Other plant optimization costs	0.06	0.23	0.46	0.48
Asset impairments	0.38	-	0.38	-
Argentina liquidation cumulative translation adjustment	0.28	-	0.28	-
Accelerated depreciation	-	0.02	0.10	0.89
Goodwill impairment	-	-	-	15.22
Avoca business impairment and sale	-	-	-	3.75
Nutraceutical business impairment and sale	-	0.02	-	0.02
Held for sale depreciation and amortization	-	-	-	(0.04)
Income on divestitures, net	-	(0.09)	(0.04)	(0.30)
Tax credit	-	(0.07)	(0.17)	(0.07)
Unrealized (gains) losses on securities	0.20	(0.33)	(0.19)	(0.42)
Gain on pension and other postretirement plan remeasurements	(0.05)	(0.09)	(0.16)	(0.07)
Key items, before tax	1.18	(0.20)	1.88	20.70
Tax effect of key items[(a)]	(0.08)	0.04	(0.31)	(1.37)
Key items, after tax	1.10	(0.16)	1.57	19.33
Tax specific key items:				
Valuation allowance	0.15	0.17	0.15	0.21
Other and tax reform related activity	-	0.07	-	0.48
Tax specific key items[(b)]	0.15	0.24	0.15	0.69
Total key items	1.25	0.08	1.72	20.02
Adjusted Diluted EPS from Continuing Operations (non-GAAP)	$ 0.89	$ 0.81	$ 2.27	$ 2.28
Intangibles amortization expense adjustment (net of tax)[(c)]	0.23	0.27	1.04	1.10
Adjusted Diluted EPS from Continuing Operations (non-GAAP) Excluding Intangibles Amortization Expense	$ 1.12	$ 1.08	$ 3.31	$ 3.38

(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. These tax specific key items included the following:

- Valuation allowance: Includes the impact from the release of certain foreign tax credit valuation allowances.
- 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 the year ended September 30, 2025.

(c) Intangibles amortization expense adjustment (net of tax) tax rates were 20% for the three months and years ended September 30, 2026 and 2025.

Ashland Inc. and Consolidated Subsidiaries Table 8

RECONCILIATION OF CERTAIN NON-GAAP DATA

(In millions - preliminary and unaudited)

Adjusted EBITDA - Ashland Inc.	Year ended September 30 **2026**	**2025**
Net income (loss)	$ 4	$ (845)
Income tax expense	44	13
Net interest and other expense	40	33
Depreciation and amortization[(a)]	180	198
EBITDA	268	(601)
Income (loss) from discontinued operations, net of income taxes	21	23
Key items included in EBITDA:		
Environmental reserve adjustments	33	34
Restructuring, separation and other costs	23	22
Other plant optimization costs	21	22
Asset impairments	18	-
Argentina liquidation cumulative translation adjustment	13	-
Accelerated depreciation	5	41
Goodwill impairment	-	706
Avoca business impairment and sale	-	175
Nutraceutical business impairment and sale	-	1
Held for sale depreciation and amortization	-	(2)
Income on divestitures, net	(2)	(14)
Tax credit	(8)	(3)
Gain on pension and other postretirement plan remeasurements[(b)]	(7)	(3)
Adjusted EBITDA[(b)]	$ 385	$ 401

(a) Depreciation and amortization excludes accelerated depreciation of $21 million for Life Sciences for the year ended September 30, 2025, $1 million for Personal Care for the year ended September 30, 2026, $3 million and $19 million for Specialty Additives for the years ended September 30, 2026 and 2025, respectively, and $1 million for Unallocated and other for the year ended September 30, 2026, which are included as a key item within this table as a component of Adjusted EBITDA. Depreciation and amortization includes $2 million for Personal Care associated with the Avoca business for the year ended September 30, 2025, which is included as a key item within this table as a component of Adjusted EBITDA.

(b) Includes $5 million and $7 million of net periodic loss recognized ratably through the years ended September 30, 2026 and 2025, respectively. These costs are comprised of service cost, interest cost, expected return on plan assets, and amortization of prior service credit.