Ashland Inc. and Consolidated Subsidiaries — Table 1

STATEMENTS OF CONSOLIDATED INCOME (LOSS)

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

	Three months ended September 30		Year ended September 30	
	2025	**2024**	**2025**	**2024**
Sales	$ 478	$ 522	$ 1,824	$ 2,113
Cost of sales	319	348	1,275	1,495
GROSS PROFIT	159	174	549	618
Selling, general and administrative expense	76	101	344	404
Research and development expense	13	13	54	55
Intangibles amortization expense	15	17	63	76
Equity and other income	2	4	4	6
Goodwill impairment	-	-	706	-
Income (loss) on acquisitions and divestitures, net	4	(15)	(161)	(115)
OPERATING INCOME (LOSS)	61	32	(775)	(26)
Net interest and other expense (income)	-	(9)	33	(24)
Other net periodic benefit loss (income)	(3)	16	1	22
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	64	25	(809)	(24)
Income tax expense (benefit)	31	6	13	(223)
INCOME (LOSS) FROM CONTINUING OPERATIONS	33	19	(822)	199
Loss from discontinued operations, net of income taxes	(1)	(3)	(23)	(30)
NET INCOME (LOSS)	$ 32	$ 16	$ (845)	$ 169
DILUTED EARNINGS (LOSS) PER SHARE				
Income (loss) from continuing operations	$ 0.73	$ 0.39	$ (17.74)	$ 3.95
Loss from discontinued operations	(0.02)	(0.06)	(0.49)	(0.59)
Net income (loss)	$ 0.71	$ 0.33	$ (18.23)	$ 3.36
AVERAGE DILUTED COMMON SHARES OUTSTANDING[(a)]	46	49	46	50
SALES				
Life Sciences	173	192	641	810
Personal Care	151	162	577	634
Specialty Additives	131	144	511	572
Intermediates	33	36	137	144
Intersegment Sales	(10)	(12)	(42)	(47)
	$ 478	$ 522	$ 1,824	$ 2,113
OPERATING INCOME (LOSS)				
Life Sciences	39	43	(262)	168
Personal Care	26	14	90	73
Specialty Additives	5	9	(338)	(32)
Intermediates	2	7	8	29
Unallocated and other	(11)	(41)	(273)	(264)
	$ 61	$ 32	$ (775)	$ (26)

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

Ashland Inc. and Consolidated Subsidiaries Table 2

CONDENSED CONSOLIDATED BALANCE SHEETS

(In millions - preliminary and unaudited)

	September 30 2025	September 30 2024
ASSETS		
Current assets		
Cash and cash equivalents	$ 215	$ 300
Accounts receivable, net	242	243
Inventories	568	545
Other assets	180	107
Total current assets	1,205	1,195
Noncurrent assets		
Property, plant and equipment		
Cost	3,355	3,316
Accumulated depreciation	2,154	2,013
Net property, plant and equipment	1,201	1,303
Goodwill	705	1,381
Intangibles	563	751
Operating lease assets, net	103	114
Restricted investments	297	295
Asbestos insurance receivable, net	127	132
Deferred income taxes	157	210
Other assets	253	264
Total noncurrent assets	3,406	4,450
Total assets	$ 4,611	$ 5,645
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	$ 189	$ 214
Accrued expenses and other liabilities	213	256
Current operating lease obligations	21	20
Total current liabilities	423	490
Noncurrent liabilities		
Long-term debt	1,384	1,349
Asbestos litigation reserve	389	414
Deferred income taxes	31	29
Employee benefit obligations	96	110
Operating lease obligations	85	99
Other liabilities	299	286
Total noncurrent liabilities	2,284	2,287
Stockholders' equity	1,904	2,868
Total liabilities and stockholders' equity	$ 4,611	$ 5,645

Ashland Inc. and Consolidated Subsidiaries Table 3

STATEMENTS OF CONSOLIDATED CASH FLOWS

(In millions - preliminary and unaudited)

	Three months ended September 30		Year ended September 30	
	2025	**2024**	**2025**	**2024**
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES FROM CONTINUING OPERATIONS				
Net income (loss)	$ 32	$ 16	$ (845)	$ 169
Loss from discontinued operations, net of income taxes	1	3	23	30
Adjustments to reconcile income (loss) from continuing operations to cash flows from operating activities				
Depreciation and amortization	50	53	237	274
Original issue discount and debt issuance cost amortization	2	2	7	6
Deferred income taxes	68	(165)	73	(302)
Gain from sales of property and equipment	(5)	-	(16)	-
Stock based compensation expense	2	5	14	15
Benefit (loss) from excess tax deduction on stock based compensation	(3)	-	(3)	-
Income from restricted investments	(17)	(23)	(33)	(74)
Loss (income) on divestitures, net	2	8	177	107
Goodwill impairment	-	-	706	-
Asset impairments	-	11	-	11
Pension contributions	(3)	(1)	(12)	(15)
Loss (gain) on pension and other postretirement plan remeasurements	(4)	14	(3)	14
Change in operating assets and liabilities[(a)]	(85)	157	(191)	227
Total cash flows provided by operating activities from continuing operations	40	80	134	462
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES FROM CONTINUING OPERATIONS				
Additions to property, plant and equipment	(34)	(37)	(98)	(137)
Proceeds from disposal of property, plant and equipment	5	-	16	-
Proceeds from sale of operations	-	26	16	26
Proceeds from settlement of Company-owned life insurance contracts	7	-	12	1
Company-owned life insurance payments	(3)	(4)	(5)	(5)
Funds restricted for specific transactions	-	-	(8)	(5)
Reimbursements from restricted investments	21	18	62	79
Proceeds from sale of securities	20	14	56	53
Purchases of securities	(18)	(14)	(54)	(53)
Other investing cash flows	-	-	-	(10)
Total cash flows provided (used) by investing activities from continuing operations	(2)	3	(3)	(51)
CASH FLOWS USED BY FINANCING ACTIVITIES FROM CONTINUING OPERATIONS				
Repurchase of common stock	-	(150)	(100)	(380)
Repayment of short-term debt	-	-	-	(16)
Cash dividends paid	(19)	(20)	(76)	(78)
Stock based compensation employee withholding taxes paid in cash	-	-	(3)	(5)
Total cash flows used by financing activities from continuing operations	(19)	(170)	(179)	(479)
CASH PROVIDED (USED) BY CONTINUING OPERATIONS	19	(87)	(48)	(68)
Cash used by discontinued operations				
Operating cash flows	(13)	(12)	(40)	(51)
Effect of currency exchange rate changes on cash and cash equivalents	2	-	3	2
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	8	(99)	(85)	(117)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	207	399	300	417
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 215	$ 300	$ 215	$ 300
DEPRECIATION AND AMORTIZATION				
Life Sciences	14	13	75	61
Personal Care	16	21	65	79
Specialty Additives	17	16	84	121
Intermediates	3	3	13	13
	$ 50	$ 53	$ 237	$ 274

(a) Excludes changes resulting from operations acquired or sold.

Ashland Inc. and Consolidated Subsidiaries — Table 4

RECONCILIATION OF NON-GAAP DATA - ADJUSTED EBITDA

(In millions - preliminary and unaudited)

	Three months ended September 30	
Adjusted EBITDA - Ashland Inc.	**2025**	**2024**
Net income	$ 32	$ 16
Income tax expense	31	6
Net interest and other expense (income)	-	(9)
Depreciation and amortization[a]	49	54
EBITDA	112	67
Loss from discontinued operations, net of income taxes	1	3
(Income) loss on pension and other postretirement plan remeasurements	(4)	14
Operating key items (see Table 5)	10	40
Adjusted EBITDA	$ 119	$ 124
Adjusted EBITDA - Life Sciences		
Operating income	$ 39	$ 43
Add:		
Depreciation and amortization[a]	14	15
Operating key items (see Table 5)	2	(2)
Adjusted EBITDA	$ 55	$ 56
Adjusted EBITDA - Personal Care		
Operating income	$ 26	$ 14
Add:		
Depreciation and amortization[a]	15	20
Operating key items (see Table 5)	2	13
Adjusted EBITDA	$ 43	$ 47
Adjusted EBITDA - Specialty Additives		
Operating income	$ 5	$ 9
Add:		
Depreciation and amortization	17	16
Operating key items (see Table 5)	7	4
Adjusted EBITDA	$ 29	$ 29
Adjusted EBITDA - Intermediates		
Operating income	$ 2	$ 7
Add:		
Depreciation and amortization	3	3
Adjusted EBITDA	$ 5	$ 10

(a) Depreciation and amortization includes $2 million for Life Sciences associated with the Nutraceuticals business assets for the three months ended September 30, 2024, which is included as a key item within this table as a component of Adjusted EBITDA. Depreciation and amortization excludes accelerated depreciation expense of $1 million for Personal Care for both the three months ended September 30, 2025 and 2024, which is included as a key item within this table as a component of Adjusted EBITDA.

Ashland Inc. and Consolidated Subsidiaries — Table 5

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

(In millions - preliminary and unaudited)

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

	Three Months Ended September 30, 2024					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Asset impairments	$ -	$ (11)	$ -	$ -	$ -	$ (11)
Nutraceuticals sale	-	-	-	-	(8)	(8)
Nutraceuticals VAT reserve	-	-	-	-	(7)	(7)
Other plant optimization costs	-	(1)	(4)	-	-	(5)
Legal settlement	-	-	-	-	(4)	(4)
Environmental reserve adjustments	-	-	-	-	(4)	(4)
Restructuring, separation and other costs	-	-	-	-	(2)	(2)
Accelerated depreciation	-	(1)	-	-	-	(1)
Held for sale depreciation and amortization	2	-	-	-	-	2
All other operating income (loss)	41	27	13	7	(16)	72
Operating income (loss)	43	14	9	7	(41)	32
NET INTEREST AND OTHER EXPENSE (INCOME)						
Key items					(21)	(21)
All other net interest and other expense					12	12
					(9)	(9)
OTHER NET PERIODIC BENEFIT LOSS						
Key items					14	14
All other net periodic benefit costs					2	2
					16	16
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items[a]					(7)	(7)
Tax specific key items[b]					1	1
All other income tax expense					12	12
					6	6
INCOME (LOSS) FROM CONTINUING OPERATIONS	$ 43	$ 14	$ 9	$ 7	$ (54)	$ 19

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

(b) Represents key items resulting from tax specific financial transactions, tax law changes or other matters that fall within the definition of tax specific key items. See Table 7 for additional information.

Ashland Inc. and Consolidated Subsidiaries Table 6

RECONCILIATION OF CERTAIN NON-GAAP DATA

(In millions - preliminary and unaudited)

	Three months ended September 30		Year ended September 30	
Free cash flows	**2025**	**2024**	**2025**	**2024**
Total cash flows provided by operating activities from continuing operations	$ 40	$ 80	$ 134	$ 462
Adjustments:				
Additions to property, plant and equipment	(34)	(37)	(98)	(137)
Free Cash Flows	$ 6	$ 43	$ 36	$ 325
Cash (inflows) outflows from U.S. Accounts Receivable Sales Program[(a)]	1	10	12	(1)
Cash (inflows) outflows from Foreign Accounts Receivable Sales Program[(b)]	19	18	6	(104)
Restructuring-related payments[(c)]	11	4	34	14
Environmental and related litigation payments[(d)]	15	13	39	36
Ongoing Free Cash Flow	$ 52	$ 88	$ 127	$ 270
Net income (loss)	$ 32	$ 16	$ (845)	$ 169
Adjusted EBITDA[(e)]	$ 119	$ 124	$ 401	$ 459
Operating Cash Flow Conversion[(f)]	125%	500%	Not meaningful	273%
Ongoing Free Cash Flow Conversion[(g)]	44%	71%	32%	59%

(a) Represents activity associated with the U.S. Accounts Receivable Sales Program impacting each period presented.
(b) Represents activity associated with the Foreign Accounts Receivable Sales Program impacting each period presented.
(c) Restructuring payments incurred during each period presented.
(d) Represents cash outflows associated with environmental and related litigation payments which will be reimbursed by the Environmental trust.
(e) See Adjusted EBITDA reconciliation.
(f) Operating Cash Flow Conversion is defined as Cash flows provided by operating activities from continuing operations divided by Net income (loss).
(g) Ongoing Free Cash Flow Conversion is defined as Ongoing Free Cash Flow divided by Adjusted EBITDA.

	Three months ended September 30		Year ended September 30	
Adjusted Operating Income	**2025**	**2024**	**2025**	**2024**
Operating income (loss) (as reported)	$ 61	$ 32	$ (775)	$ (26)
Key items, before tax:				
Goodwill impairment	-	-	706	-
Avoca business impairment and sale	-	-	175	-
Accelerated depreciation	1	1	41	57
Environmental reserve adjustments	1	4	34	45
Other plant optimization costs	10	5	22	10
Restructuring, separation and other costs	4	2	22	30
Nutraceuticals impairment and sale	1	8	1	107
Asset impairments	-	11	-	11
Argentina currency devaluation impact	-	-	-	5
Nutraceuticals VAT reserve	-	7	-	7
Legal settlement	-	4	-	4
Held for sale depreciation and amortization	-	(2)	(2)	(3)
Tax credit	(3)	-	(3)	-
Income on divestitures, net	(4)	-	(14)	-
Adjusted Operating Income (non-GAAP)	$ 71	$ 72	$ 207	$ 247

Ashland Inc. and Consolidated Subsidiaries — Table 7

RECONCILIATION OF CERTAIN NON-GAAP DATA

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

	Three months ended September 30		Year ended September 30	
	2025	**2024**	**2025**	**2024**
Income (loss) from continuing operations (as reported)	$ 33	$ 19	$ (822)	$ 199
Key items, before tax:				
Goodwill impairment	-	-	706	-
Avoca business impairment and sale	-	-	175	-
Accelerated depreciation	1	1	41	57
Environmental reserve adjustments	1	4	34	45
Other plant optimization costs	10	5	22	10
Restructuring, separation and other costs	4	2	22	30
Nutraceuticals impairment and sale	1	8	1	107
Asset impairments	-	11	-	11
Nutraceuticals VAT reserve	-	7	-	7
Argentina currency devaluation impact	-	-	-	5
Legal settlement	-	4	-	4
Held for sale depreciation and amortization	-	(2)	(2)	(3)
(Income) loss on pension plan remeasurements	(4)	14	(3)	14
Tax credit	(3)	-	(3)	-
Income on divestitures, net	(4)	-	(14)	-
Unrealized gains on securities	(15)	(21)	(20)	(60)
Key items, before tax	(9)	33	959	227
Tax effect of key items[(a)]	2	(7)	(62)	(31)
Key items, after tax	(7)	26	897	196
Tax specific key items:				
Uncertain tax positions	-	-	-	9
Restructuring and separation activity	-	-	-	(115)
Valuation allowance	8	5	9	5
Other and tax reform related activity	3	(4)	22	(133)
Tax specific key items[(b)]	11	1	31	(234)
Total key items	4	27	928	(38)
Adjusted Income from Continuing Operations (non-GAAP)	$ 37	$ 46	$ 106	$ 161
Amortization expense adjustment (net of tax)[(c)]	13	15	51	63
Adjusted Income from Continuing Operations (non-GAAP) Excluding Intangibles Amortization Expense	$ 50	$ 61	$ 157	$ 224

(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.
- Valuation allowance: Includes the impact from the release of certain foreign tax credit valuation allowances.
- Restructuring and separation activity: Includes the tax impact of the held for sale classification for the Nutraceuticals business.
- 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 20% for both the three and twelve months ended September 30, 2025, and 19% and 20% for the three and twelve months ended September 30, 2024.

Ashland Inc. and Consolidated Subsidiaries — Table 7 (Continued)

RECONCILIATION OF CERTAIN NON-GAAP DATA

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

	Three months ended September 30		Year ended September 30	
	2025	**2024**	**2025**	**2024**
Diluted EPS from continuing operations (as reported)	$ 0.73	$ 0.39	$ (17.74)	$ 3.95
Key items, before tax:				
Goodwill impairment	-	-	15.22	-
Avoca business impairment and sale	-	-	3.75	-
Accelerated depreciation	0.02	0.02	0.89	1.14
Environmental reserve adjustments	0.02	0.08	0.76	0.90
Other plant optimization costs	0.23	0.10	0.48	0.20
Restructuring, separation and other costs	0.09	0.04	0.48	0.60
Nutraceuticals impairment and sale	0.02	0.16	0.02	2.14
Asset impairments	-	0.22	-	0.22
Nutraceuticals VAT reserve	-	0.14	-	0.14
Argentina currency devaluation impact	-	-	-	0.10
Legal settlement	-	0.08	-	0.08
Held for sale depreciation and amortization	-	(0.04)	(0.04)	(0.06)
(Income) loss on pension plan remeasurements	(0.09)	0.29	(0.07)	0.29
Tax credit	(0.07)	-	(0.07)	-
Income on divestitures, net	(0.09)	-	(0.30)	-
Unrealized gains on securities	(0.33)	(0.42)	(0.42)	(1.20)
Key items, before tax	(0.20)	0.67	20.70	4.55
Tax effect of key items[(a)]	0.04	(0.13)	(1.37)	(0.62)
Key items, after tax	(0.16)	0.54	19.33	3.93
Tax specific key items:				
Uncertain tax positions	-	-	-	0.18
Restructuring and separation activity	-	-	-	(2.30)
Valuation allowance	0.17	0.10	0.21	0.10
Other and tax reform related activity	0.07	(0.08)	0.48	(2.66)
Tax specific key items[(b)]	0.24	0.02	0.69	(4.68)
Total key items	0.08	0.56	20.02	(0.75)
Adjusted Diluted EPS from Continuing Operations (non-GAAP)	$ 0.81	$ 0.95	$ 2.28	$ 3.20
Amortization expense adjustment (net of tax)[(c)]	0.27	0.31	1.10	1.25
Adjusted Diluted EPS from Continuing Operations (non-GAAP) Excluding Intangibles Amortization Expense	$ 1.08	$ 1.26	$ 3.38	$ 4.45

(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.
- Valuation allowance: Includes the impact from the release of certain foreign tax credit valuation allowances.
- Restructuring and separation activity: Includes the tax impact of the held for sale classification for the Nutraceuticals business.
- 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 20% for both the three and twelve months ended September 30, 2025, and 19% and 20% for the three and twelve months ended September 30, 2024.

Ashland Inc. and Consolidated Subsidiaries Table 8

RECONCILIATION OF CERTAIN NON-GAAP DATA

(In millions - preliminary and unaudited)

Adjusted EBITDA - Ashland Inc.	Year ended September 30 2025	Year ended September 30 2024
Net income (loss)	$ (845)	$ 169
Income tax expense (benefit)	13	(223)
Net interest and other expense (income)	33	(24)
Depreciation and amortization[(a)]	198	220
EBITDA	(601)	142
Loss from discontinued operations, net of income taxes	23	30
Key items included in EBITDA:		
Goodwill impairment	706	-
Avoca impairment and sale	175	-
Accelerated depreciation	41	57
Environmental reserve adjustments	34	45
Other plant optimization costs	22	10
Restructuring, separation and other costs	22	30
Nutraceuticals impairment and sale	1	107
Asset impairments	-	11
Nutraceuticals VAT reserve	-	7
Argentina currency devaluation impact	-	5
Legal settlement	-	4
Held for sale depreciation and amortization	(2)	(3)
(Income) loss on pension plan remeasurements	(3)	14
Tax credit	(3)	-
Income on divestitures, net	(14)	-
Adjusted EBITDA[(b)]	$ 401	$ 459

(a) Depreciation and amortization excludes accelerated depreciation expense of $21 million for Life Sciences for the year ended September 30, 2025, $1 million and $2 million for Personal Care for the years ended September 30, 2025 and 2024, respectively, and $19 million and $55 million for Specialty Additives for the years ended September 30, 2025 and 2024, respectively, 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 year ended September 30, 2025, and $3 million for Life Sciences associated with the Nutraceuticals business assets for the year ended September 30, 2024, which is included as a key item within this table as a component of Adjusted EBITDA.

(b) Includes $7 million and $12 million of net periodic pension and other postretirement costs recognized ratably through fiscals year 2025 and 2024, respectively. These costs are comprised of service cost, interest cost, expected return on plan assets, and amortization of prior service credit.