



earnings conference call second quarter fiscal 2024

May 1, 2024 9:00 a.m. ET



Forward-Looking Statements

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

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

Regulation G: Adjusted Results

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

agenda

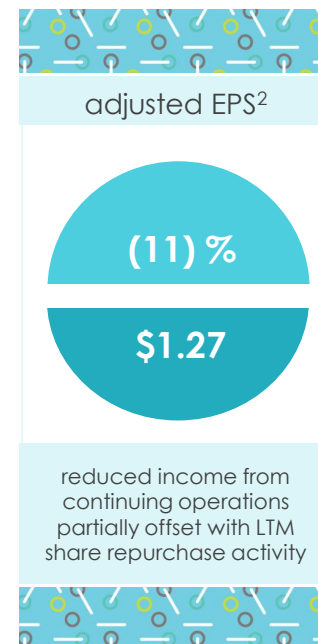
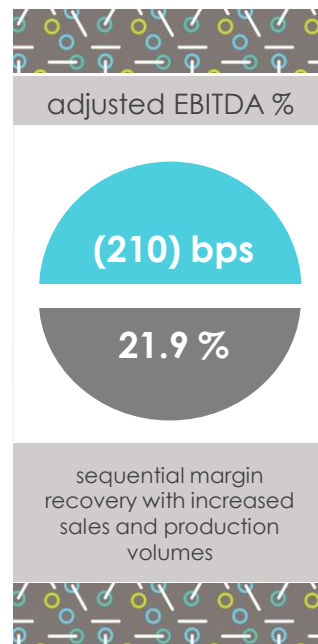
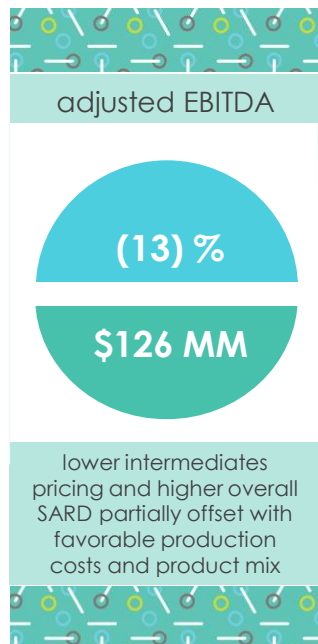
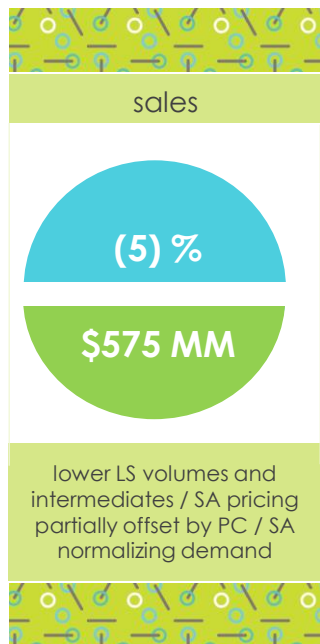
- Q2 performance summary
- Q2 financial results
- outlook
- update on strategic priorities
- closing comments
- Q&A



Guillermo Novo, Chair & CEO
Q2 performance summary



Q2 highlights¹

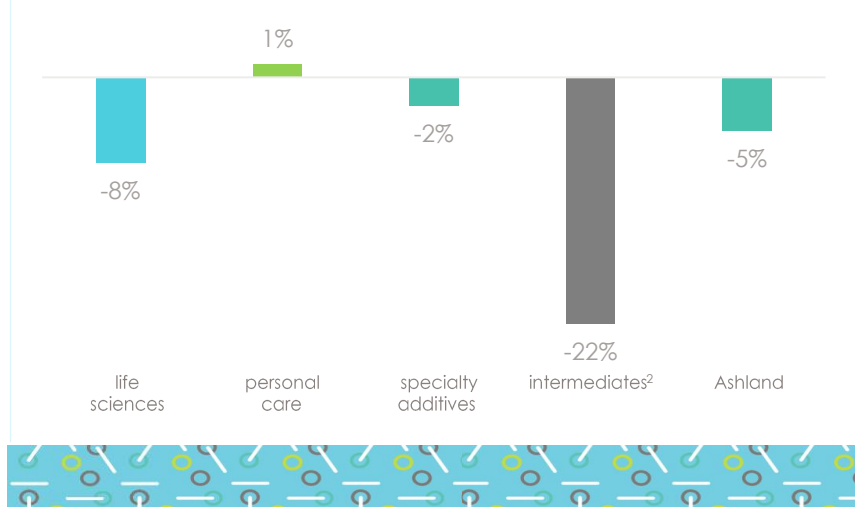


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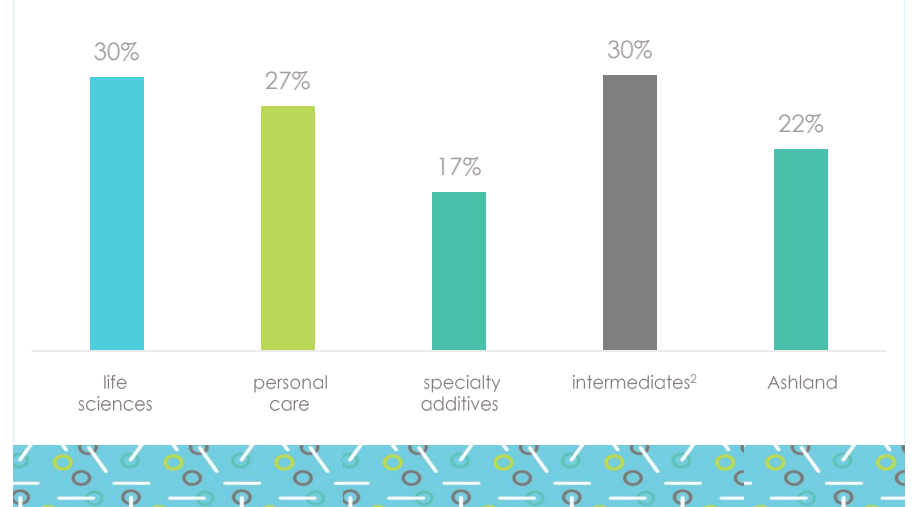
- 1 Comparisons versus prior-year quarter. All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income, income from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

normalizing demand

sales¹ impacted by normalizing demand



with improving sequential adjusted EBITDA margins



- 1 Comparisons versus prior-year quarter.
- 2 Merchant sales represents ~70% of Intermediates.

themes impacting Q2 and the path forward

- market demand normalization
- high-quality resilient markets
- organic profitable growth



Kevin Willis, CFO
Q2 financial results



fiscal-second quarter adjusted results¹

operating results summary

Ashland			
(\$US in millions, except percentages)	Q2 FY24	Q2 FY23	change
sales	\$575	\$603	(5) %
gross profit margin	32.9 %	32.7 %	+20 bps
SG&A / R&D costs / intangible amortization	\$117	\$110	+6 %
operating income	\$72	\$87	(17) %
EBITDA	\$126	\$145	(13) %
EBITDA margin	21.9 %	24.0 %	(210) bps
EPS (excluding acquisition amortization) ²	\$1.27	\$1.43	(11) %



- 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.

business unit reviews

life sciences



personal care



specialty additives



intermediates

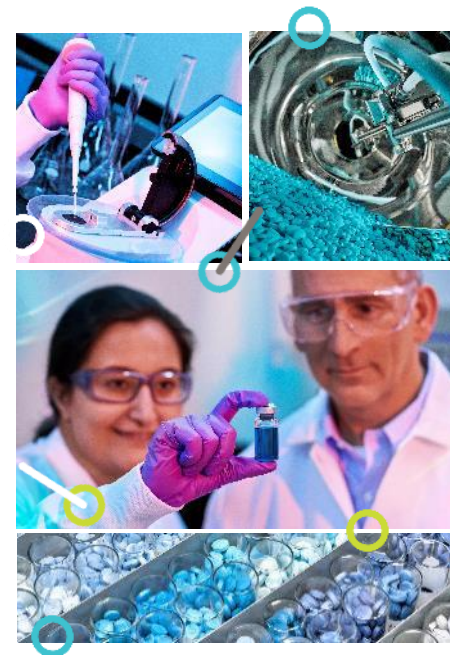


life sciences

highlights

- o pharma PVP demand down compared to strong prior year; sequentially stable
- o pharma cellulosics stable
- o maintained strong recovery in nutraceuticals
- o continued weakness in nutrition end-markets with sequential improvement
- o balanced raw materials and lower pricing
- o unfavorable product mix with lower pharma sales

adjusted results summary ¹			
(\$US in millions, except percentages)	Q2 FY24	Q2 FY23	change
sales	\$222	\$240	(8) %
gross profit	\$83	\$89	(7) %
gross profit margin	37.4 %	37.1 %	+30 bps
operating income	\$50	\$58	(14) %
EBITDA	\$66	\$75	(12) %
EBITDA margin	29.7 %	31.3 %	(160) bps
	-DD	+DD	-MSD
	pharma	nutraceuticals	nutrition & other



Q2 FY24 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

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

personal care

highlights

- o global consumer demand remains resilient
- o demand normalization across most markets/regions
- o continued Avoca challenges; HSD revenue growth ex-Avoca
- o balanced raw materials and lower pricing
- o favorable product mix
- o favorable production costs (lower spend & higher absorption)
- o variable comp reset

adjusted results summary ¹			
(\$US in millions, except percentages)	Q2 FY24	Q2 FY23	change
sales	\$169	\$167	+1 %
gross profit	\$64	\$52	+23 %
gross profit margin	37.9 %	31.1 %	+680 bps
operating income	\$25	\$14	+79 %
EBITDA	\$45	\$35	+29 %
EBITDA margin	26.6 %	21.0 %	+560 bps

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



Q2 FY24 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

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

specialty additives

highlights

- o volume normalization in coatings and performance specialties
- o continued weakness in energy end-markets
- o lower pricing in APAC partially offset by global deflationary raw materials
- o unfavorable production costs (lower spend & lower absorption)
- o variable comp reset

adjusted results summary ¹			
(\$US in millions, except percentages)	Q2 FY24	Q2 FY23	change
sales	\$157	\$161	(2) %
gross profit	\$31	\$37	(16) %
gross profit margin	19.7 %	23.0 %	(330) bps
operating income	\$10	\$15	(33) %
EBITDA	\$27	\$34	(21) %
EBITDA margin	17.2 %	21.1 %	(390) bps
-LSD		-LSD	
coatings		construction, energy, performance spec.	



Q2 FY24 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

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

intermediates

highlights

- o merchant: broadly lower pricing and higher volumes
- o captive: lower volumes and pricing
- o favorable raw materials and product mix
- o favorable production costs (lower spend & lower absorption)

adjusted results summary ¹			
(\$US in millions, except percentages)	Q2 FY24	Q2 FY23	change
sales	\$40	\$51	(22) %
gross profit	\$11	\$19	(42) %
gross profit margin	27.5 %	37.3 %	(980) bps
operating income	\$9	\$17	(47) %
EBITDA	\$12	\$20	(40) %
EBITDA margin	30.0 %	39.2 %	(920) bps
-DD		-DD	
merchant		captive	

Q2 FY24 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

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



strong balance sheet

robust financial position with increased flexibility

strong balance sheet¹

- cash and liquidity available of ~\$1.0 billion
- net debt² of \$889 million; net leverage³ of 2.2x
- no long-term debt maturities for the next three years

share repurchases under \$1 billion authorization

- \$900 million remains under the current authorization
- repurchased \$1.05 billion / 11.1 million shares since June 2021

other long-term capital allocation priorities

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



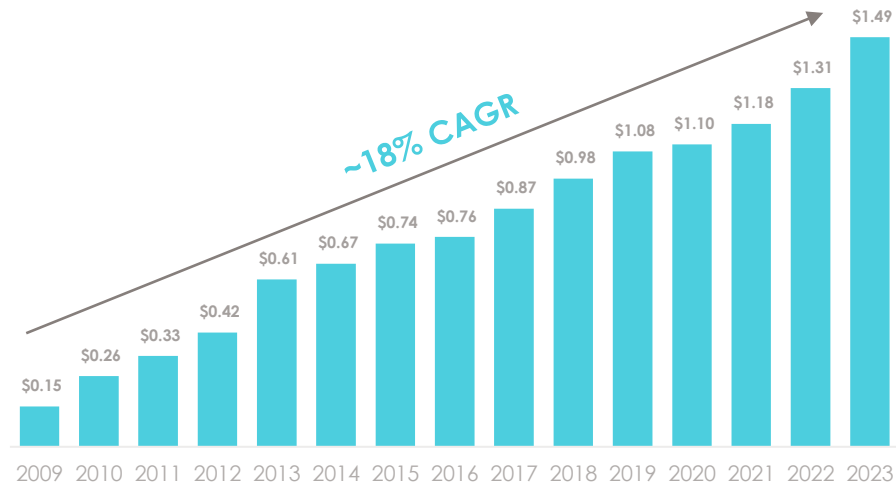
enhanced balance sheet strength and flexibility

ongoing free cash flow¹ & dividend

ongoing free cash flow¹ generation

- reduced inventory levels \$38 million during Q2 and \$180 million versus the prior year
- overall ongoing free cash flow¹ for the quarter was \$4 million and \$70 million fiscal-year to-date
- ongoing free cash flow conversion² of 36% for 1H
- expect free cash flow conversion² of ~50% in FY2024

annual dividend³ increase every year since 2009



compelling cash generation supporting a consistent and progressive dividend

¹ Ongoing free cash flow defined as total cash flow provided by operating activities, less adjustments to property, plant and equipment and excluding any inflows or outflows related to U.S. and Foreign Accounts Receivable Sales Program, restructuring-related payments and environmental and related litigation payments.
² Ongoing free cash flow as a percentage of Adjusted EBITDA.
³ Calendar year dividend payments. Dividends prior to June 15, 2017 are adjusted for the Valvoline separation

Kevin Willis, CFO
outlook



execute: four primary portfolio actions

strengthen our base and drive performance

	status	key updates
1 divest nutraceuticals business	in process	target to sign and close within FY24
2 optimize & consolidate CMC business	✓	closed production / shifting select SKUs
3 optimize & consolidate MC-Industrial business	✓	closed production / shifting select SKUs
4 rebalance global HEC production network	in process	transition in-process to migrate product lines across the network

actions, including stranded cost elimination, remain on track for a more resilient and profitable portfolio

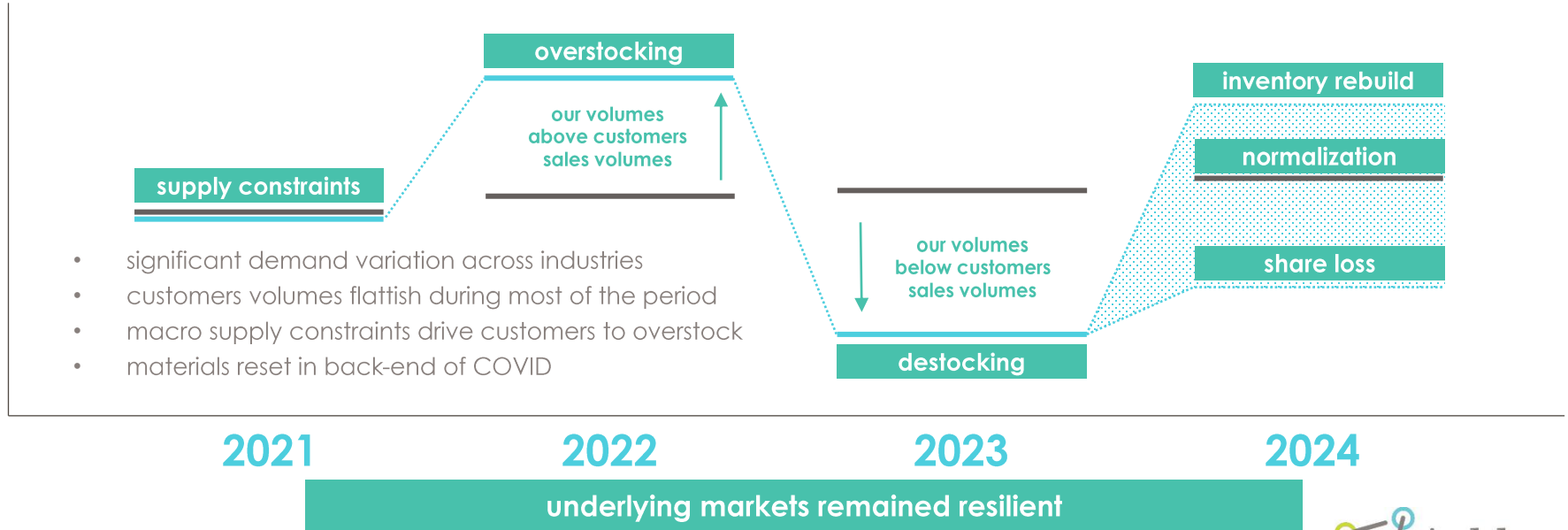
demand normalization in process

the volume normalization “math” dynamics

market intelligence critical to forecasting



* excludes specific customer dynamics



- significant demand variation across industries
- customers volumes flattish during most of the period
- macro supply constraints drive customers to overstock
- materials reset in back-end of COVID

fiscal Q3 and full-year outlook


forward looking insights

- demand normalization yields year-over-year growth
- flat - LSD end-market growth
- favorable PC/SA 2H comps on normalization
- LS comps easing in 2H
- normalized order lead times
- deflationary raw materials to mostly offset softer pricing
- producing to demand with an absorption benefit vs. prior year
- portfolio optimization improving mix
- sequential SA margin growth on improved production

risks and opportunities

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

fiscal Q3	
sales	\$560 - \$580 million
adjusted EBITDA	\$138 - \$148 million
fiscal full-year	
sales	\$2.150 - \$2.225 billion
adjusted EBITDA	\$470 - \$500 million



agile, disciplined,
focused on what
we can control

Guillermo Novo, Chair & CEO
update on strategic priorities



strategic priorities

shape and grow the portfolio

execute

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

globalize

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

innovate

- existing technology platforms
- new technology platforms

acquire

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

sustainably shape and grow

globalize: expanding high-margin businesses

pharma

injectables



- pipeline programs up >50%
- expanding production / lab

OSD film coatings



- executed India land purchase
- starting expansion in Brazil

personal care

biofunctionals



- strong new launches
- rebounding sales into China

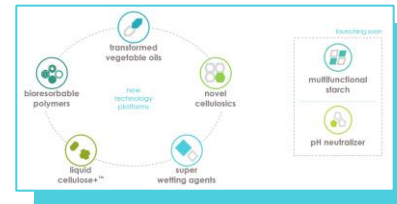
preservatives



- supply optimization
- developing natural actives

~10% of overall sales which are highly accretive to margins and growth

innovate: advancing scalable growth



select updates



transformed vegetable oils

30+ technical customer workshops, strong excitement

scoping JDAs with top customers in coatings and personal care

new applications in large markets (binders and tablet coating)



bioresorbable polymers

> 160 pipeline programs

viatel™ sales ahead of plan

vialose™ first commercial sale

new market expansion in dermal fillers and medical devices



liquid cellulose+™

launched 3 products in architectural coatings

driving geographic expansion in APAC / LATAM

evaluating for personal care applications (rheology+)

several positive leading indicators across platforms and business units

taking actions

strengthening growth capabilities

- leadership
- new technology capabilities
- strengthening commercial

- remain on strategy & focus on what we can control
- invest in our long-term growth strategy
- increase customer innovation engagement
- maintain operating and capital allocation discipline
- take action to maximize fiscal year 2024 performance
- leverage opportunity to refine portfolio and improve quality/focus



thank you



Q&A



appendix A: adjusted results
summary and balance sheet

Q2 adjusted results summary¹

(US\$ in millions, except percentages and per share data)	Q2 FY24	Q2 FY23	change
sales	\$575	\$603	(5) %
gross profit	\$189	\$197	(4) %
gross profit margin	32.9 %	32.7 %	+20 bps
SG&A / R&D costs / intangible amort.	\$117	\$110	+6 %
operating income	\$72	\$87	(17) %
depreciation & amortization	\$56	\$60	(7) %
EBITDA	\$126	\$145	(13) %
EBITDA margin	21.9 %	24.0 %	(210) bps
net interest and other expense	\$11	\$10	+10 %
effective tax rate	19 %	21 %	(200) bps
income from continuing operations	\$48	\$59	(19) %
income from continuing operations (excluding intangible amortization)	\$64	\$78	(18) %
diluted share count (million shares)	51	55	(7) %
EPS (excluding intangible amortization)	\$1.27	\$1.43	(11) %

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.

Q2 business unit consolidation¹

(\$US in millions, except percentages)	life sciences	personal care	specialty additives	Intermediates	intercompany eliminations ²	unallocated and other ³	Ashland
sales	\$222	\$169	\$157	\$40	(\$13)	-	\$575
gross profit	\$83	\$64	\$31	\$11	-	-	\$189
gross profit margin	37.4 %	37.9 %	19.7 %	27.5 %	-	-	32.9 %
EBITDA	\$66	\$45	\$27	\$12	-	(\$24)	\$126
EBITDA margin	29.7 %	26.6 %	17.2 %	30.0 %	-	-	21.9 %

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

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

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

liquidity and net debt

(\$US in millions)	expiration	interest rate	Moody's rating	S&P rating	3/31/24 balance
cash					\$439
revolver and A/R facilities availability					596
cash and revolver availability¹					\$1,035
US and foreign A/R sales program¹					-
debt					
2.00% notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	\$540
3.375% notes	Sept. 2031	3.375%	Ba1	BB+	450
6.875% notes	May 2043	6.875%	Ba1	BB+	282
revolving credit facility ²	July 2027	Term SOFR+137.5	-	-	-
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	65
other ³		-	-	-	(9)
total debt			Ba1/stable	BB+/stable	\$1,328
cash					(439)
net debt					\$889

1 Total liquidity of \$1,035 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 March 31, 2024.

appendix B: non-GAAP reconciliation¹

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

Ashland Inc. and Consolidated Subsidiaries
Reconciliation of Non-GAAP Data
for the 12 Months Ended March 31, 2024

(\$ millions, except percentages)

Sales¹	Q2 24	Q1 24	Q4 23	Q3 23	Total	Q2 23
Life Sciences	222	\$ 200	\$ 203	\$ 219	\$ 844	\$ 240
Personal Care	169	129	146	146	590	167
Specialty Additives	157	122	144	152	575	161
Intermediates	40	33	37	43	153	51
Less: Intercompany Eliminations	(13)	(11)	(12)	(14)	(50)	(16)
Total	\$ 575	\$ 473	\$ 518	\$ 546	\$ 2,112	\$ 603

Adjusted EBITDA¹	Q2 24	Q1 24	Q4 23	Q3 23	Total	Adjusted EBITDA Margin	Q2 23
Life Sciences	\$ 66	\$ 48	\$ 48	\$ 72	\$ 234	27.7%	\$ 75
Personal Care	45	22	36	35	138	23.4%	\$ 35
Specialty Additives	27	6	8	29	70	12.2%	\$ 34
Intermediates	12	10	3	16	41	26.8%	\$ 20
<i>Unallocated</i>	(24)	(16)	(21)	(19)	(80)		\$ (19)
Total	\$ 126	\$ 70	\$ 74	\$ 133	\$ 403	19.1%	\$ 145

Segment Components of Key Items for Applicable

Income Statement Captions – for the 3 months ended March 31, 2024

In millions - preliminary and unaudited

(\$ millions)

	Three Months Ended March 31, 2024					Total
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	
OPERATING INCOME (LOSS)						
Operating key items:						
Environmental reserve adjustments	\$ -	\$ -	\$ -	\$ -	\$ (3)	\$ (3)
Restructuring, separation and other costs	-	-	-	-	(20)	(20)
Accelerated depreciation	-	-	(27)	-	-	(27)
Other plant optimization costs	-	-	(1)	-	-	(1)
All other operating income (loss)	50	25	10	9	(22)	72
Operating income (loss)	50	25	(18)	9	(45)	21
NET INTEREST AND OTHER EXPENSE (INCOME)						
Key items					(9)	(9)
All other net interest and other expense					11	11
					2	2
OTHER NET PERIODIC BENEFIT LOSS					2	2
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items ^(a)					(10)	(10)
Tax specific key items ^(b)					(105)	(105)
All other income tax expense					11	11
					(104)	(104)
INCOME (LOSS) FROM CONTINUING OPERATIONS	\$ 50	\$ 25	\$ (18)	\$ 9	\$ 55	\$ 121

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 Slide 39 for additional information.

Segment Components of Key Items for Applicable

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

In millions - preliminary and unaudited

(\$ millions)

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

34 ^(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 39 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, 2024 and 2023

(\$ millions)

	Three months ended		Six months ended	
	March 31		March 31	
	2024	2023	2024	2023
Free cash flows				
Total cash flows provided by operating activities from continuing operations	\$ 54	\$ 56	\$ 255	\$ 27
Adjustments:				
Additions to property, plant and equipment	(34)	(35)	(70)	(58)
Free cash flows	\$ 20	\$ 21	\$ 185	\$ (31)
Cash (inflows) outflows from U.S. Accounts Receivable Sales Program ^(a)	(7)	3	(15)	22
Cash inflows from Foreign Accounts Receivable Sales Program ^(b)	(20)	-	(122)	-
Restructuring-related payments ^(c)	4	-	7	1
Environmental and related litigation payments ^(d)	7	13	15	24
Ongoing free cash flow	\$ 4	\$ 37	\$ 70	\$ 16
Net income	\$ 120	\$ 91	\$ 147	\$ 132
Adjusted EBITDA ^(e)	\$ 126	\$ 145	\$ 197	\$ 254
Operating cash flow conversion ^(f)	45%	62%	173%	20%
Ongoing free cash flow conversion ^(g)	3%	26%	36%	6%

(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.

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

	Three months ended		Six months ended	
	March 31		March 31	
	2024	2023	2024	2023
Adjusted operating income				
Operating income (loss) (as reported)	\$ 21	\$ 83	\$ 4	\$ 120
Key items, before tax:				
Restructuring, separation and other costs	20	-	24	1
Environmental reserve adjustments	3	4	7	12
Accelerated depreciation	27	-	49	-
Other plant optimization costs	1	-	1	-
Argentina currency devaluation impact	-	-	5	-
Asset impairments	-	-	-	4
Adjusted operating income (non-GAAP)	\$ 72	\$ 87	\$ 90	\$ 137

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended March 31, 2024 and 2023

(\$ millions)

	Three months ended March 31	
	2024	2023
Adjusted EBITDA - Ashland Inc.		
Net income	\$ 120	\$ 91
Income tax benefit	(104)	(1)
Net interest and other expense (income)	2	(10)
Depreciation and amortization ^(a)	56	60
EBITDA	74	140
Loss from discontinued operations, net of income taxes	1	1
Operating key items (see slides 33 and 34)	51	4
Adjusted EBITDA	\$ 126	\$ 145

(a) Depreciation and amortization excludes accelerated depreciation of \$27 million for Specialty Additives for the three months ended March 31, 2024, which is included as a key item within this table as a component of Adjusted EBITDA.

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended March 31, 2024 and 2023

(\$ millions)

	Three months ended March 31	
	2024	2023
<u>Adjusted EBITDA - Life Sciences</u>		
Operating income	\$ 50	\$ 58
Add:		
Depreciation and amortization	16	17
Adjusted EBITDA	<u>\$ 66</u>	<u>\$ 75</u>
<u>Adjusted EBITDA - Personal Care</u>		
Operating income	\$ 25	\$ 14
Add:		
Depreciation and amortization	20	21
Adjusted EBITDA	<u>\$ 45</u>	<u>\$ 35</u>

Specialties Additives and Intermediates

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended March 31, 2024 and 2023

(\$ millions)

	Three months ended March 31	
	2024	2023
<u>Adjusted EBITDA - Specialty Additives</u>		
Operating income (loss)	\$ (18)	\$ 15
Add:		
Depreciation and amortization ^(a)	17	19
Operating key items (see slide 33)	28	-
Adjusted EBITDA	<u>\$ 27</u>	<u>\$ 34</u>
<u>Adjusted EBITDA - Intermediates</u>		
Operating income	\$ 9	\$ 17
Add:		
Depreciation and amortization	3	3
Adjusted EBITDA	<u>\$ 12</u>	<u>\$ 20</u>

(a) Depreciation and amortization excludes accelerated depreciation of \$27 million for Specialty Additives for the three months ended March 31, 2024, which is included as a key item within this table as a component of Adjusted EBITDA

Ashland Inc. and Consolidated Subsidiaries

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

for the 3 and 6 Months Ended March 31, 2024 and 2023

(\$ millions)

Income from continuing operations (as reported)

Key items, before tax:

Restructuring, separation and other costs

Unrealized gains on securities

Environmental reserve adjustments

Accelerated depreciation

Other plant optimization costs

Argentina currency devaluation impact

Asset impairments

Key items, before tax

Tax effect of key items^(a)

Key items, after tax

Tax specific key items:

Other and tax reform related activity

Uncertain tax positions

Tax specific key items^(b)

Total key items

Adjusted income (loss) from continuing operations (non-GAAP)

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

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

	Three months ended March 31		Six months ended March 31	
	2024	2023	2024	2023
Income from continuing operations (as reported)	\$ 121	\$ 92	\$ 149	\$ 134
Key items, before tax:				
Restructuring, separation and other costs	20	-	24	1
Unrealized gains on securities	(9)	(20)	(39)	(41)
Environmental reserve adjustments	3	4	7	12
Accelerated depreciation	27	-	49	-
Other plant optimization costs	1	-	1	-
Argentina currency devaluation impact	-	-	5	-
Asset impairments	-	-	-	4
Key items, before tax	42	(16)	47	(24)
Tax effect of key items ^(a)	(10)	3	(12)	5
Key items, after tax	32	(13)	35	(19)
Tax specific key items:				
Other and tax reform related activity	(105)	-	(129)	-
Uncertain tax positions	-	(20)	-	(20)
Tax specific key items ^(b)	(105)	(20)	(129)	(20)
Total key items	(73)	(33)	(94)	(39)
Adjusted income (loss) from continuing operations (non-GAAP)	\$ 48	\$ 59	\$ 55	\$ 95
Amortization expense adjustment (net of tax) ^(c)	16	19	33	37
Adjusted income (loss) from continuing operations (non-GAAP) excluding intangibles amortization expense	\$ 64	\$ 78	\$ 88	\$ 132

(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: -Other and tax reform: includes the impact from the remeasurement of Ashland's foreign deferred tax balances resulting from the impact from rate changes for foreign jurisdictions and other tax law changes enacted during 2024. - Uncertain tax positions: includes the impact from the settlement of uncertain tax positions with various tax authorities.

(c) Amortization expense adjustment (net of tax) tax rates were 20% for the three and six months ended March 31, 2024 and 2023.

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

for the 3 and 6 Months Ended March 31, 2024 and 2023

	Three months ended March 31		Six months ended March 31	
	2024	2023	2024	2023
Diluted EPS from continuing operations (as reported)	\$ 2.40	\$ 1.68	\$ 2.92	\$ 2.43
Key items, before tax:				
Restructuring, separation and other costs	0.39	-	0.47	0.02
Unrealized gains on securities	(0.18)	(0.35)	(0.76)	(0.74)
Environmental reserve adjustments	0.06	0.07	0.14	0.22
Accelerated depreciation	0.55	-	0.96	-
Other plant optimization costs	0.02	-	0.02	-
Argentina currency devaluation impact	-	-	0.10	-
Asset impairments	-	-	-	0.07
Key items, before tax	0.84	(0.28)	0.93	(0.43)
Tax effect of key items ^(a)	(0.20)	0.05	(0.23)	0.09
Key items, after tax	0.64	(0.23)	0.70	(0.34)
Tax specific key items:				
Other and tax reform related activity	(2.07)	-	(2.54)	-
Uncertain tax positions	-	(0.36)	-	(0.36)
Tax specific key items ^(b)	(2.07)	(0.36)	(2.54)	(0.36)
Total key items	(1.43)	(0.59)	(1.84)	(0.70)
Adjusted diluted EPS from continuing operations (non-GAAP)	<u>\$ 0.97</u>	<u>\$ 1.09</u>	<u>\$ 1.08</u>	<u>\$ 1.73</u>
Amortization expense adjustment (net of tax) ^(c)	0.30	0.34	0.63	0.67
Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense	<u>\$ 1.27</u>	<u>\$ 1.43</u>	<u>\$ 1.71</u>	<u>\$ 2.40</u>

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

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

These tax specific key items included the following: -Other and tax reform: includes the impact from the remeasurement of Ashland's foreign deferred tax balances resulting from the impact from rate changes for foreign jurisdictions and other tax law changes enacted during 2024. - Uncertain tax positions: includes the impact from the settlement of uncertain tax positions with various tax authorities.

(c) Amortization expense adjustment (net of tax) tax rates were 20% for the three and six months ended March 31, 2024 and 2023.





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