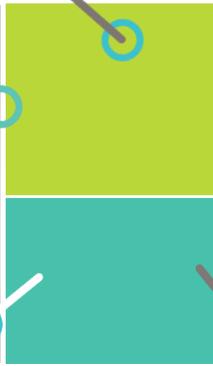




earnings conference call first quarter fiscal 2025

January 29, 2025



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, operating cash flow and liquidity, as well as the economy and other future events or circumstances. These statements include but may not be limited to statements with respect to Ashland’s anticipations and expectations regarding raw materials and year-over-year absorption; its ability to drive sustainable growth and create long-term value; its portfolio optimization initiatives and accelerated cost savings programs; and management’s expectations and beliefs regarding Ashland’s fiscal-year 2025 results and outlook.

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 B: Non-GAAP Reconciliation of this presentation.

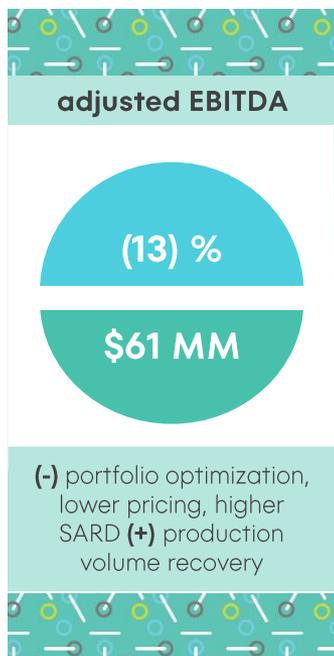
agenda

- Q1 performance summary
- Q1 financial results & business unit reviews
- strategic priorities & outlook
- closing comments
- Q&A



Guillermo Novo, Chair and CEO
Q1 performance summary

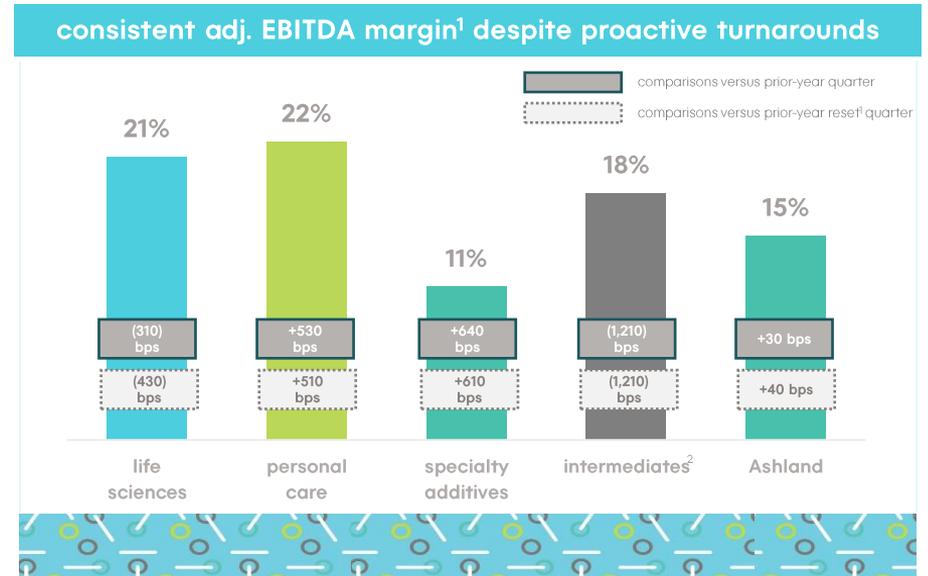
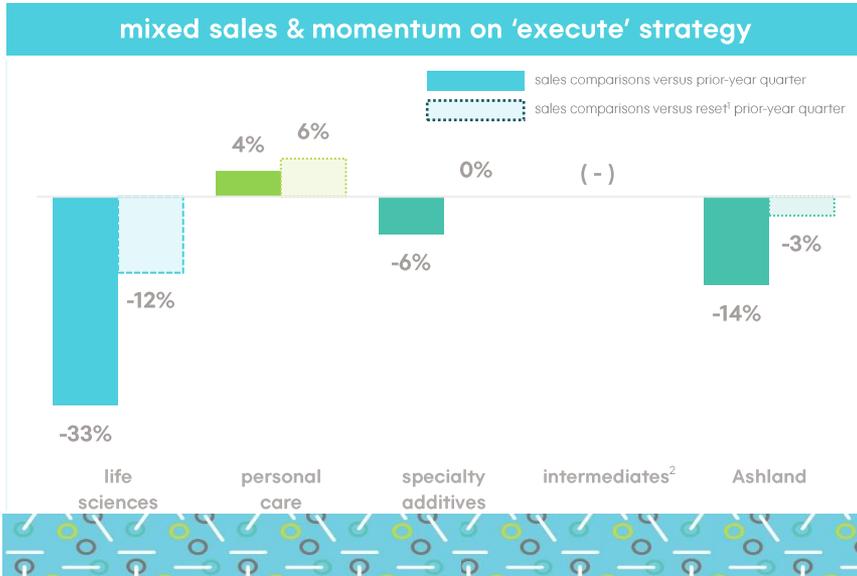
Q1 highlights¹



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.

5 2 Unless otherwise noted, earnings are reported on a diluted-share basis and exclude amortization expense.

seizing opportunities in uncertain markets



1 Portfolio reset items: nutraceuticals, CMC, MC portfolio optimization actions, shown for illustrative purposes and does not represent amounts reported under GAAP. See Appendix A for additional detail. Some totals may not add due to rounding.

2 Merchant sales represents ~65% of Intermediates.

Q1 financial results and
business unit reviews

fiscal-first quarter adjusted results¹

Ashland adjusted results summary ¹				reset results ³	
(\$US in millions, except percentages)	Q1 FY25	Q1 FY24	change	Q1 FY24	change
Sales	\$405	\$473	(14) %	\$423	(3) %
gross profit margin	28.1 %	25.2 %	+290 bps		
SG&A / R&D costs / intangible amortization	\$104	\$103	+1 %		
operating income	\$11	\$16	(31) %		
EBITDA	\$61	\$70	(13) %	\$62	(2) %
EBITDA margin	15.1 %	14.8 %	+30 bps	14.7%	+40 bps
EPS (excluding acquisition amortization) ²	\$0.28	\$0.45	(38) %		

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 Portfolio reset items: nutraceuticals, CMC, MC portfolio optimization actions, shown for illustrative purposes and does not represent amounts reported under GAAP. See Appendix A for additional detail. Some totals may not add due to rounding.



life sciences

highlights

- o EMEA pharma market softer & customer inventory control
- o strong growth in globalize business lines (injectables & OSD film coatings)
- o lower pharma pricing from carry-over FY24 actions & stable raw materials; in-line with expectations
- o extended plant turnaround and higher spend: \$3MM
- o nutraceuticals divestiture & low-margin nutrition exits: (\$41 MM) sales & (\$8MM) EBITDA

adjusted results summary ¹				reset results ²	
(\$US in millions, except percentages)	Q1 FY25	Q1 FY24	change	Q1 FY24	change
sales	\$134	\$200	(33) %	\$159	(12) %
gross profit	\$43	\$63	(32) %		
gross profit margin	32.1 %	31.5 %	+60 bps		
operating income	\$14	\$32	(56) %		
EBITDA	\$28	\$48	(42) %	\$40	(25) %
EBITDA margin	20.9 %	24.0 %	(310) bps	25.2%	(430) bps
-DD			-DD		
pharma			nutrition & other		

Q1 FY25 year-over-year sales vs. reset² (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.
- 2 Portfolio reset items: nutraceuticals, CMC, MC portfolio optimization actions, shown for illustrative purposes and does not represent amounts reported under GAAP. See Appendix A for additional detail. Some totals may not add due to rounding.



intermediates

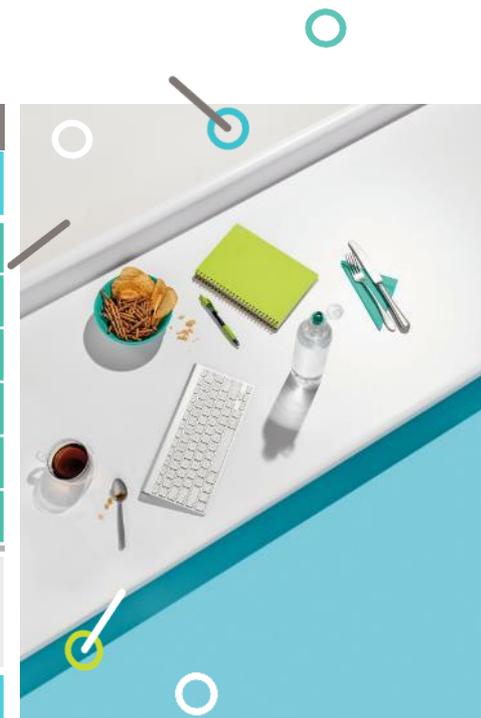
highlights

- o captive: volume relatively stable
- o merchant: higher NMP volume & broadly lower pricing
- o unfavorable product mix; large volume customers
- o production recovery

adjusted results summary ¹			
(\$US in millions, except percentages)	Q1 FY25	Q1 FY24	change
sales	\$33	\$33	(-) %
gross profit	\$5	\$9	(44) %
gross profit margin	15.2 %	27.3 %	(1,210) bps
operating income	\$3	\$7	(57) %
EBITDA	\$6	\$10	(40) %
EBITDA margin	18.2 %	30.3 %	(1,210) bps
no change		no change	
merchant		captive	

Q1 FY25 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.
- 2 No portfolio reset items for intermediates business unit.



personal care

highlights

- o higher sales volumes across skin care, hair care and biofunctionals end-markets
- o improved demand in most regions, despite European weakness
- o production recovery & stable pricing vs. raw materials
- o extended plant turnaround and higher spend: \$2MM
- o low-margin oral-care exits: (\$2 MM) sales & zero EBITDA impact

adjusted results summary ¹				reset results ²	
(\$US in millions, except percentages)	Q1 FY25	Q1 FY24	change	Q1 FY24	change
sales	\$134	\$129	+4 %	\$127	+6 %
gross profit	\$48	\$38	+26 %		
gross profit margin	35.8 %	29.5 %	+630 bps		
operating income	\$12	\$2	+500 %		
EBITDA	\$30	\$22	+36 %	\$22	+36 %
EBITDA margin	22.4 %	17.1 %	+530 bps	17.3%	+510 bps
	+LSD	+DD	-LSD	-MSD	
	skin care	hair care	oral care	household	

Q1 FY25 year-over-year sales vs. reset² (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.
- 2 Portfolio reset items: nutraceuticals, CMC, MC portfolio optimization actions, shown for illustrative purposes and does not represent amounts reported under GAAP. See Appendix A for additional detail. Some totals may not add due to rounding.



specialty additives

highlights

- o demand stable; pricing & market dynamics developing in-line with expectations
- o sales volume recovery in performance specialties
- o moderately weaker coatings demand, primarily from China & EMEA
- o margins improved from production recovery & stable pricing vs. raw materials
- o low-margin construction exits: (\$7 MM) sales & zero EBITDA impact

adjusted results summary ¹				reset results ²	
(\$US in millions, except percentages)	Q1 FY25	Q1 FY24	change	Q1 FY24	change
sales	\$115	\$122	(6) %	\$115	(-) %
gross profit	\$18	\$9	+100 %		
gross profit margin	15.7 %	7.4 %	+830 bps		
operating income	(\$3)	(\$11)	NM		
EBITDA	\$13	\$6	+117 %	\$6	+117 %
EBITDA margin	11.3 %	4.9 %	+640 bps	5.2%	+610 bps
-LSD			+MSD		
coatings			construction, energy, performance spec.		

Q1 FY25 year-over-year sales vs. reset² (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.
- 2 Portfolio reset items: nutraceuticals, CMC, MC portfolio optimization actions, shown for illustrative purposes and does not represent amounts reported under GAAP. See Appendix A for additional detail. Some totals may not add due to rounding.



strong balance sheet & capital allocation strategy

strong balance sheet and balanced capital allocation

annual dividend³ increase every year since 2009

strong balance sheet¹

- cash and liquidity available of ~\$0.8 billion
- net debt of \$1,094 million; net leverage of 2.4x
- no long-term debt maturities for the next two years

healthy ongoing free cash flow² generation

- prudent production; QoQ inventory stable following turnarounds
- typical cash flow seasonality in Q1, (\$26) million
- LTM ongoing free cash flow² of \$178 million

share repurchases under \$1 billion authorization

- \$620 million remains under the current authorization
- LTM repurchases of \$280 million / ~3.0 million shares

other long-term capital allocation priorities

- moderate YoY capex decline; FY25 target = ~\$120MM
- increased flexibility to pursue future M&A strategy



1 All figures as of December 31, 2024

2 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.

3 Calendar year dividend payments. Dividends prior to June 15, 2017 are adjusted for the Valvoline separation.

4 CAGR = Compound annual growth rate from December 31, 2009 – December 31, 2024

Guillermo Novo, Chair and CEO
strategic priorities and outlook

portfolio optimization update

final stages of portfolio optimization

- pending sale of avoca
- **\$30MM restructuring to offset stranded cost & lost gross profit**
- **FY25 outlook includes \$15MM headwind**
 - $(\$30MM)^1$ in lost gross profit & stranded cost
 - $+\$15MM$ restructuring realization; FY26 carry-over
- **continue to expect +200 - 250 basis points¹ of improved adjusted EBITDA margins**



executing our strategy to drive shareholder value

execute



globalize



innovate



invest



business unit focus

enterprise focus

sustainably shaping and growing the portfolio

execute: drive near-term performance

several high-impact execution initiatives underway; #1 priority

FY25 target

key updates

1 divest avoca business line

focus Ashland strategy; complete pharmachem exit

complete

signed march quarter target close

2 \$30 million restructuring plan

reset cost structure and eliminate stranded cost

~\$15MM

identified ~\$21MM completed ~\$12MM run-rate

3 \$60 million manufacturing optimization

strengthen HEC & VP&D competitive position; enable share gains

~\$5MM

VP&D / intermediates consolidation \$8MM run-rate, FY25 ~50%

multi-year cost savings plan on track: \$20 million FY25 / \$60 million FY26 / \$10 million FY27

globalize & innovate: YTD financial progress

■ ■ ■ ■ ■
~\$100 MM
revenue impact¹

globalize slow start, but confident based on a robust sales pipeline



■ ■ ■ ■ ■
~\$100 MM
revenue impact¹

innovate strong start across business units; FY25 on track



target

~\$20
million

incremental FY25
sales target

progress

~\$1
million

incremental sales
fiscal year-to-date

target

~\$10
million

incremental FY25
sales target

progress

~\$3
million

incremental sales
fiscal year-to-date

reiterating FY25 outlook

forward looking insights

market conditions

- weaker European demand
- China down, in-line with expectations
- continued aggressive Chinese exports
- stable raw materials
- stronger USD

production

- annual turnarounds behind us

strategic priorities

- avoca sale (assumes March 31)
- accelerating restructuring & productivity
- maintain globalize & innovate momentum

risks and opportunities

- European & Chinese economic recovery
- competitive intensity from Chinese overcapacity & exports
- trade policy & stimulus
- raw material cost volatility
- foreign exchange

fiscal full-year outlook

sales	\$1.90 – \$2.05 billion
Adj. EBITDA	\$430 - \$470 million



agile, disciplined, focused on what we can control

Guillermo Novo, Chair and CEO
closing comments

summary

focused portfolio: resilient markets, differentiated products, scalable growth

always solving™

execute

innovate

globalize

invest

EBITDA CAGR
~12%

EBIT CAGR
~25%

FY24¹ – 27
financial
KPIs

+550 bps
return on net
assets

>\$800MM
cumulative FCF



leadership in high-quality consumer markets



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



scalable growth platforms & sustainable competitive advantage



high-impact controllable actions drive profitability step change



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

thank you



Q&A



appendix A: adjusted results summary and
balance sheet

sales reset detail

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

portfolio optimization impact (\$US in millions)	Q1	Q2	Q3	Q4	total
life sciences	\$(41)	\$(42)	\$(32)	\$(15)	\$(130)
personal care	(2)	(5)	(1)	(2)	(10)
specialty additives	(7)	(10)	(3)	(4)	(24)
quarterly portfolio reset impact¹	(50)	(57)	(36)	(21)	(164)
avoca sale or exit ²	--	--	(17)	(17)	(34)
quarterly portfolio reset with avoca	\$(50)	\$(57)	\$(53)	\$(38)	\$(198)

adjusted EBITDA reset detail

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

portfolio optimization impact (\$US in millions)	Q1	Q2	Q3	Q4	total
life sciences	\$(8)	\$(8)	\$(5)	\$(3)	\$(24)
personal care	--	(1)	--	(1)	(2)
specialty additives	--	(2)	(1)	(1)	(4)
quarterly portfolio reset impact¹	(8)	(11)	(6)	(5)	(30)
avoca sale or exit ²	--	--	(7)	(6)	(13)
quarterly portfolio reset with avoca	\$(8)	\$(11)	\$(13)	\$(11)	\$(43)

Q1 adjusted results summary¹

(\$US in millions, except percentages and per share data)	Q1 FY25	Q1 FY24	change
sales	\$405	\$473	(14) %
gross profit	\$114	\$119	(4) %
gross profit margin	28.1 %	25.2 %	+290 bps
SG&A / R&D costs / intangible amort.	\$104	\$103	+1 %
operating income	\$11	\$16	(31) %
depreciation & amortization	\$51	\$56	(9) %
EBITDA	\$61	\$70	(13) %
EBITDA margin	15.1 %	14.8 %	+30 bps
net interest and other expense	\$11	\$7	+57 %
effective tax rate	NM	13 %	NM
income from continuing operations	\$(-)	\$6	(100) %
income from continuing operations (excluding intangible amortization)	\$14	\$23	(39) %
diluted share count (million shares)	48	51	(6) %
EPS (excluding intangible amortization)	\$0.28	\$0.45	(38) %

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.

Q1 business unit consolidation¹

(\$US in millions, except percentages)	life sciences	personal care	specialty additives	Intermediates	intercompany eliminations ²	unallocated and other ³	Ashland
sales	\$134	\$134	\$115	\$33	(\$11)	-	\$405
gross profit	\$43	\$48	\$18	\$5	-	-	\$114
gross profit margin	32.1 %	35.8 %	15.7 %	15.2 %	-	-	28.1 %
EBITDA	\$28	\$30	\$13	\$6	-	(\$16)	\$61
EBITDA margin	20.9 %	22.4 %	11.3 %	18.2 %	-	-	15.1 %

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	12/31/24 balance
cash					\$219
revolver availability					596
cash and revolver availability¹					\$815
US and foreign A/R sales program¹					-
debt					
2.00% notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	\$520
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+	68
other ³		-	-	-	(7)
total debt			Ba1/stable	BB+/stable	\$1,313
cash					(219)
net debt					\$1,094

1 Total liquidity of \$815 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 \$11 million of debt issuance cost discounts as of December 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 December 31, 2024

(\$ millions, except percentages)

Sales¹	Q1 25	Q4 24	Q3 24	Q2 24	Total	Q1 24
Life Sciences	134	192	195	222	743	\$ 200
Personal Care	134	162	175	169	640	129
Specialty Additives	115	144	150	157	566	122
Intermediates	33	36	36	40	145	33
Less: Intercompany Eliminations	(11)	(12)	(12)	(13)	(48)	(11)
Total	\$ 405	\$ 522	\$ 544	\$ 575	\$ 2,046	\$ 473

Adjusted EBITDA¹	Q1 25	Q4 24	Q3 24	Q2 24	Total	Adjusted EBITDA Margin	Q1 24
Life Sciences	\$ 28	\$ 56	\$ 59	\$ 66	\$ 209	28.1%	\$ 48
Personal Care	30	47	51	45	173	27.0%	22
Specialty Additives	13	29	38	27	107	18.9%	6
Intermediates	6	10	9	12	37	25.5%	10
Unallocated	(16)	(18)	(18)	(24)	(76)		(16)
Total	\$ 61	\$ 124	\$ 139	\$ 126	\$ 450	22.0%	\$ 70

30

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.



Segment Components of Key Items for Applicable

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

In millions - preliminary and unaudited

(\$ millions)	Three Months Ended December 31, 2024					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Avoca impairment	\$ -	\$ -	\$ -	\$ -	\$ (183)	\$ (183)
Other plant optimization costs	-	(1)	(2)	-	-	(3)
Restructuring, separation and other costs	-	-	-	-	(3)	(3)
Environmental reserve adjustments	-	-	-	-	(1)	(1)
All other operating income (loss)	14	12	(3)	3	(15)	11
Operating income (loss)	14	11	(5)	3	(202)	(179)
NET INTEREST AND OTHER EXPENSE						
Key items					17	17
All other net interest and other expense					11	11
					28	28
OTHER NET PERIODIC BENEFIT LOSS						
Key items					1	1
All other net periodic benefit losses					1	1
					2	2
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items ^(a)					(50)	(50)
Tax specific key items ^(b)					8	8
All other income tax expense					(1)	(1)
					(43)	(43)
INCOME (LOSS) FROM CONTINUING OPERATIONS	\$ 14	\$ 11	\$ (5)	\$ 3	\$ (189)	\$ (166)

(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 37 and 38 for additional information.

Segment Components of Key Items for Applicable

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

In millions - preliminary and unaudited

(\$ millions)	Three Months Ended December 31, 2023					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Environmental reserve adjustments	\$ -	\$ -	\$ -	\$ -	\$ (4)	\$ (4)
Restructuring, separation and other costs	-	-	-	-	(4)	(4)
Accelerated depreciation	-	-	(21)	-	-	(21)
Argentina currency devaluation impact	-	-	-	-	(5)	(5)
All other operating income (loss)	32	2	(11)	7	(14)	16
Operating income (loss)	32	2	(32)	7	(27)	(18)
NET INTEREST AND OTHER EXPENSE (INCOME)						
Key items					(31)	(31)
All other net interest and other expense					7	7
					(24)	(24)
OTHER NET PERIODIC BENEFIT LOSS					2	2
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items ^(a)					(1)	(1)
Tax specific key items ^(b)					(24)	(24)
All other income tax expense					1	1
					(24)	(24)
INCOME (LOSS) FROM CONTINUING OPERATIONS	\$ 32	\$ 2	\$ (32)	\$ 7	\$ 19	\$ 28

32

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

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 37 and 38 for additional information.

Ashland Inc. and Consolidated Subsidiaries

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

for the 3 Months Ended December 31, 2024 and 2023

(\$ millions)	Free cash flows	Three months ended December 31	
		2024	2023
	Total cash flows provided (used) by operating activities from continuing operations	\$ (30)	\$ 201
	Adjustments:		
	Additions to property, plant and equipment	(23)	(36)
	Free Cash Flows	\$ (53)	\$ 165
	Cash (inflows) outflows from U.S. Accounts Receivable Sales Program ^(a)	7	(8)
	Cash (inflows) outflows from Foreign Accounts Receivable Sales Program ^(b)	13	(102)
	Restructuring-related payments ^(c)	3	3
	Environmental and related litigation payments ^(d)	4	8
	Ongoing Free Cash Flow	\$ (26)	\$ 66
	Net income (loss)	\$ (165)	\$ 26
	Adjusted EBITDA ^(e)	\$ 61	\$ 70
	Operating Cash Flow Conversion ^(f)	18%	773%
	Ongoing Free Cash Flow Conversion ^(g)	-43%	94%

(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 (used) by operating activities from continuing operations divided by Net income (loss).

(g) Ongoing Free Cash Flow Conversion is defined as Ongoing free cash flow divided by Adjusted EBITDA

Adjusted Operating Income	Three months ended December 31	
	2024	2023
Operating loss (as reported)	\$ (179)	\$ (18)
Key items, before tax:		
Avoca impairment	183	-
Restructuring, separation and other costs	3	4
Other plant optimization costs	3	-
Environmental reserve adjustments	1	4
Accelerated depreciation	-	21
Argentina currency devaluation impact	-	5
Adjusted Operating Income (non-GAAP)	\$ 11	\$ 16

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended December 31, 2024 and 2023

(\$ millions)

Adjusted EBITDA - Ashland Inc.	Three months ended December 31	
	2024	2023
Net income (loss)	\$ (165)	\$ 26
Income tax benefit	(43)	(24)
Net interest and other expense (income)	28	(24)
Depreciation and amortization ^(a)	51	56
EBITDA	(129)	34
Loss (income) from discontinued operations, net of income taxes	(1)	2
Loss on pension and other postretirement plan remeasurements	1	-
Operating key items (see slides 31 & 32)	190	34
Adjusted EBITDA	\$ 61	\$ 70

(a) Depreciation and amortization excludes accelerated depreciation expense of \$21 million for Specialty Additives for the three months ended December 31, 2023, 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 December 31, 2024 and 2023

(\$ millions)

	Three months ended December 31	
	2024	2023
Adjusted EBITDA - Life Sciences		
Operating income	\$ 14	\$ 32
Add:		
Depreciation and amortization	14	16
Adjusted EBITDA	<u>\$ 28</u>	<u>\$ 48</u>
Adjusted EBITDA - Personal Care		
Operating income	\$ 11	\$ 2
Add:		
Depreciation and amortization	18	20
Operating key items (see slides 31 & 32)	1	-
Adjusted EBITDA	<u>\$ 30</u>	<u>\$ 22</u>

Specialties Additives and Intermediates
Reconciliation of Non-GAAP Data – Adjusted EBITDA
 for the 3 Months Ended December 31, 2024 and 2023

(\$ millions)

	Three months ended December 31	
	2024	2023
Adjusted EBITDA - Specialty Additives		
Operating loss	\$ (5)	\$ (32)
Add:		
Depreciation and amortization ^(a)	16	17
Operating key items (see slides 31 & 32)	2	21
Adjusted EBITDA	<u>\$ 13</u>	<u>\$ 6</u>
Adjusted EBITDA - Intermediates		
Operating income	\$ 3	\$ 7
Add:		
Depreciation and amortization	3	3
Adjusted EBITDA	<u>\$ 6</u>	<u>\$ 10</u>

(a) Depreciation and amortization excludes accelerated depreciation expense of \$21 million for Specialty Additives for the three months ended December 31, 2023, 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 Months Ended December 31, 2024 and 2023

(\$ millions)

	Three months ended	
	December 31	
	2024	2023
Income (loss) from continuing operations (as reported)	\$ (166)	\$ 28
Key items, before tax:		
Avoca impairment	183	-
Unrealized (gain) loss on securities	17	(31)
Restructuring, separation and other costs	3	4
Other plant optimization costs	3	-
Environmental reserve adjustments	1	4
Loss on pension and other postretirement plan remeasurements	1	-
Accelerated depreciation	-	21
Argentina currency devaluation impact	-	5
Key items, before tax	208	3
Tax effect of key items ^(a)	(50)	(1)
Key items, after tax	158	2
Tax specific key items:		
Uncertain tax positions	1	-
Other and tax reform related activity	7	(24)
Tax specific key items ^(b)	8	(24)
Total key items	166	(22)
Adjusted Income from Continuing Operations (non-GAAP)	\$ -	\$ 6
Amortization expense adjustment (net of tax) ^(c)	14	17
Adjusted Income from Continuing Operations (non-GAAP) Excluding Intangibles Amortization Expense	\$ 14	\$ 23

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

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

- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities.

- 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 fiscal 2025 and 2024.

(c) Amortization expense adjustment (net of tax) tax rates were 21% and 20% for the three months ended December 31, 2024 and 2023, respectively.

Ashland Inc. and Consolidated Subsidiaries

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

for the 3 Months Ended December 31, 2024 and 2023

Diluted EPS from continuing operations (as reported)

Key items, before tax:

Avoca impairment

Unrealized (gain) loss on securities

Restructuring, separation and other costs

Other plant optimization costs

Environmental reserve adjustments

Loss on pension and other postretirement plan remeasurements

Accelerated depreciation

Argentina currency devaluation impact

Key items, before tax

Tax effect of key items^(a)

Key items, after tax

Tax specific key items:

Uncertain tax positions

Other and tax reform related activity

Tax specific key items^(b)

Total key items

Adjusted Diluted EPS from Continuing Operations (non-GAAP)

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

Adjusted Diluted EPS from Continuing Operations (non-GAAP) Excluding Intangibles Amortization Expense

	Three months ended	
	December 31	
	2024	2023
	\$ (3.51)	\$ 0.54
Avoca impairment	3.89	-
Unrealized (gain) loss on securities	0.35	(0.60)
Restructuring, separation and other costs	0.06	0.08
Other plant optimization costs	0.06	-
Environmental reserve adjustments	0.02	0.08
Loss on pension and other postretirement plan remeasurements	0.02	-
Accelerated depreciation	-	0.41
Argentina currency devaluation impact	-	0.10
Key items, before tax	4.40	0.07
Tax effect of key items ^(a)	(1.07)	(0.02)
Key items, after tax	3.33	0.05
Tax specific key items:		
Uncertain tax positions	0.02	-
Other and tax reform related activity	0.15	(0.47)
Tax specific key items ^(b)	0.17	(0.47)
Total key items	3.50	(0.42)
Adjusted Diluted EPS from Continuing Operations (non-GAAP)	\$ (0.01)	\$ 0.12
Amortization expense adjustment (net of tax) ^(c)	0.29	0.33
Adjusted Diluted EPS from Continuing Operations (non-GAAP) Excluding Intangibles Amortization Expense	\$ 0.28	\$ 0.45

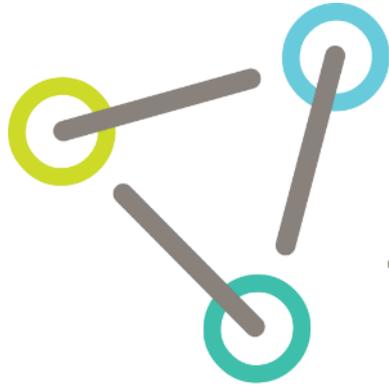
(a) Represents the tax effect of the key items that are previously identified above.

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

- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities.

- 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 fiscal 2025 and 2024.

(c) Amortization expense adjustment (net of tax) tax rates were 21% and 20% for the three months ended December 31, 2024 and 2023, respectively.



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