earnings conference call

third-quarter fiscal 2023

July 26, 2023 | 9:00 am ET

Ashland™
always solving

Forward-Looking Statements

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

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

Regulation G: Adjusted Results

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

Ashland™ always solving

agenda

- Q3 performance summary
- Q3 financial results
- outlook
- closing comments
- Q&A

Q3 performance summary

Ashland
always solving

Q3 results consistent with pre-announcement

sales	adjusted EBITDA	adjusted EBITDA %	adjusted EPS[2]
(15) %	(24) %	(260) bps	(35) %
$546 MM	$133 MM	24.4 %	$1.23
strong cost recovery and pharma demand offset by continued customer destocking	inflation recovery offset by customer de-stocking and inventory-control actions	sustained quality margins offset by inventory-control actions	1.6 million shares repurchased during the quarter

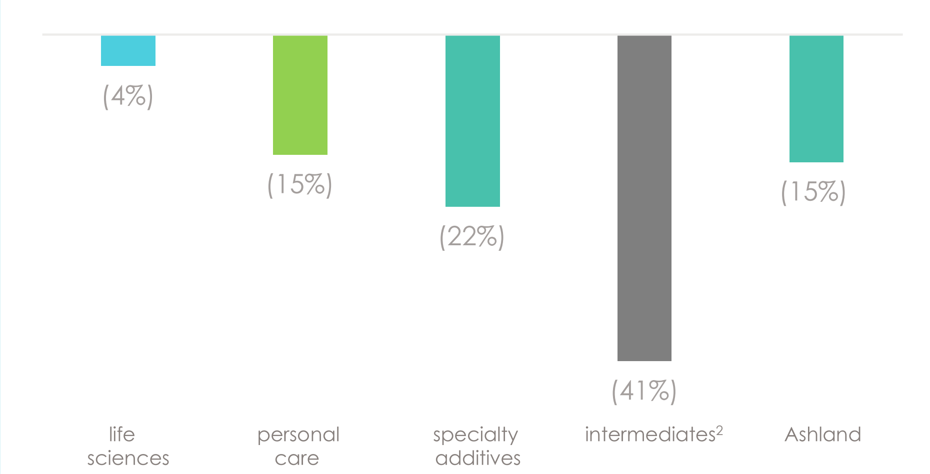
1 Comparisons versus prior-year quarter. All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income, income from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

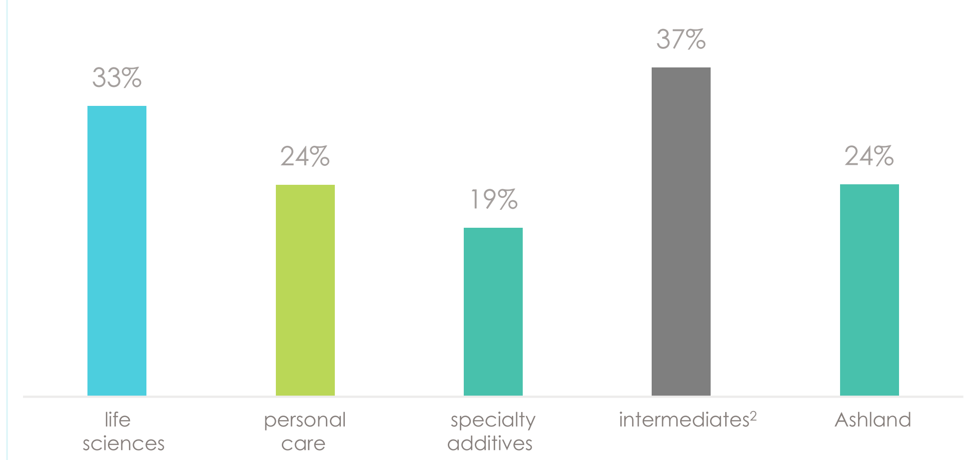
Ashland™ always solving

destocking trends continued

customer destocking impacted sales



with Adj. EBITDA margins impacted by inventory control[3]



1 Comparisons versus prior-year quarter.
2 Merchant sales represents ~70% of Intermediates.
3 Internal inventory-control actions totaled $15 million during the quarter.

Ashland™ always solving

Q3 financial results

Ashland
always solving

fiscal-third quarter adjusted results[1]

operating results summary

Ashland			
($US in millions, except percentages)	**Q3 FY23**	**Q3 FY22**	**change**
sales	$546	$644	(15) %
gross profit margin	33.3 %	37.3 %	(400) bps
SG&A / R&D costs / intangible amortization	$113	$127	(11) %
operating income	$73	$114	(36) %
EBITDA	$133	$174	(24) %
EBITDA margin	24.4 %	27.0 %	(260) bps
EPS (excluding acquisition amortization)[2]	$1.23	$1.89	(35) %
ongoing free cash flow[3]	$97	$13	+646 %

1 All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income, income from continuing operations to adjusted income from continuing operations, diluted earnings per share to adjusted diluted earnings per share and adjusted diluted earnings per share, excluding amortization expense.
2 Unless otherwise noted, earnings are reported on a diluted-share basis.
3 Ongoing free cash flow defined as total cash flow provided by operating activities, less adjustments to property, plant and equipment and excluding any inflows or outflows related to U.S. Accounts Receivable Sales Program, restructuring-related payments and environmental and related litigation payments.

Ashland™ always solving

life sciences

highlights

- strong pharma results
- continued destocking in nutrition and nutraceuticals
- disciplined cost recovery through pricing
- continued margin expansion driven by end-market mix
- $5 million of inventory-control actions

adjusted results summary[1]

($US in millions, except percentages)	Q2 FY23	Q2 FY22	change
sales	$219	$228	(4) %
gross profit	$86	$83	+4 %
gross profit margin	39.3 %	36.4 %	+290 bps
operating income	$54	$51	+6 %
EBITDA	$72	$67	+7 %
EBITDA margin	32.9 %	29.4 %	+350 bps

pharma	nutraceuticals	nutrition & other
+MSD	-DD	-DD

Q3 FY23 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

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

Ashland always solving

personal care

highlights

- continued customer destocking across end markets
- global consumer demand remains resilient
- continued cost recovery through pricing
- hair-care sales less impacted by destocking
- oral-care and skin-care sales remain challenged

adjusted results summary[1]

($US in millions, except percentages)	Q3 FY23	Q3 FY22	change
sales	$146	$172	(15) %
gross profit	$51	$65	(22) %
gross profit margin	34.9 %	37.8 %	(290) bps
operating income	$14	$25	(44) %
EBITDA	$35	$46	(24) %
EBITDA margin	24.0 %	26.7 %	(270) bps

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

Q3 FY23 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

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

Ashland™
always solving

specialty additives

highlights

- continued customer destocking across end markets
- coatings less impacted
- construction and performance specialties volumes remain challenged
- disciplined cost recovery through pricing
- $6 million of inventory-control actions

adjusted results summary[1]

($US in millions, except percentages)	Q3 FY23	Q3 FY22	change
sales	$152	$194	(22) %
gross profit	$30	$60	(50) %
gross profit margin	19.7 %	30.9 %	(1,120) bps
operating income	$9	$36	(75) %
EBITDA	$29	$57	(49) %
EBITDA margin	19.1 %	29.4 %	(1,030) bps

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

Q3 FY23 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

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

Ashland™
always solving

intermediates

highlights

- merchant: lower pricing and volumes
- captive: lower pricing and volumes
- $4 million of inventory-control actions

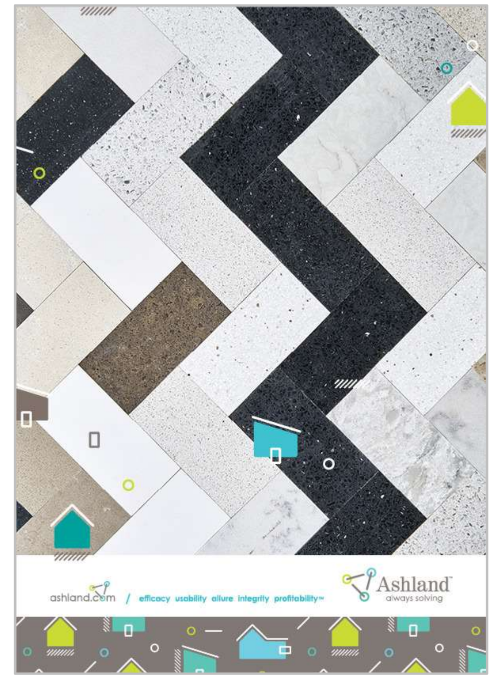
adjusted results summary[1]

($US in millions, except percentages)	Q3 FY23	Q3 FY22	change
sales	$43	$73	(41) %
gross profit	$15	$32	(53) %
gross profit margin	34.9 %	43.8 %	(890) bps
operating income	$13	$30	(57) %
EBITDA	$16	$33	(52) %
EBITDA margin	37.2 %	45.2 %	(800) bps

-DD	-DD
merchant	captive

Q3 FY23 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

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



Ashland™
always solving

strong balance sheet

strong financial position with increased flexibility

new $1 billion evergreen share repurchase authorization

- replaces previous 2022 authorization which had $200 million remaining at termination
- 3.1 million shares repurchased during current fiscal year under the previous 2022 authorization
- full $1 billion remains under the new evergreen repurchase authorization

strong balance sheet[1]

- cash and liquidity available of ~$1.1 billion
- net debt[2] of $979 million
- net leverage[3] of 1.8x
- 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

1 All figures as of June 30, 2023.
2 Net debt = total debt less cash.
3 Net leverage = net debt / last-twelve-month Adjusted EBITDA.

outlook

impact of destocking

customer results[1]		Ashland results[2]
personal care	consumer demand dynamics	**personal care**
• sales growth +MSD% ▲		• sales growth –HSD% ▼
• volume growth –MSD% ▼	vs.	• volume growth –DD% ▼
architectural coatings		**architectural coatings**
• sales growth +MSD% ▲	customer destocking dynamics	• sales growth –DD% ▼
• volume growth (flat) —		• volume growth –DD% ▼

1 Based on 6-9 month publicly-available data from select multinational customers through June 30, 2023.
2 9-month period ended June 30, 2023.

Ashland™ always solving

outlook updated in late June

fiscal-year outlook for sales and earnings

forward looking insights

- preliminary July results indicate continued customer destocking
- global consumer remains resilient as evidenced by customer sales/volume and consumer spending, travel & leisure, etc.
- currently anticipate ~$25 million of internal inventory-control actions in fiscal Q4
- global demand trends will drive potential further action

risks (+/-)

- extended customer destocking continues in specific end markets or regions
- need for added inventory-control actions impacting absorption
- potential for global recession impact on consumer demand
- price vs. cost balance
- growth in China
- escalation of Russia/Ukraine war

sales

~ $2.2 billion

adjusted EBITDA

~ $500 million

agile, disciplined, focused on what we can control

Ashland™ always solving

longer-term growth drivers unchanged

1) expanding capacity of leading ingredients technologies
2) globalization of high-value businesses
3) **innovation**
4) bolt-on M&A opportunities

near-term destocking dynamics do not impact longer-term growth opportunities or priorities

Ashland™ always solving

Ashland innovation day

live / webcast event on September 12

planned topics & events

- investing in innovation and sustainable growth
- new scalable technology platforms
- moderated Q&A sessions with Ashland leaders
- research & development poster sessions with scientists
- guided lab tours at wilmington, delaware headquarters

Ashland leadership participation

- Guillermo Novo, CEO
- Kevin Willis, CFO
- Osama Musa, CTO
- Jim Minicucci, strategy, m&a
- Ashok Kalyana, life sciences & intermediates
- Min Chong, personal care & specialty additives
- Seth Mrozek, IR

closing comments

Ashland

focused additives and specialty ingredients company

- flexible, agile
- consistent execution
- solid growth
- high margins
- 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

Ashland™ always solving

thank you and Q&A

appendix A: adjusted results summary and balance sheet

adjusted results summary[1]

($US in millions, except percentages and per share data)	Q3 FY23	Q3 FY22	change
sales	$546	$644	(15) %
gross profit	$182	$240	(24) %
gross profit margin	33.3 %	37.3 %	(400) bps
SG&A / R&D costs / intangible amort.	$113	$127	(11) %
operating income	$73	$114	(36) %
depreciation & amortization	$62	$61	+2 %
EBITDA	$133	$174	(24) %
EBITDA margin	24.4 %	27.0 %	(260) bps
net interest and other expense	$9	$11	(18) %
effective tax rate	26 %	16 %	+1,000 bps
income from continuing operations	$46	$85	(46) %
income from continuing operations (excluding intangible amortization)	$65	$104	(38) %
diluted share count (million shares)	53	55	(4) %
EPS (excluding intangible amortization)	$1.23	$1.89	(35) %

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

Ashland™ always solving

Q3 business unit consolidation[1]

($US in millions, except percentages)	life sciences	personal care	specialty additives	Intermediates	intercompany eliminations[2]	unallocated and other[3]	Ashland
sales	$219	$146	$152	$43	($14)	-	$546
gross profit	$86	$51	$30	$15	-	-	$182
gross profit margin	39.3 %	34.9 %	19.7 %	34.9 %	-	-	33.3 %
EBITDA	$72	$35	$29	$16	-	($19)	$133
EBITDA margin	32.9 %	24.0 %	19.1 %	37.2 %	-	-	24.4 %

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	6/30/23 balance
cash					$349
revolver and A/R facilities availability					702
cash, A/R and revolver availability[1]					**$1,051**
US A/R sales program[1]					**-**
debt					
2.00% notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	$544
3.375% notes	Sept. 2031	3.375%	Ba1	BB+	450
6.875% notes	May 2043	6.875%	Ba1	BB+	281
European A/R securitization	July 2023	CP+70	-	-	-
revolving credit facility[2]	July 2027	Term SOFR+125	-	-	-
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	63
other[3]		-	-	-	(10)
total debt			**Ba1/stable**	**BB+/stable**	**$1,328**
cash					(349)
net debt					**$979**

1 Total liquidity of $1,051 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 June 30, 2023.

Ashland™ always solving

appendix B: non-GAAP reconciliation[1]

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

Ashland Inc. and Consolidated Subsidiaries

Reconciliation of Non-GAAP Data

for 12 Months Ended June 30, 2023

($ millions, except percentages)

Sales[1]	Q3 23	Q2 23	Q1 23	Q4 22	Total		Q3 22
Life Sciences	$ 219	$ 240	$ 207	$ 213	$ 879		$ 228
Personal Care	146	167	138	188	639		172
Specialty Additives	152	161	143	187	643		194
Intermediates	43	51	54	64	212		73
Less: Intercompany Eliminations	(14)	(16)	(17)	(21)	(68)		(23)
Total	$ 546	$ 603	$ 525	$ 631	$ 2,305		$ 644

Adjusted EBITDA[1]	Q3 23	Q2 23	Q1 23	Q4 22	Total	Adjusted EBITDA Margin	Q3 22
Life Sciences	$ 72	$ 75	$ 52	$ 57	$ 256	29.1%	$ 67
Personal Care	35	35	32	56	158	24.7%	46
Specialty Additives	29	34	23	43	129	20.1%	57
Intermediates	16	20	23	17	76	35.8%	33
Unallocated	(19)	(19)	(22)	(26)	(86)		(29)
Total	$ 133	$ 145	$ 108	$ 147	$ 533	23.1%	$ 174

[1] Quarterly totals may not add to annual amounts due to rounding. Calculation of adjusted EBITDA for each period presented have been reconciled within certain financial filings with the SEC and posted on Ashland's website for each reportable segment.

Ashland™ always solving

Ashland Inc. and Consolidated Subsidiaries

Segment Components of Key Items for Applicable Income Statement Captions

In millions - preliminary and unaudited)

($ millions)	Three Months Ended June 30, 2023					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Environmental reserve adjustments	$ (2)	$ -	$ (4)	$ -	$ (13)	$ (19)
Restructuring, separation and other costs	(3)	-	-	-	(1)	(4)
ICMS Brazil tax credit	-	-	-	-	12	12
All other operating income (loss)	54	14	9	13	(17)	73
Operating income (loss)	49	14	5	13	(19)	62
NET INTEREST AND OTHER EXPENSE (INCOME)						
Key items					(6)	(6)
All other net interest and other expense					9	9
					3	3
OTHER NET PERIODIC BENEFIT LOSS					(2)	(2)
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items (a)					3	3
Tax specific key items (b)					(4)	(4)
All other income tax expense					16	16
					15	15
INCOME (LOSS) FROM CONTINUING OPERATIONS	$ 49	$ 14	$ 5	$ 13	$ (39)	$ 42

(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

Ashland Inc. and Consolidated Subsidiaries

Segment Components of Key Items for Applicable Income Statement Captions

In millions - preliminary and unaudited)

($ millions)	Three Months Ended June 30, 2022					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Environmental reserve adjustments	$ -	$ -	$ (1)	$ -	$ (35)	$ (36)
Restructuring, separation and other costs	-	-	-	-	(1)	(1)
Income on acquisitions and divestitures, net	-	-	-	-	35	35
All other operating income (loss)	51	25	36	30	(28)	114
Operating income (loss)	51	25	35	30	(29)	112
NET INTEREST AND OTHER EXPENSE (INCOME)						
Key items					48	48
All other net interest and other expense					11	11
					59	59
OTHER NET PERIODIC BENEFIT LOSS					(1)	(1)
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items (a)					(16)	(16)
Tax specific key items (b)					-	-
All other income tax expense (benefit)					17	17
					1	1
INCOME (LOSS) FROM CONTINUING OPERATIONS	$ 51	$ 25	$ 35	$ 30	$ (90)	$ 51

(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

Ashland Inc. and Consolidated Subsidiaries

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

for the 3 and 9 Months Ended June 30, 2023 and 2022

($ millions)	Three months ended June 30		Nine months ended June 30	
Free cash flows	**2023**	**2022**	**2023**	**2022**
Total cash flows provided (used) by operating activities from continuing operations	$ 137	$ (17)	$ 163	$ 14
Adjustments:				
Additions to property, plant and equipment	(44)	(29)	(101)	(67)
Free cash flows	$ 93	$ (46)	$ 62	$ (53)
Cash outflows from U.S. Accounts Receivable Sales Program (a)	(8)	47	14	42
Restructuring-related payments (b)	2	4	3	9
Environmental and related litigation payments (c)	10	8	34	36
Ongoing free cash flow	$ 97	$ 13	$ 113	$ 34
Net Income	50	36	182	870
Adjusted EBITDA (d)	$ 133	$ 174	$ 386	$ 443
Operating cash flow conversion (e)	274%	-47%	90%	2%
Ongoing free cash flow conversion (f)	73%	7%	29%	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 tru
(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 Incon
(f) Ongoing free cash flow conversion is defined as Ongoing free cash flow divided by Adjusted EBITDA

	Three months ended June 30		Nine months ended June 30	
Adjusted operating income	**2023**	**2022**	**2023**	**2022**
Operating income (as reported)	$ 62	$ 112	$ 182	$ 254
Key items, before tax:				
Restructuring, separation and other costs	4	1	5	3
Environmental reserve adjustments	19	36	31	46
ICMS Brazil tax credit	(12)	-	(12)	-
Income on acquisitions and divestitures, net	-	(35)	-	(42)
Asset impairments	-	-	4	-
Adjusted operating income (non-GAAP)	$ 73	$ 114	$ 210	$ 261

Ashland™ always solving

Ashland Inc.

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended June 30, 2023 and 2022

($ millions)

Adjusted EBITDA - Ashland Inc.	Three months ended June 30 2023	Three months ended June 30 2022
Net income	$ 50	$ 36
Income tax expense	15	1
Net interest and other expense (income)	3	59
Depreciation and amortization	62	61
EBITDA	130	157
(Income) loss from discontinued operations (net of taxes)	(8)	15
Operating key items (see Slides 28 and 29)	11	2
Adjusted EBITDA	$ 133	$ 174

Ashland Inc.

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended June 30, 2023 and 2022

($ millions)

	Three months June 30	
	2023	**2022**
EBITDA - Life Sciences		
Operating income	$ 49	$ 51
Add:		
Depreciation and amortization	18	16
Operating key items (see Slides 28 and 29)	5	-
EBITDA	$ 72	$ 67
EBITDA - Personal Care		
Operating income	$ 14	$ 25
Add:		
Depreciation and amortization	21	21
EBITDA	$ 35	$ 46

Ashland™ always solving

Specialties Additives and Intermediates

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended June 30, 2023 and 2022

($ millions)

	Three months June 30 2023	Three months June 30 2022
EBITDA - Specialty Additives		
Operating income	$ 5	$ 35
Add:		
Depreciation and amortization	20	21
Operating key items (see Slides 28 and 29)	4	1
EBITDA	$ 29	$ 57
EBITDA - Intermediates		
Operating income	$ 13	$ 30
Add:		
Depreciation and amortization	3	3
EBITDA	$ 16	$ 33

Ashland Inc. and Consolidated Subsidiaries

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

for the 3 and 9 Months Ended June 30, 2023 and 2022

($ millions)	Three months ended June 30 2023	Three months ended June 30 2022	Nine months ended June 30 2023	Nine months ended June 30 2022
Income from continuing operations (as reported)	$ 42	$ 51	$ 176	$ 121
Key items, before tax:				
Restructuring, separation and other costs	4	1	5	3
Unrealized (gains) losses on securities	(6)	48	(47)	72
Environmental reserve adjustments	19	36	31	46
ICMS Brazil tax credit	(12)	-	(12)	-
Income on acquisitions and divestitures, net	-	(35)	-	(42)
Asset impairments	-	-	4	-
Key items, before tax	5	50	(19)	79
Tax effect of key items (a)	3	(16)	8	(22)
Key items, after tax	8	34	(11)	57
Tax specific key items:				
Restructuring and separation activity	-	-	-	10
Valuation allowance	(1)	-	(1)	(4)
Uncertain tax positions	(3)	-	(23)	-
Tax specific key items (b)	(4)	-	(24)	6
Total key items	4	34	(35)	63
Adjusted income from continuing operations (non-GAAP)	$ 46	$ 85	$ 141	$ 184
Amortization expense adjustment (net of tax) (c)	19	19	56	57
Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense	$ 65	$ 104	$ 197	$ 241

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

(b) Represents key items resulting from tax-specific financial transactions, tax law changes or other matters that fall within the definition of tax-specific key items. These tax-specific key items included the following:
-Restructuring and separation activity: inlcudes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments
-Uncertain tax positions: includes the impact from settlement of certain tax positions within various tax authorities.

(c) Amoritization expense adjustment (net of tax) tax rates were 20% for the three and nine months ended June 30, 2023 and 2022.

Ashland™ always solving

Ashland Inc. and Consolidated Subsidiaries

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

for the 3 and 9 Months Ended June 30, 2023 and 2022

	Three months ended June 30		Nine months ended June 30	
	2023	**2022**	**2023**	**2022**
Diluted EPS from continuing operations (as reported)	$ 0.79	$ 0.93	$ 3.24	$ 2.12
Key items, before tax:				
Restructuring, separation and other costs	0.09	0.02	0.09	0.06
Unrealized (gains) losses on securities	(0.12)	0.87	(0.87)	1.26
Environmental reserve adjustments	0.36	0.65	0.58	0.81
ICMS Brazil tax credit	(0.23)	-	(0.22)	-
Income on acquisitions and divestitures, net	-	(0.63)	-	(0.73)
Asset impairments	-	-	0.07	-
Key items, before tax	0.10	0.91	(0.35)	1.40
Tax effect of key items (a)	0.06	(0.29)	0.15	(0.39)
Key items, after tax	0.16	0.62	(0.20)	1.01
Tax specific key items:				
Restructuring and separation activity	-	-	-	0.18
Valuation allowance	(0.02)	-	(0.02)	(0.07)
Uncertain tax positions	(0.06)	-	(0.42)	-
Tax specific key items (b)	(0.08)	-	(0.44)	0.11
Total key items	0.08	0.62	(0.64)	1.12
Adjusted diluted EPS from continuing operations (non-GAAP)	$ 0.87	$ 1.55	$ 2.60	$ 3.24
Amortization expense adjustment (net of tax) (c)	0.36	0.34	1.03	1.00
Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense	$ 1.23	$ 1.89	$ 3.63	$ 4.24

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

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

-Restructuring and separation activity: inlcudes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments

-Uncertain tax positions: includes the impact from settlement of certain tax positions within various tax authorities.

(c) Amoritization expense adjustment (net of tax) tax rates were 20% for the three and nine months ended June 30, 2023 and 2022.

Ashland™ always solving

Ashland™
always solving