



earnings conference call second quarter fiscal 2025

—
May 1, 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 the financial impact of its cost reduction and manufacturing optimization initiatives; the future pricing environment; favorable absorption; the cost of raw materials; its ability to drive sustainable growth and create long-term value; its portfolio optimization initiatives and accelerated cost savings programs; its exposure to current and future tariff and global trade policies; and management’s expectations and beliefs regarding Ashland’s adjusted fiscal-year 2025 outlook.

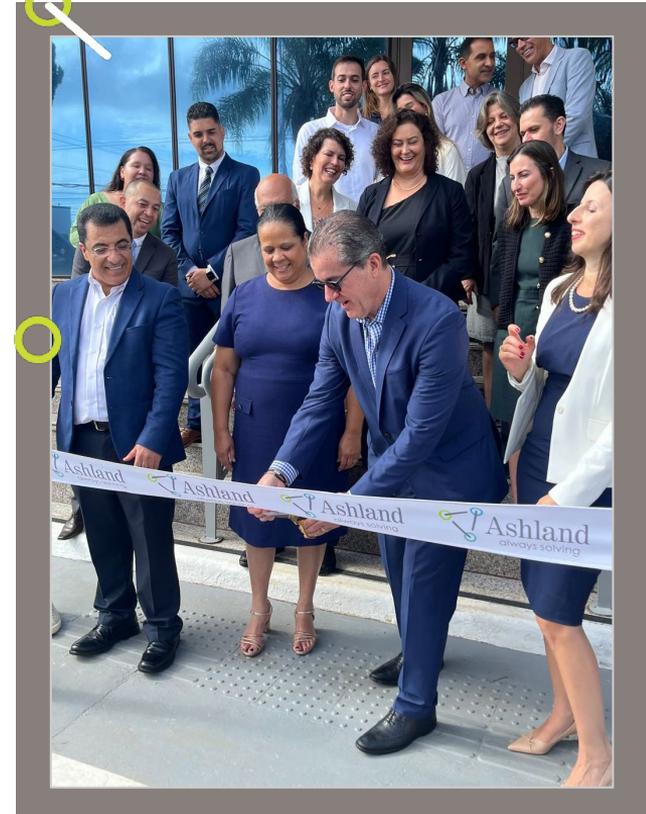
Ashland’s expectations and assumptions include, without limitation, internal forecasts and analyses of current and future market conditions and trends, management plans and strategies, operating efficiencies and economic conditions (such as prices, supply and demand, cost of raw materials, and the ability 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 effects of announced or future tariff increases; the effects of 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 news release 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.

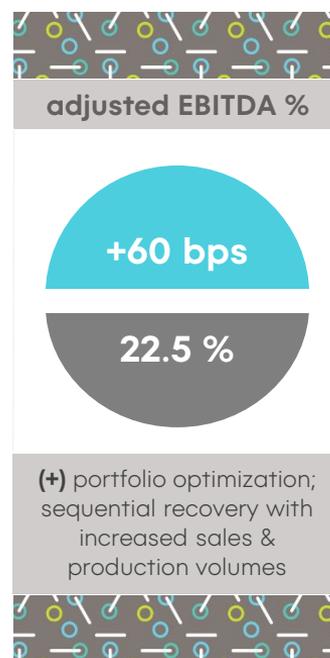
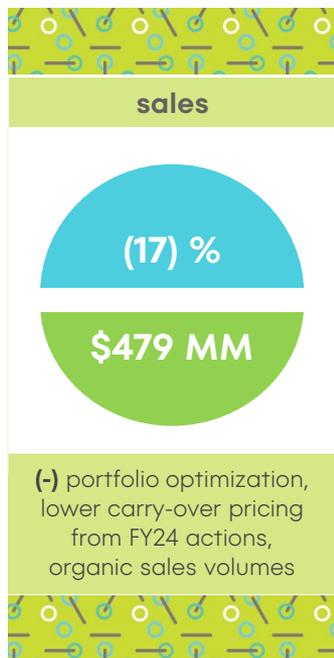
agenda

- Q2 performance summary
- Q2 financial results
- business unit reviews
- strategic priorities
- tariffs overview & mitigation
- outlook
- Q&A



Guillermo Novo, Chair and CEO
Q2 performance summary

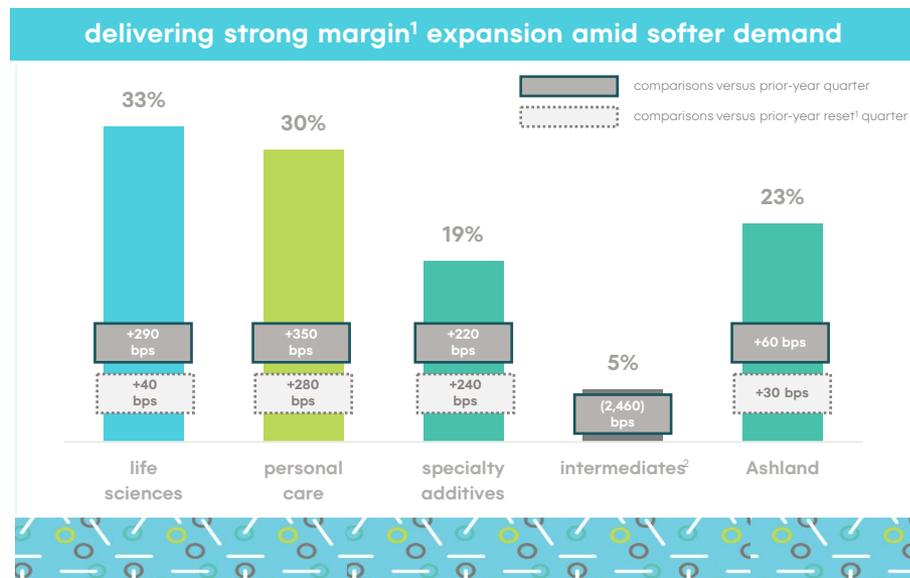
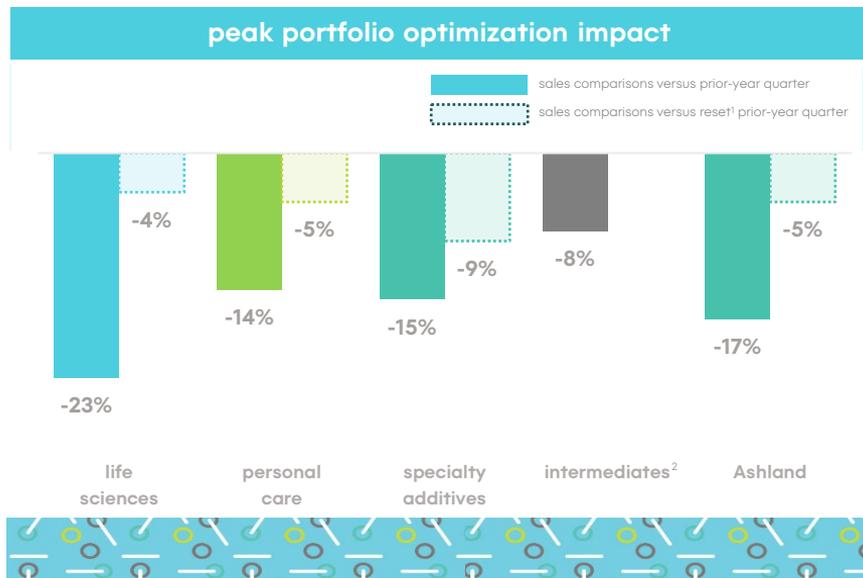
Q2 highlights¹



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.

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

peak optimization: foundation for profitable growth



1 Adjusted EBITDA margin. Portfolio reset items: nutraceuticals, CMC, MC and Avoca 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 ~70% of Intermediates.

Q2 financial results and
business unit reviews

fiscal-second quarter adjusted results¹

Ashland adjusted results summary¹

(\$US in millions, except percentages)	Ashland adjusted results summary ¹			reset results ²	
	Q2 FY25	Q2 FY24	change	Q2 FY24	change
sales	\$479	\$575	(17) %	\$508	(5) %
gross profit margin	34.7 %	32.9 %	+180 bps		
SG&A / R&D costs / intangible amortization	\$106	\$117	(9) %		
operating income	\$60	\$72	(17) %		
EBITDA	\$108	\$126	(14) %	\$113	(4) %
EBITDA margin	22.5 %	21.9 %	+60 bps	22.2%	+30 bps
EPS (excluding acquisition amortization) ³	\$0.99	\$1.27	(22) %		
ongoing free cash flow ⁴	(\$6)	\$4	NM		



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 Portfolio reset items: nutraceuticals, CMC, MC, Avoca 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.

3 Unless otherwise noted, earnings are reported on a diluted-share basis.

4 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.

life sciences

highlights

- o broad sequential pharma market recovery & share gains; across most regions & technologies
- o nutrition share gains
- o lower pharma pricing from carry-over FY24 actions; in-line with expectations
- o lower production cost
- o nutraceuticals divestiture & low-margin nutrition exits: (\$42MM) sales & (\$8MM) EBITDA

adjusted results summary ¹				reset results ²	
(\$US in millions, except percentages)	Q2 FY25	Q2 FY24	change	Q2 FY24	change
sales	\$172	\$222	(23) %	\$180	(4) %
gross profit	\$70	\$83	(16) %		
gross profit margin	40.7 %	37.4 %	+330 bps		
operating income	\$43	\$50	(14) %		
EBITDA	\$56	\$66	(15) %	\$58	(3) %
EBITDA margin	32.6 %	29.7 %	+290 bps	32.2%	+40 bps
-MSD			+LSD		
pharma			nutrition & other		

Q2 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 and Avoca 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

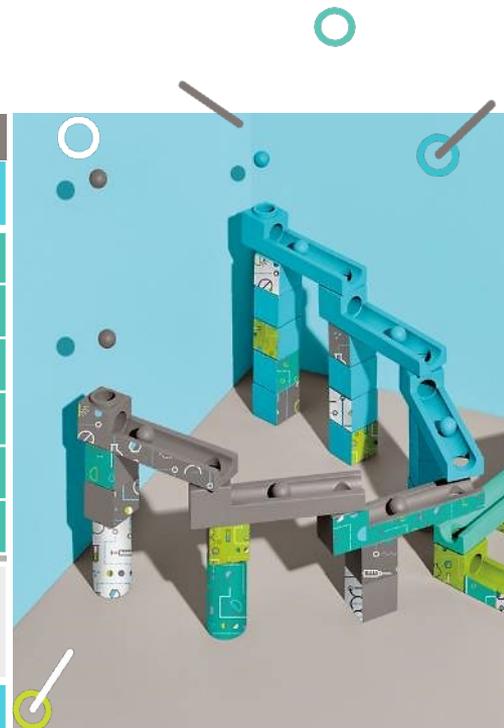
highlights

- o captive: lower pricing & stable volume
- o merchant: broadly lower pricing & higher volume
- o lower production volumes

adjusted results summary ¹			
(\$US in millions, except percentages)	Q2 FY25	Q2 FY24	change
sales	\$37	\$40	(8) %
gross profit	\$1	\$11	(91) %
gross profit margin	2.7 %	27.5 %	(2,480) bps
operating income	(\$1)	\$9	(111)%
EBITDA	\$2	\$12	(83) %
EBITDA margin	5.4 %	30.0 %	(2,460) bps
	no change	-DD	
	merchant	captive	

Q2 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 No portfolio reset items for intermediates business unit.



personal care

highlights

- o ongoing soft demand in Europe
- o LSD organic volume growth in core skin care & hair care
- o customer-specific weakness in biofunctional actives
- o unfavorable oral care order timing; normalizing this year
- o avoca divestiture & low-margin exits: (\$15MM) sales & (\$3MM) EBITDA

adjusted results summary ¹				reset results ²	
(\$US in millions, except percentages)	Q2 FY25	Q2 FY24	change	Q2 FY24	change
sales	\$146	\$169	(14) %	\$154	(5) %
gross profit	\$64	\$64	(-) %		
gross profit margin	43.8 %	37.9 %	+590 bps		
operating income	\$27	\$25	+8 %		
EBITDA	\$44	\$45	(2) %	\$42	+5 %
EBITDA margin	30.1 %	26.6 %	+350 bps	27.3%	+280 bps
-HSD		-LSD		-HSD	
skin care		hair care		oral care, household	

Q2 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 and Avoca 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

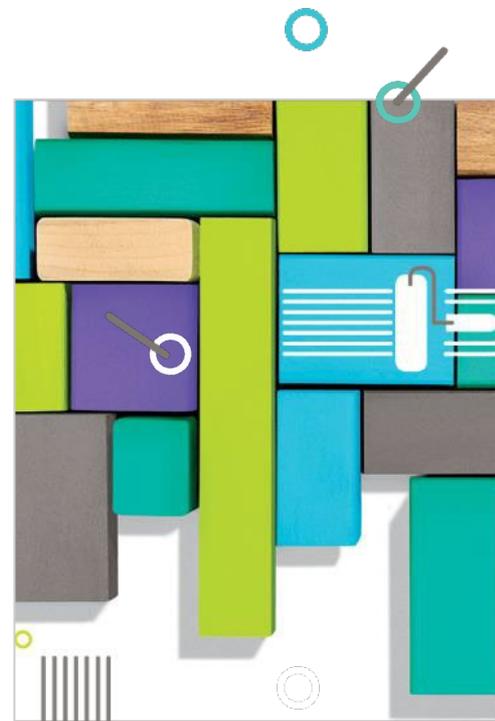
highlights

- o anticipated China coatings volume declines & continued highly competitive intensity in Middle East, Africa & India
- o coatings volume recovery in North America & Europe
- o continued strong demand in performance specialties
- o lower coatings pricing from carry-over FY24 actions; in-line with expectations
- o production: higher volumes & lower spend
- o construction exits: (\$10MM) sales & (\$2MM) EBITDA impact

adjusted results summary ¹				reset results ²	
(\$US in millions, except percentages)	Q2 FY25	Q2 FY24	Change	Q2 FY24	change
sales	\$134	\$157	(15) %	\$147	(9) %
gross profit	\$31	\$31	(-) %		
gross profit margin	23.1 %	19.7 %	+340 bps		
operating income	\$10	\$10	(-) %		
EBITDA	\$26	\$27	(4) %	\$25	+3 %
EBITDA margin	19.4 %	17.2 %	+220 bps	17.0%	+240 bps
-HSD			-HSD		
coatings			construction, energy, performance spec.		

Q2 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 and Avoca 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.



Guillermo Novo, Chair and CEO
strategic priorities and outlook

execute: drive near-term performance

several high-impact execution initiatives underway to deliver \$90 million in savings through FY27

FY25 target

key updates

1 divest avoca business line

focus Ashland strategy; complete pharmachem exit

complete ✓

closed on March 14

2 \$30 million restructuring plan

reset cost structure and eliminate stranded cost

~\$15MM ✓

identified ~\$30MM ~\$18MM FY25 realization

3 \$60 million manufacturing optimization

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

~\$5MM ✓

VP&D / intermediates & small plant consolidation ~\$6MM FY25 realization

multi-year cost savings ahead of \$20MM FY25 target at ~\$24MM

globalize & innovate: YTD financial progress

■ ■ ■ ■ ■
~\$100 MM
revenue impact¹

globalize strong fundamentals
buffer year-over-year decline and
regional / customer weakness



■ ■ ■ ■ ■
~\$100 MM
revenue impact¹

innovate good start across
business units; FY25 on track



target

+\$20
million

incremental FY25
sales target

progress

\$(6)
million

sales decline fiscal
year-to-date

target

+\$10
million

incremental FY25
sales target

progress

+\$5
million

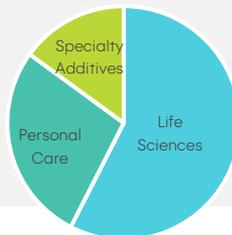
incremental sales
fiscal year-to-date

tariff overview¹ & mitigation plans

agile operations for tariff response

- **low direct raw material exposure:**
 - localized sourcing mitigates US/China tariff impact
 - anticipate **\$3 to \$5MM** 2H headwind¹, \$5 - \$7MM annually
- **minimal US finished good imports:**
 - limited finished good imports except EU
 - majority of imports currently tariff-exempt¹
 - annual unmitigated/unexempted exposure: **\$4 to \$6MM**
- **manageable US exports to China:**
 - assessing ~\$70MM in annual China sales
 - company average gross profit
 - ASH is sole supplier for one-third of GP

US exports to China



tariff response plan

- inventory on hand generally covers Q3
- relative competitive positioning
- share gain opportunities
- optimizing production, sourcing & logistics
- intercompany trading strategies
- customer & vendor negotiations; pricing

building resilience across scenarios

revising FY25 outlook

forward looking insights

key market factors

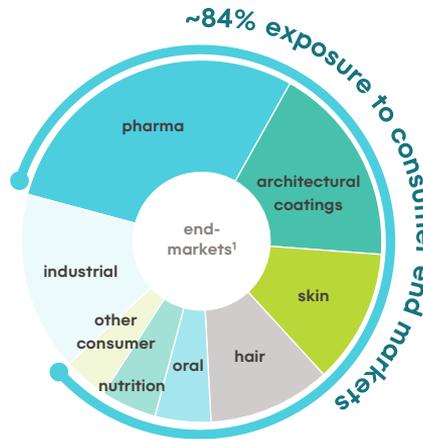
- tariff impact & uncertainty; weakening consumer sentiment, particularly coatings
- stable European market (no recovery yet)
- modest FY25 intermediates recovery
- China: down as-expected; aggressive export activity continues in MEAI
- stable raw material costs, ex tariff impact

strategic priorities

- accelerating restructuring & productivity gains
- sustain innovate momentum
- navigating customer-specific globalize weakness

tariffs

- including estimated direct financial impact of global trade policies



risks & opportunities

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

fiscal full-year outlook

sales: \$1.825 - \$1.9 billion

adj. EBITDA: \$400 - \$420 million



our strategic priorities

global trade



execute



globalize



innovate



invest



business unit focus

enterprise focus

upcoming innovation day event

showcasing enhanced capabilities & expanded applications of our technology platforms

topics

- **innovation focus**
- in-depth review of **latest technical developments**
- details and examples on **expanding value proposition & commercial opportunities**

structure

- **CEO, CTO and BU leadership** remarks
- **moderated Q&A** sessions
- **lab tour** with platform application demonstrations

live / webcast Thursday, May 29, 2025, at 9 am ET from Bridgewater, NJ

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



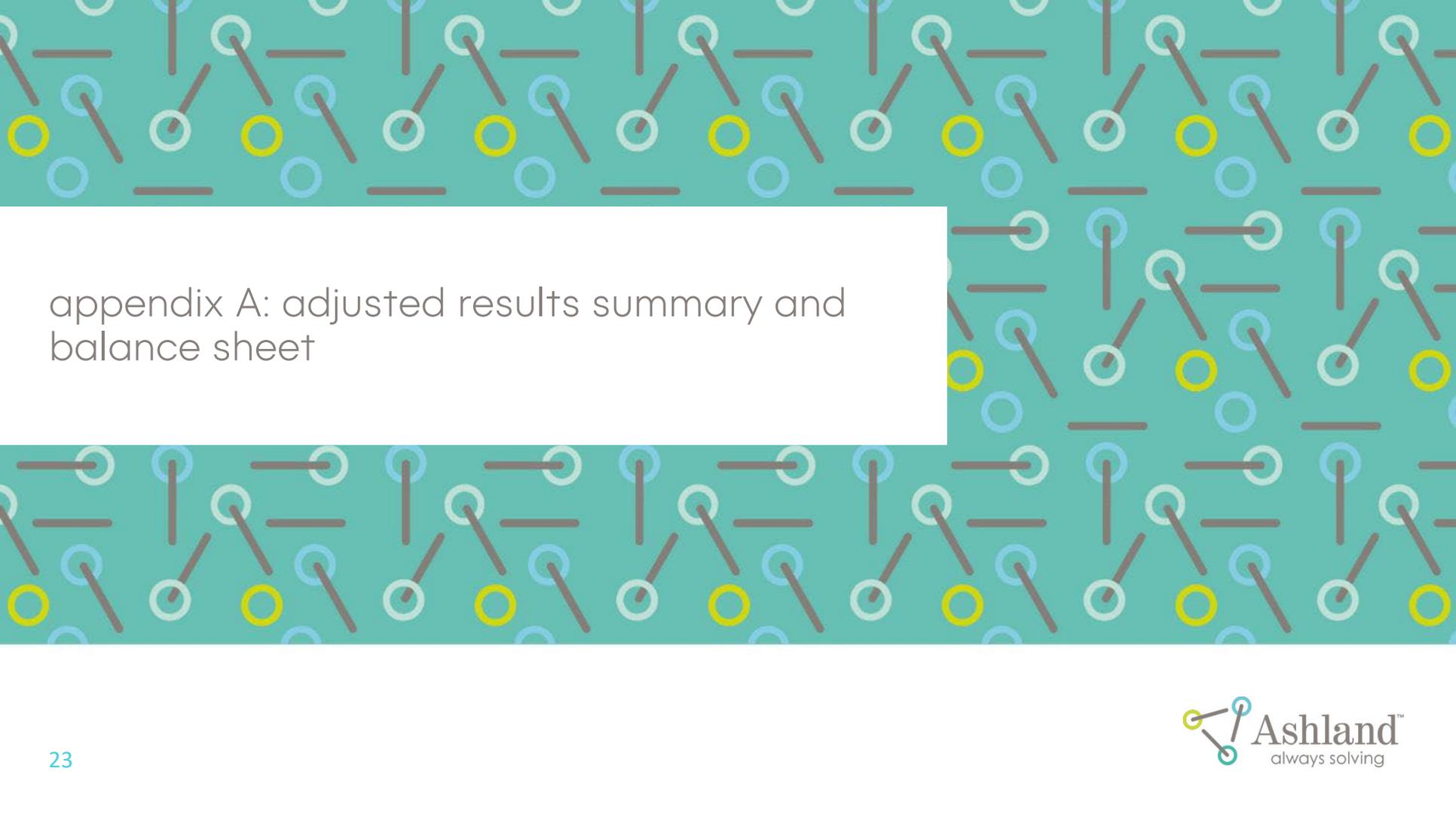
robust cash flow generation and proven track record of disciplined capital allocation

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 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 exit	--	(10)	(17)	(17)	(44)
quarterly portfolio reset with avoca	\$(50)	\$(67)	\$(53)	\$(38)	\$(208)

1. Portfolio reset items: nutraceuticals, CMC, MC portfolio optimization actions

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 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 exit	--	(2)	(7)	(6)	(15)
quarterly portfolio reset with avoca	\$(8)	\$(13)	\$(13)	\$(11)	\$(45)

Q2 adjusted results summary¹

(\$US in millions, except percentages and per share data)	Q2 FY25	Q2 FY24	change
sales	\$479	\$575	(17) %
gross profit	\$166	\$189	(12) %
gross profit margin	34.7 %	32.9 %	+180 bps
SG&A / R&D costs / intangible amort.	\$106	\$117	(9) %
operating income	\$60	\$72	(17) %
depreciation & amortization	\$49	\$56	(13) %
EBITDA	\$108	\$126	(14) %
EBITDA margin	22.5 %	21.9 %	+60 bps
net interest and other expense	\$14	\$11	+27 %
effective tax rate	25 %	19 %	+600 bps
income from continuing operations	\$33	\$48	(31) %
income from continuing operations (excluding intangible amortization)	\$46	\$64	(28) %
diluted share count (million shares)	47	51	(8) %
EPS (excluding intangible amortization)	\$0.99	\$1.27	(22) %

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	\$172	\$146	\$134	\$37	(\$10)	-	\$479
gross profit	\$70	\$64	\$31	\$1	-	-	\$166
gross profit margin	40.7 %	43.8 %	23.1 %	2.7 %	-	-	34.7 %
EBITDA	\$56	\$44	\$26	\$2	-	(\$20)	\$108
EBITDA margin	32.6 %	30.1 %	19.4 %	5.4 %	-	-	22.5 %

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	3/31/25 balance
cash					\$168
revolver availability					546
cash and revolver availability¹					\$714
US and foreign A/R sales program¹					-
debt					
2.00% notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	\$541
3.375% notes	Sept. 2031	3.375%	Ba1	BB+	450
6.875% notes	May 2043	6.875%	Ba1	BB+	282
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	70
revolving credit facility ²	July 2027	Term SOFR+137.5	-	-	50
other ³		-	-	-	(7)
total debt			Ba1/stable	BB+/stable	\$1,386
cash					(168)
net debt					\$1,218

1 Total liquidity of \$714 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 March 31, 2025.

strong balance sheet & capital allocation strategy

strong balance sheet and balanced capital allocation

strong balance sheet¹

- cash and liquidity available of ~\$0.7 billion
- net debt of \$1,218 million; net leverage of 2.8x
- no long-term debt maturities for the next two years

healthy ongoing free cash flow² generation

- prudent production; inventory stable fiscal-year-to-date
- typical cash flow seasonality in Q2, (\$6) million
- LTM ongoing free cash flow² of \$167 million

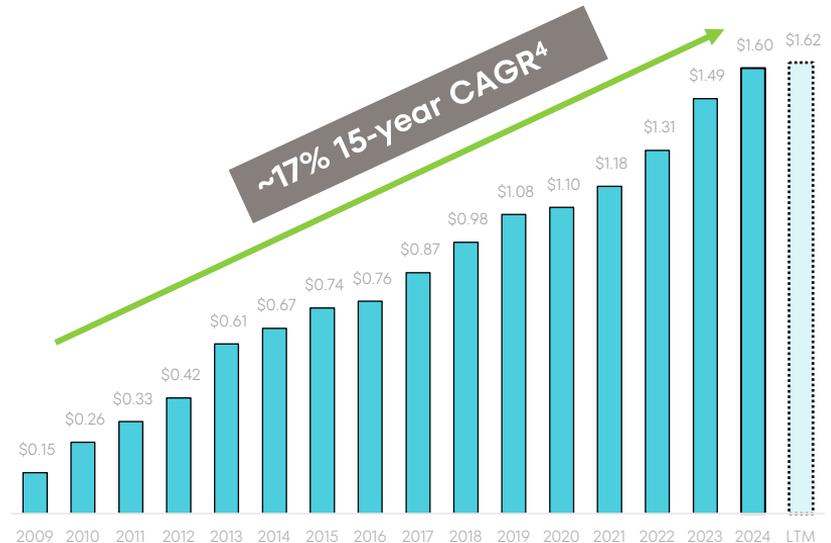
share repurchases under \$1 billion authorization

- \$520 million remains under the current authorization
- Q2 repurchases of \$100 million / ~1.5 million shares

other long-term capital allocation priorities

- moderate YoY capex decline; FY25 target = ~\$105 million
- increased flexibility to pursue future M&A strategy
- net investing proceeds of \$27 million during the quarter from Avoca sale and excess land sales

annual dividend³ increase every year since 2009



1 All figures as of March 31, 2025

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

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, 2025

(\$ millions, except percentages)

Sales¹	Q2 25	Q1 25	Q4 24	Q3 24	Total	Q2 24
Life Sciences	172	134	192	195	693	\$ 222
Personal Care	146	134	162	175	617	169
Specialty Additives	134	115	144	150	543	157
Intermediates	37	33	36	36	142	40
Less: Intercompany Eliminations	(10)	(11)	(12)	(12)	(45)	(13)
Total	\$ 479	\$ 405	\$ 522	\$ 544	\$ 1,950	\$ 575

Adjusted EBITDA¹	Q2 25	Q1 25	Q4 24	Q3 24	Total	Adjusted EBITDA Margin	Q2 24
Life Sciences	\$ 56	\$ 28	\$ 56	\$ 59	199	28.7%	\$ 66
Personal Care	44	30	47	51	172	27.9%	45
Specialty Additives	26	13	29	38	106	19.5%	27
Intermediates	2	6	10	9	27	19.0%	12
Unallocated	(20)	(16)	(18)	(18)	(72)		(24)
Total	\$ 108	\$ 61	\$ 124	\$ 139	\$ 432	22.2%	\$ 126

31

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 Inc. and Consolidated Subsidiaries
**Segment Components of Key Items for Applicable
Income Statement Captions – for the 3 months ended March 31, 2025**
In millions - preliminary and unaudited

(\$ millions)

	Three Months Ended March 31, 2025					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Accelerated depreciation	\$ (13)	\$ -	\$ -	\$ -	\$ -	\$ (13)
Restructuring, separation and other costs	-	-	-	-	(8)	(8)
Other plant optimization costs	(2)	(1)	(3)	-	-	(6)
Environmental reserve adjustments	-	-	-	-	(2)	(2)
Held for sale depreciation and amortization	-	2	-	-	-	2
Avoca impairment and sale	-	-	-	-	8	8
Income on divestitures, net	-	-	-	-	10	10
All other operating income (loss)	43	27	10	(1)	(19)	60
Operating income (loss)	28	28	7	(1)	(11)	51
NET INTEREST AND OTHER EXPENSE (INCOME)						
Key items					(3)	(3)
All other net interest and other expense					14	14
					11	11
OTHER NET PERIODIC BENEFIT LOSS					1	1
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items ^(a)					(2)	(2)
Tax specific key items ^(b)					(1)	(1)
All other income tax expense					12	12
					9	9
INCOME (LOSS) FROM CONTINUING OPERATIONS	\$ 28	\$ 28	\$ 7	\$ (1)	\$ (32)	\$ 30

(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 38 and 39 for additional information.



Ashland Inc. and Consolidated Subsidiaries

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					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Accelerated depreciation	\$ -	\$ -	\$ (27)	\$ -	\$ -	\$ (27)
Restructuring, separation and other costs	-	-	-	-	(20)	(20)
Environmental reserve adjustments	-	-	-	-	(3)	(3)
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
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
INCOME (LOSS) FROM CONTINUING OPERATIONS	\$ 50	\$ 25	\$ (18)	\$ 9	\$ 55	\$ 121

(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 38 and 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, 2025 and 2024

(\$ millions)	Three months ended March 31		Six months ended March 31	
	2025	2024	2025	2024
Free cash flows				
Total cash flows provided (used) by operating activities from continuing operations	\$ 9	\$ 54	\$ (21)	\$ 255
Adjustments:				
Additions to property, plant and equipment	(21)	(34)	(44)	(70)
Free Cash Flows	\$ (12)	\$ 20	\$ (65)	\$ 185
Cash (inflows) outflows from U.S. Accounts Receivable Sales Program ^(a)	4	(7)	11	(15)
Cash (inflows) outflows from Foreign Accounts Receivable Sales Program ^(b)	(21)	(20)	(9)	(122)
Restructuring-related payments ^(c)	14	4	17	7
Environmental and related litigation payments ^(d)	9	7	13	15
Ongoing Free Cash Flow	\$ (6)	\$ 4	\$ (33)	\$ 70
Net income (loss)	\$ 31	\$ 120	\$ (135)	\$ 147
Adjusted EBITDA ^(e)	\$ 108	\$ 126	\$ 169	\$ 197
Operating Cash Flow Conversion ^(f)	29%	45%	Not meaningful	173%
Ongoing Free Cash Flow Conversion ^(g)	-6%	3%	-20%	36%

(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.

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

Adjusted Operating Income	Three months ended March 31		Six months ended March 31	
	2025	2024	2025	2024
Operating income (loss) (as reported)	\$ 51	\$ 21	\$ (128)	\$ 4
Key items, before tax:				
Avoca impairment and sale	(8)	-	175	-
Income on divestitures, net	(10)	-	(10)	-
Accelerated depreciation	13	27	13	49
Restructuring, separation and other costs	8	20	11	24
Other plant optimization costs	6	1	9	1
Environmental reserve adjustments	2	3	3	7
Argentina currency devaluation impact	-	-	-	5
Held for sale depreciation and amortization	(2)	-	(2)	-
Adjusted Operating Income (non-GAAP)	\$ 60	\$ 72	\$ 71	\$ 90



Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended March 31, 2025 and 2024

(\$ millions)

	Three months ended March 31	
	2025	2024
Adjusted EBITDA - Ashland Inc.		
Net income	\$ 31	\$ 120
Income tax expense (benefit)	9	(104)
Net interest and other expense	11	2
Depreciation and amortization ^(a)	49	56
EBITDA	100	74
Loss (income) from discontinued operations, net of income taxes	(1)	1
Operating key items (see slides 32 & 33)	9	51
Adjusted EBITDA	\$ 108	\$ 126

35

(a) Depreciation and amortization excludes accelerated depreciation expense of \$13 million for Life Sciences for the three months ended March 31, 2025, which is included as a key item within this table as a component of Adjusted EBITDA. Depreciation and amortization includes \$2 million for Personal Care associated with the Avoca business assets for the three months ended March 31, 2025, which is included as a key item within this table as a component of Adjusted EBITDA. Depreciation and amortization excludes accelerated depreciation expense 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, 2025 and 2024

(\$ millions)

	Three months ended March 31	
	<u>2025</u>	<u>2024</u>
Adjusted EBITDA - Life Sciences		
Operating income	\$ 28	\$ 50
Add:		
Depreciation and amortization ^(a)	13	16
Operating key items (see slides 32 & 33)	15	-
Adjusted EBITDA	<u>\$ 56</u>	<u>\$ 66</u>
Adjusted EBITDA - Personal Care		
Operating income	\$ 28	\$ 25
Add:		
Depreciation and amortization ^(a)	17	20
Operating key items (see slides 32 & 33)	(1)	-
Adjusted EBITDA	<u>\$ 44</u>	<u>\$ 45</u>

(a) Depreciation and amortization excludes accelerated depreciation expense of \$13 million for Life Sciences for the three months ended March 31, 2025, which is included as a key item within this table as a component of Adjusted EBITDA. Depreciation and amortization includes \$2 million for Personal Care associated with the Avoca business assets for the three months ended March 31, 2025, which is included as a key item within this table as a component of Adjusted EBITDA. Depreciation and amortization excludes accelerated depreciation expense 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.

Specialties Additives and Intermediates

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for the 3 Months Ended March 31, 2025 and 2024

(\$ millions)

	Three months ended March 31	
	2025	2024
Adjusted EBITDA - Specialty Additives		
Operating income (loss)	\$ 7	\$ (18)
Add:		
Depreciation and amortization ^(a)	16	17
Operating key items (see slides 32 & 33)	3	28
Adjusted EBITDA	<u>\$ 26</u>	<u>\$ 27</u>
Adjusted EBITDA - Intermediates		
Operating income (loss)	\$ (1)	\$ 9
Add:		
Depreciation and amortization	3	3
Adjusted EBITDA	<u>\$ 2</u>	<u>\$ 12</u>

(a) Depreciation and amortization excludes accelerated depreciation expense of \$13 million for Life Sciences for the three months ended March 31, 2025, which is included as a key item within this table as a component of Adjusted EBITDA. Depreciation and amortization includes \$2 million for Personal Care associated with the Avoca business assets for the three months ended March 31, 2025, which is included as a key item within this table as a component of Adjusted EBITDA. Depreciation and amortization excludes accelerated depreciation expense 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, 2025 and 2024

(\$ millions)

Income (loss) from continuing operations (as reported)

Key items, before tax:

Avoca impairment and sale	(8)	-	175	-
Unrealized (gain) loss on securities	(3)	(9)	14	(39)
Accelerated depreciation	13	27	13	49
Restructuring, separation and other costs	8	20	11	24
Other plant optimization costs	6	1	9	1
Environmental reserve adjustments	2	3	3	7
Loss on pension and other postretirement plan remeasurements	-	-	1	-
Argentina currency devaluation impact	-	-	-	5
Held for sale depreciation and amortization	(2)	-	(2)	-
Income on divestitures, net	(10)	-	(10)	-

Key items, before tax

Tax effect of key items^(a)

Key items, after tax

Tax specific key items:

Uncertain tax positions	(3)	-	(4)	-
Other and tax reform related activity	2	(105)	11	(129)

Tax specific key items^(b)

Total key items

Adjusted Income from Continuing Operations (non-GAAP)

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

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

	Three months ended		Six months ended	
	March 31		March 31	
	2025	2024	2025	2024
Income (loss) from continuing operations (as reported)	\$ 30	\$ 121	\$ (136)	\$ 149
Key items, before tax:				
Avoca impairment and sale	(8)	-	175	-
Unrealized (gain) loss on securities	(3)	(9)	14	(39)
Accelerated depreciation	13	27	13	49
Restructuring, separation and other costs	8	20	11	24
Other plant optimization costs	6	1	9	1
Environmental reserve adjustments	2	3	3	7
Loss on pension and other postretirement plan remeasurements	-	-	1	-
Argentina currency devaluation impact	-	-	-	5
Held for sale depreciation and amortization	(2)	-	(2)	-
Income on divestitures, net	(10)	-	(10)	-
Key items, before tax	6	42	214	47
Tax effect of key items ^(a)	(2)	(10)	(52)	(12)
Key items, after tax	4	32	162	35
Tax specific key items:				
Uncertain tax positions	(3)	-	(4)	-
Other and tax reform related activity	2	(105)	11	(129)
Tax specific key items ^(b)	(1)	(105)	7	(129)
Total key items	3	(73)	169	(94)
Adjusted Income from Continuing Operations (non-GAAP)	\$ 33	\$ 48	\$ 33	\$ 55
Amortization expense adjustment (net of tax) ^(c)	13	16	27	33
Adjusted Income from Continuing Operations (non-GAAP) Excluding Intangibles Amortization Expense	\$ 46	\$ 64	\$ 60	\$ 88

(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% for the three and six months ended March 31, 2025 and 20% for the three and six months ended March 31, 2024

Ashland Inc. and Consolidated Subsidiaries

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

for the 3 and 6 Months Ended March 31, 2025 and 2024

Diluted EPS from continuing operations (as reported)

Key items, before tax:

	Three months ended		Six months ended	
	March 31		March 31	
	2025	2024	2025	2024
Diluted EPS from continuing operations (as reported)	\$ 0.63	\$ 2.40	\$ (2.91)	\$ 2.92
Key items, before tax:				
Avoca impairment and sale	(0.17)	-	3.73	-
Unrealized (gain) loss on securities	(0.06)	(0.18)	0.31	(0.76)
Accelerated depreciation	0.28	0.55	0.28	0.96
Restructuring, separation and other costs	0.17	0.39	0.23	0.47
Other plant optimization costs	0.13	0.02	0.19	0.02
Environmental reserve adjustments	0.04	0.06	0.06	0.14
Loss on pension and other postretirement plan remeasurements	-	-	0.02	-
Argentina currency devaluation impact	-	-	-	0.10
Held for sale depreciation and amortization	(0.04)	-	(0.04)	-
Income on divestitures, net	(0.21)	-	(0.21)	-
Key items, before tax	0.14	0.84	4.57	0.93
Tax effect of key items ^(a)	(0.04)	(0.20)	(1.11)	(0.23)
Key items, after tax	0.10	0.64	3.46	0.70
Tax specific key items:				
Uncertain tax positions	(0.06)	-	(0.08)	-
Other and tax reform related activity	0.04	(2.07)	0.23	(2.54)
Tax specific key items ^(b)	(0.02)	(2.07)	0.15	(2.54)
Total key items	0.08	(1.43)	3.61	(1.84)
Adjusted Diluted EPS from Continuing Operations (non-GAAP)	\$ 0.71	\$ 0.97	\$ 0.70	\$ 1.08
Amortization expense adjustment (net of tax) ^(c)	0.28	0.30	0.56	0.63
Adjusted Diluted EPS from Continuing Operations (non-GAAP) Excluding Intangibles Amortization Expense	\$ 0.99	\$ 1.27	\$ 1.26	\$ 1.71

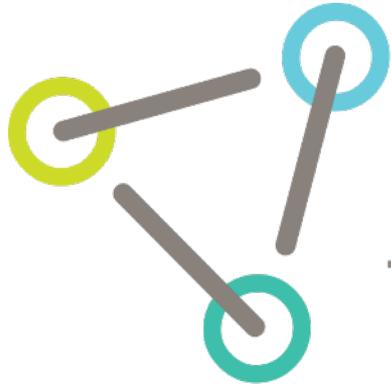
(a) Represents the tax effect of the key items that are previously identified above.

(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% for the three and six months ended March 31, 2025 and 20% for the three and six months ended March 31, 2024



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