Ashland Inc. and Consolidated Subsidiaries Table 1

STATEMENTS OF CONDENSED CONSOLIDATED INCOME (LOSS)

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

	Three months ended June 30		Nine months ended June 30	
	2026	**2025**	**2026**	**2025**
Sales	$ 497	$ 463	$ 1,365	$ 1,347
Cost of sales	327	331	943	957
GROSS PROFIT	170	132	422	390
Selling, general and administrative expense	99	106	264	268
Research and development expense	15	13	41	41
Intangibles amortization expense	15	15	46	47
Equity and other income	1	-	2	1
Goodwill impairment	-	706	-	706
Income (loss) on divestitures, net	1	-	3	(165)
OPERATING INCOME (LOSS)	43	(708)	76	(836)
Net interest and other (income) expense	(8)	(5)	19	34
Other net periodic benefit (income) loss	(5)	1	(3)	4
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	56	(704)	60	(874)
Income tax expense (benefit)	15	15	18	(19)
INCOME (LOSS) FROM CONTINUING OPERATIONS	41	(719)	42	(855)
Loss from discontinued operations, net of income taxes	(25)	(23)	(22)	(22)
NET INCOME (LOSS)	$ 16	$ (742)	$ 20	$ (877)
DILUTED EARNINGS (LOSS) PER SHARE				
Income (loss) from continuing operations	$ 0.89	$ (15.70)	$ 0.91	$ (18.39)
Loss from discontinued operations	(0.54)	(0.51)	(0.48)	(0.46)
Net income (loss)	$ 0.35	$ (16.21)	$ 0.43	$ (18.85)
AVERAGE DILUTED COMMON SHARES OUTSTANDING[(a)]	46	46	46	47
SALES				
Life Sciences	180	162	491	468
Personal Care	155	147	428	426
Specialty Additives	136	131	372	380
Intermediates	37	33	103	104
Intersegment sales	(11)	(10)	(29)	(31)
	$ 497	$ 463	$ 1,365	$ 1,347
OPERATING INCOME (LOSS)				
Life Sciences	45	(343)	97	(301)
Personal Care	29	25	67	64
Specialty Additives	3	(345)	(12)	(343)
Intermediates	3	4	6	6
Unallocated and other	(37)	(49)	(82)	(262)
	$ 43	$ (708)	$ 76	$ (836)

(a) As a result of the loss from continuing operations for both the three and nine months ended June 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)

	June 30 2026	September 30 2025
ASSETS		
Current assets		
Cash and cash equivalents	$ 440	$ 215
Accounts receivable, net	256	242
Inventories	490	568
Other assets	106	180
Total current assets	1,292	1,205
Noncurrent assets		
Property, plant and equipment		
Cost	3,377	3,355
Accumulated depreciation	2,228	2,154
Net property, plant and equipment	1,149	1,201
Goodwill	700	705
Intangibles, net	513	563
Operating lease assets, net	100	103
Restricted investments	285	297
Asbestos insurance receivable, net	139	127
Deferred income taxes	157	157
Other assets	243	253
Total noncurrent assets	3,286	3,406
Total assets	$ 4,578	$ 4,611
LIABILITIES AND EQUITY		
Current liabilities		
Trade and other payables	$ 198	$ 189
Accrued expenses and other liabilities	208	213
Current operating lease obligations	18	21
Total current liabilities	424	423
Noncurrent liabilities		
Long-term debt	1,374	1,384
Asbestos litigation reserves	399	389
Deferred income taxes	31	31
Employee benefit obligations	88	96
Operating lease obligations	84	85
Other liabilities	308	299
Total noncurrent liabilities	2,284	2,284
Equity	1,870	1,904
Total liabilities and equity	$ 4,578	$ 4,611

Ashland Inc. and Consolidated Subsidiaries — Table 3

STATEMENTS OF CONDENSED CONSOLIDATED CASH FLOWS

(In millions - preliminary and unaudited)

	Three months ended June 30		Nine months ended June 30	
	2026	**2025**	**2026**	**2025**
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES FROM CONTINUING OPERATIONS				
Net income (loss)	$ 16	$ (742)	$ 20	$ (877)
Loss from discontinued operations, net of income taxes	25	23	22	22
Adjustments to reconcile income (loss) from continuing operations to cash flows from operating activities				
Depreciation and amortization	47	76	141	187
Original issue discount and debt issuance cost amortization	2	2	6	5
Deferred income taxes	2	4	4	5
Gain from sales of property, plant and equipment	-	-	(2)	(11)
Equity income from affiliates	-	-	(1)	(1)
Stock based compensation expense	5	3	13	11
Loss from excess tax deduction on stock based compensation	-	-	(1)	-
Income from restricted investments	(23)	(22)	(28)	(15)
Loss on divestitures, net	-	-	-	176
Goodwill impairment	-	706	-	706
Pension contributions	(5)	(2)	(10)	(9)
(Gain) loss on pension and other postretirement plan remeasurements	(5)	-	(5)	1
Change in operating assets and liabilities[a]	57	66	136	(106)
Total cash flows provided by operating activities from continuing operations	121	114	295	94
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES FROM CONTINUING OPERATIONS				
Additions to property, plant and equipment	(20)	(20)	(51)	(64)
Proceeds from disposal of property, plant and equipment	-	-	4	11
Proceeds from sale of operations	2	-	2	16
Proceeds from settlement of Company-owned life insurance contracts	5	4	25	5
Company-owned life insurance payments	-	-	(1)	(1)
Funds restricted for specific transactions	(2)	-	(9)	(8)
Reimbursements from restricted investments	19	17	52	41
Proceeds from sale of securities	13	11	40	36
Purchases of securities	(13)	(11)	(40)	(36)
Total cash flows provided by investing activities from continuing operations	4	1	22	-
CASH FLOWS USED BY FINANCING ACTIVITIES FROM CONTINUING OPERATIONS				
Repurchase of common stock	-	-	-	(100)
Repayment from short-term debt	-	(50)	-	-
Debt issuance costs	(2)	-	(2)	-
Cash dividends paid	(19)	(19)	(57)	(57)
Stock based compensation employee withholding taxes paid in cash	-	-	(1)	(4)
Total cash flows used by financing activities from continuing operations	(21)	(69)	(60)	(161)
CASH PROVIDED (USED) BY CONTINUING OPERATIONS	104	46	257	(67)
Cash used by discontinued operations				
Operating cash flows	(6)	(9)	(31)	(27)
Effect of currency exchange rate changes on cash and cash equivalents[b]	-	2	(1)	1
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	98	39	225	(93)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	342	168	215	300
CASH AND CASH EQUIVALENTS - END OF PERIOD	$ 440	$ 207	$ 440	$ 207
DEPRECIATION AND AMORTIZATION				
Life Sciences	15	22	43	61
Personal Care	15	15	46	49
Specialty Additives	15	36	47	67
Intermediates	1	3	4	10
Unallocated and other	1	-	1	-
	$ 47	$ 76	$ 141	$ 187

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

(b) Zero denotes less than $1 million of activity.

Ashland Inc. and Consolidated Subsidiaries | Table 4

RECONCILIATION OF NON-GAAP DATA - ADJUSTED EBITDA

(In millions - preliminary and unaudited)

	Three months ended June 30	
Adjusted EBITDA - Ashland Inc.	**2026**	**2025**
Net income (loss)	$ 16	$ (742)
Income tax expense	15	15
Net interest and other income	(8)	(5)
Depreciation and amortization[(a)]	46	49
EBITDA	69	(683)
Loss from discontinued operations, net of income taxes	25	23
Gain on pension and other postretirement plan remeasurements	(5)	-
Operating key items (see Table 5)	20	773
Adjusted EBITDA	$ 109	$ 113
Adjusted EBITDA - Life Sciences		
Operating income (loss)	$ 45	$ (343)
Add:		
Depreciation and amortization[(a)]	15	14
Operating key items (see Table 5)	-	383
Adjusted EBITDA	$ 60	$ 54
Adjusted EBITDA - Personal Care		
Operating income	$ 29	$ 25
Add:		
Depreciation and amortization	15	15
Operating key items (see Table 5)	1	1
Adjusted EBITDA	$ 45	$ 41
Adjusted EBITDA - Specialty Additives		
Operating income (loss)	$ 3	$ (345)
Add:		
Depreciation and amortization[(a)]	15	17
Operating key items (see Table 5)	2	354
Adjusted EBITDA	$ 20	$ 26
Adjusted EBITDA - Intermediates		
Operating income	$ 3	$ 4
Add:		
Depreciation and amortization	1	3
Adjusted EBITDA	$ 4	$ 7

(a) Depreciation and amortization excludes accelerated depreciation expense of $1 million for Unallocated and other for the three months ended June 30, 2026, $8 million for Life Sciences for the three months ended June 30, 2025, and $19 million for Specialty Additives for the three months ended June 30, 2025, which are included as a key item within this table as a component of Adjusted EBITDA.

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

(In millions - preliminary and unaudited)

	Three Months Ended June 30, 2026					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated and other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Environmental reserve adjustments	$ -	$ -	$ -	$ -	$ (17)	$ (17)
Restructuring, separation and other costs	-	-	-	-	(7)	(7)
Other plant optimization costs	-	(1)	(2)	-	-	(3)
Accelerated depreciation	-	-	-	-	(1)	(1)
Tax credit	-	-	-	-	8	8
All other operating income (loss)	45	30	5	3	(20)	63
Operating income (loss)	45	29	3	3	(37)	43
NET INTEREST AND OTHER (INCOME) EXPENSE						
Key items					(20)	(20)
All other net interest and other expense					12	12
					(8)	(8)
OTHER NET PERIODIC BENEFIT GAIN						
Key items					(5)	(5)
All other net periodic benefit costs					-	-
					(5)	(5)
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items[a]					(1)	(1)
All other income tax expense					16	16
					15	15
INCOME (LOSS) FROM CONTINUING OPERATIONS	$ 45	$ 29	$ 3	$ 3	$ (34)	$ 46

	Three Months Ended June 30, 2025					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated and other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Goodwill impairment	$ (375)	$ -	$ (331)	$ -	$ -	$ (706)
Environmental reserve adjustments	-	-	(2)	-	(28)	(30)
Accelerated depreciation	(8)	-	(19)	-	-	(27)
Restructuring, separation and other costs	-	-	-	-	(7)	(7)
Other plant optimization costs	-	(1)	(2)	-	-	(3)
All other operating income (loss)	40	26	9	4	(14)	65
Operating income (loss)	(343)	25	(345)	4	(49)	(708)
NET INTEREST AND OTHER (INCOME) EXPENSE						
Key items					(19)	(19)
All other net interest and other expense					14	14
					(5)	(5)
OTHER NET PERIODIC BENEFIT LOSS					1	1
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items[a]					(12)	(12)
Tax specific key items[b]					13	13
All other income tax expense					14	14
					15	15
INCOME (LOSS) FROM CONTINUING OPERATIONS	$ (343)	$ 25	$ (345)	$ 4	$ (60)	$ (719)

(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)

Free cash flows	Three months ended June 30 2026	Three months ended June 30 2025	Nine months ended June 30 2026	Nine months ended June 30 2025
Total cash flows provided by operating activities from continuing operations	$ 121	$ 114	$ 295	$ 94
Adjustments:				
Additions to property, plant and equipment	(20)	(20)	(51)	(64)
Free Cash Flows	$ 101	$ 94	$ 244	$ 30
Tax refund[a]	-	-	(103)	-
Cash (inflows) outflows from U.S. Accounts Receivable Sales Program[b]	(8)	1	(9)	11
Cash inflows from Foreign Accounts Receivable Sales Program[c]	(5)	(4)	(12)	(13)
Restructuring-related payments[d]	8	6	18	23
Environmental and related litigation payments[e]	7	11	21	24
Ongoing Free Cash Flow	$ 103	$ 108	$ 159	$ 75
Net income (loss)	$ 16	$ (742)	$ 20	$ (877)
Adjusted EBITDA[f]	$ 109	$ 113	$ 265	$ 282
Operating Cash Flow Conversion[g]	756%	Not meaningful	1475%	Not meaningful
Ongoing Free Cash Flow Conversion[h]	95%	96%	60%	27%

(a) Represents receipt of tax refund related to the capital loss carryback from the Nutraceutical business divestiture.

(b) Represents activity associated with the U.S. Accounts Receivable Sales Program impacting each period presented.

(c) Represents activity associated with the Foreign Accounts Receivable Sales Program impacting each period presented.

(d) Restructuring payments incurred during each period presented.

(e) Represents cash outflows associated with environmental and related litigation payments which will be reimbursed by the Environmental trust.

(f) See Adjusted EBITDA reconciliation.

(g) Operating Cash Flow Conversion is defined as Cash flows provided by operating activities from continuing operations divided by net income (loss).

(h) Ongoing Free Cash Flow Conversion is defined as Ongoing Free Cash Flow divided by Adjusted EBITDA.

Adjusted Operating Income	Three months ended June 30 2026	Three months ended June 30 2025	Nine months ended June 30 2026	Nine months ended June 30 2025
Operating income (loss) (as reported)	$ 43	$ (708)	$ 76	$ (836)
Key items, before tax:				
Environmental reserve adjustments	17	30	28	33
Other plant optimization costs	3	3	18	12
Restructuring, separation and other costs	7	7	14	18
Accelerated depreciation	1	27	5	40
Goodwill impairment	-	706	-	706
Avoca business impairment and sale	-	-	-	175
Held for sale depreciation and amortization	-	-	-	(2)
Income on divestitures, net	-	-	(2)	(10)
Tax credit	(8)	-	(8)	-
Adjusted Operating Income (non-GAAP)	$ 63	$ 65	$ 131	$ 136

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 June 30		Nine months ended June 30	
	2026	**2025**	**2026**	**2025**
Income (loss) from continuing operations (as reported)	$ 41	$ (719)	$ 42	$ (855)
Key items, before tax:				
Environmental reserve adjustments	17	30	28	33
Other plant optimization costs	3	3	18	12
Restructuring, separation and other costs	7	7	14	18
Unrealized gains on securities	(20)	(19)	(18)	(5)
Accelerated depreciation	1	27	5	40
Goodwill impairment	-	706	-	706
Avoca business impairment and sale	-	-	-	175
(Gain) loss on pension plan remeasurements	(5)	-	(5)	1
Held for sale depreciation and amortization	-	-	-	(2)
Income on divestitures, net	-	-	(2)	(10)
Tax credit	(8)	-	(8)	-
Key items, before tax	(5)	754	32	968
Tax effect of key items[(a)]	(1)	(12)	(10)	(64)
Key items, after tax	(6)	742	22	904
Tax specific key items:				
Uncertain tax positions	-	5	-	1
Other and tax reform related activity	-	8	-	19
Tax specific key items[(b)]	-	13	-	20
Total key items	(6)	755	22	924
Adjusted Income from Continuing Operations (non-GAAP)	$ 35	$ 36	$ 64	$ 69
Amortization expense adjustment (net of tax)[(c)]	12	12	37	39
Adjusted Income from Continuing Operations (non-GAAP) Excluding Intangibles Amortization Expense	$ 47	$ 48	$ 101	$ 108

(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.

(c) Amortization expense adjustment (net of tax) tax rates were 20% for both the three and nine months ended June 30, 2026, and 20% and 21% for the three and nine months ended June 30, 2025, respectively.

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 June 30		Nine months ended June 30	
	2026	**2025**	**2026**	**2025**
Diluted EPS from continuing operations (as reported)	$ 0.89	$ (15.70)	$ 0.91	$ (18.39)
Key items, before tax:				
Environmental reserve adjustments	0.36	0.65	0.61	0.71
Other plant optimization costs	0.07	0.07	0.40	0.26
Restructuring, separation and other costs	0.14	0.15	0.30	0.38
Unrealized gains on securities	(0.43)	(0.41)	(0.40)	(0.10)
Accelerated depreciation	0.02	0.59	0.10	0.85
Goodwill impairment	-	15.41	-	15.19
Avoca business impairment and sale	-	-	-	3.73
(Gain) loss on pension plan remeasurements	(0.11)	-	(0.11)	0.02
Held for sale depreciation and amortization	-	-	-	(0.04)
Income on divestitures, net	-	-	(0.04)	(0.21)
Tax credit	(0.17)	-	(0.17)	-
Key items, before tax	(0.12)	16.46	0.69	20.79
Tax effect of key items[a]	(0.02)	(0.26)	(0.21)	(1.36)
Key items, after tax	(0.14)	16.20	0.48	19.43
Tax specific key items:				
Uncertain tax positions	-	0.11	-	0.03
Other and tax reform related activity	-	0.17	-	0.40
Tax specific key items[b]	-	0.28	-	0.43
Total key items	(0.14)	16.48	0.48	19.86
Adjusted Diluted EPS from Continuing Operations (non-GAAP)	$ 0.75	$ 0.78	$ 1.39	$ 1.47
Amortization expense adjustment (net of tax)[c]	0.27	0.26	0.80	0.83
Adjusted Diluted EPS from Continuing Operations (non-GAAP) Excluding Intangibles Amortization Expense	$ 1.02	$ 1.04	$ 2.19	$ 2.30

(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. 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.

(c) Amortization expense adjustment (net of tax) tax rates were 20% for both the three and nine months ended June 30, 2026, and 20% and 21% for the three and nine months ended June 30, 2025, respectively.