



# earnings conference call

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## first-quarter fiscal 2023



February 1, 2023 | 9:00 am ET

## 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 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, and expected effects of the COVID-19 pandemic on Ashland's business, as well as the economy and other future events or circumstances. These statements include, but may not be limited to, the statements under Outlook of the presentation, and Ashland's expectations regarding its ability to drive sales and earnings growth and manage costs. 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 (including the current COVID-19 pandemic), cyber events and legal proceedings and claims (including product recalls, environmental and asbestos matters); the effects of the COVID-19 pandemic, and 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. The extent and duration of the COVID-19 pandemic on our business and operations is uncertain. Factors that will influence the impact on our business and operations include the duration and extent of the pandemic, the extent of imposed or recommended containment and mitigation measures, and the general economic consequences of the pandemic. Ashland believes its expectations and assumptions are reasonable, but there can be no assurance that the expectations reflected herein will be achieved. Unless legally required, Ashland undertakes no obligation to update any forward-looking statements made in this presentation whether as a result of new information, future events or otherwise.

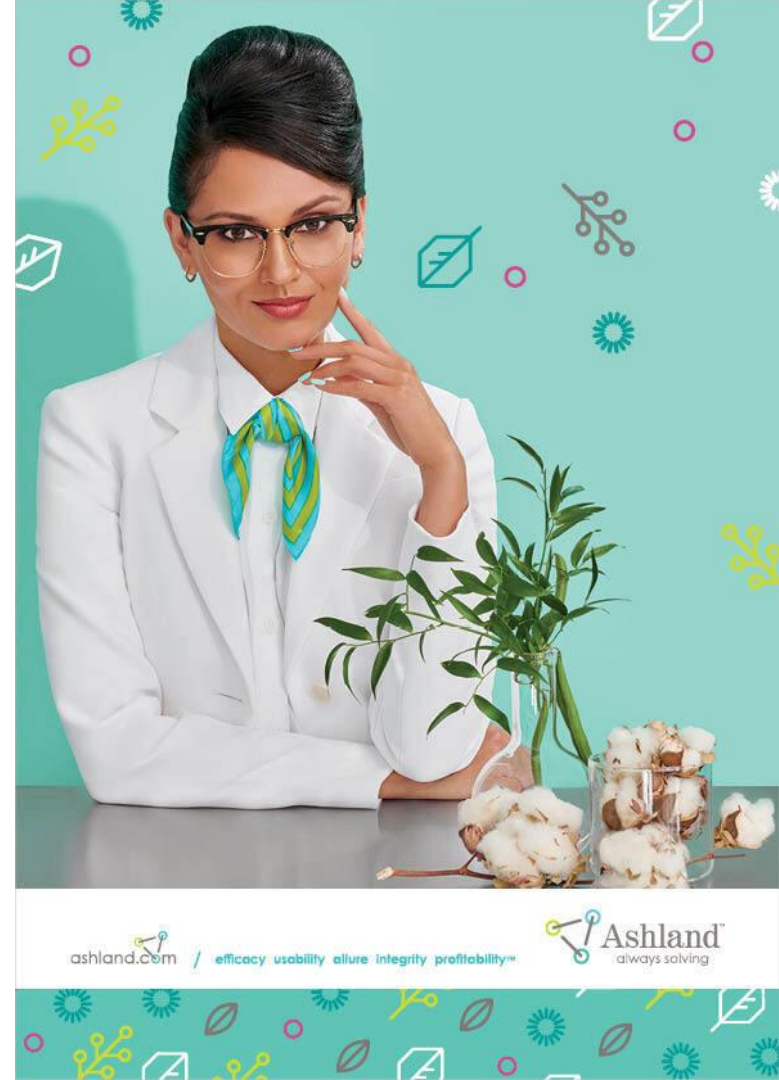
## Regulation G: Adjusted Results

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

# agenda

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- Q1 performance summary
- Q1 financial results
- outlook
- closing comments
- Q&A



## Q1 performance summary

# key drivers in Q1 vs. prior year

## tailwinds

### continued inflation-recovery pricing and mix

- pricing improved double-digits percent for all segments (constant currency)
- improved product mix within Life Sciences, Personal Care and Specialty Additives

### strong results for Life Sciences

- strong global demand and market share gains for pharmaceutical ingredients
- partially offset by slowing demand for nutrition additives

### resilient U.S. consumer demand

- sales to U.S.-based customers for personal care ingredients and architectural paint additives remained resilient

## headwinds

### weaker demand outside of U.S.

- COVID-19 government policies in China
- economic downturn in Europe

### inventory de-stocking prior to calendar-year end

- primarily impacted distributors in Europe and China (distributors represent ~20% of Ashland sales)
- specific direct customers within Personal Care and Specialty Additives also managed inventory levels

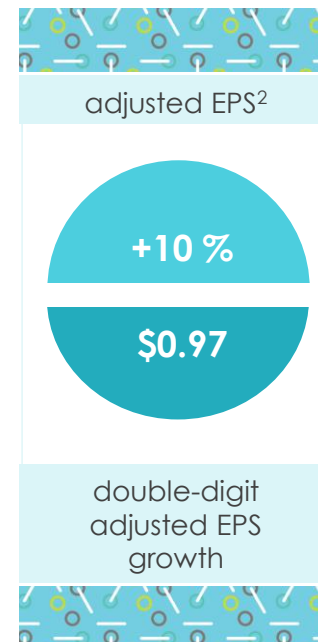
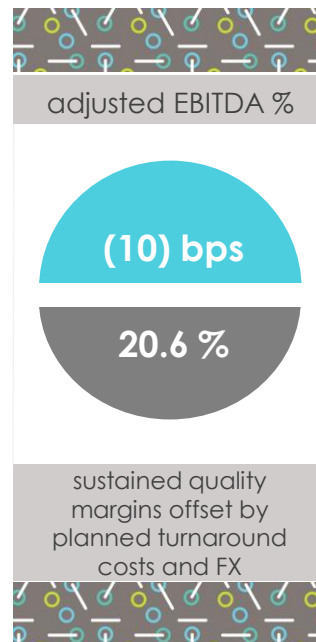
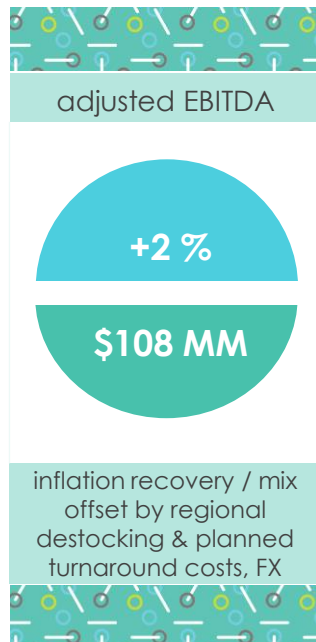
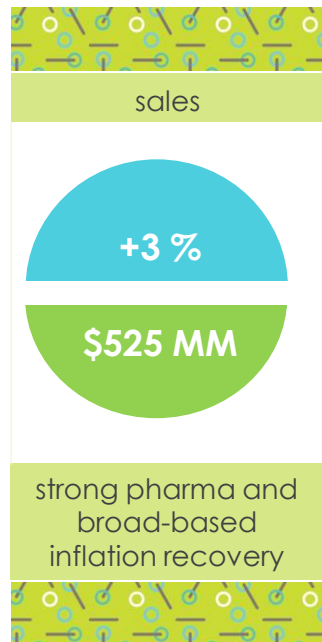
### facility shutdowns (compared to prior year)

- Specialty Additives margins impacted by incremental facility costs from planned maintenance turnarounds (~\$5 million) and unplanned shutdowns (~\$2 million)

### continued negative FX



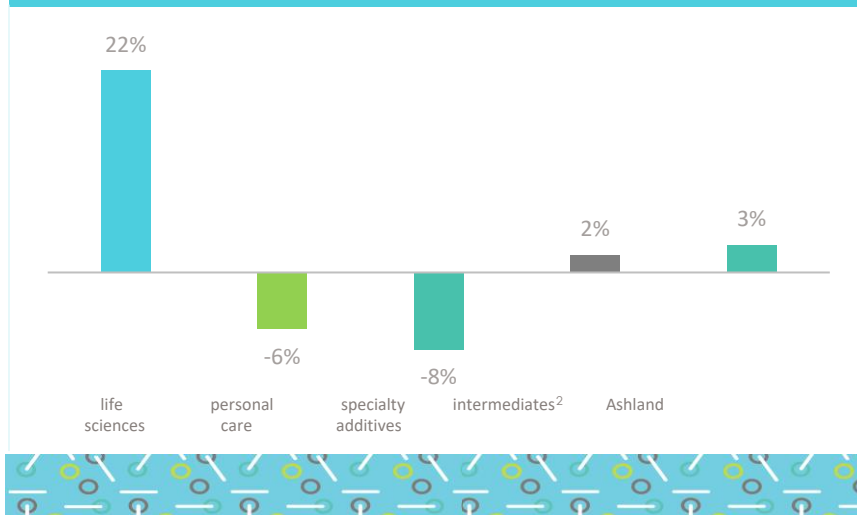
# consistent results<sup>1</sup> despite macro volatility



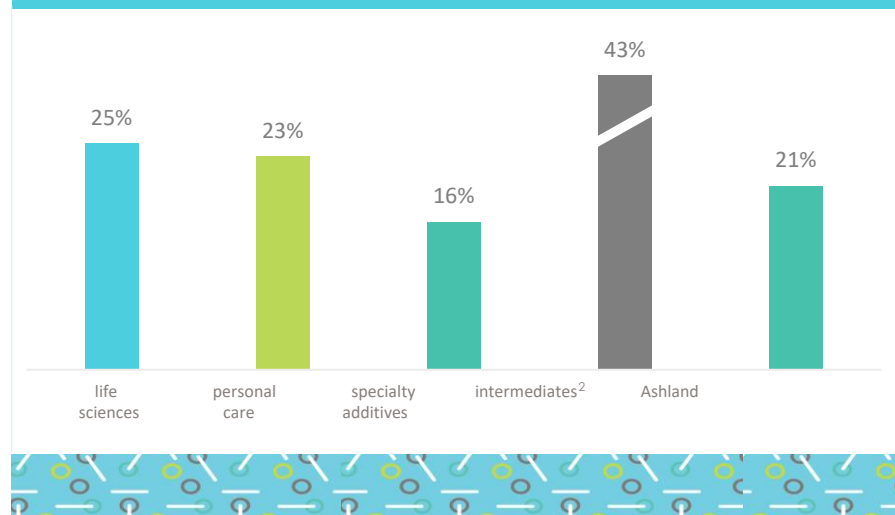
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- 1 Comparisons versus prior-year quarter. All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating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

# continued inflation recovery & mix improvement

## sales<sup>1</sup> growth impacted by regional dynamics



## with consistent Adj. EBITDA margins for Ashland



<sup>1</sup> Comparisons versus prior-year quarter.

<sup>2</sup> Merchant sales represents ~70% of Intermediates.

## Q1 financial results



# fiscal-first quarter adjusted results<sup>1</sup>

## operating results summary

Ashland			
(\$US in millions, except percentages)	Q1 FY23	Q1 FY22	change
sales	\$525	\$512	+3 %
gross profit margin	31.4 %	31.4 %	-
SG&A / R&D costs / intangible amortization	\$116	\$115	+1 %
operating income	\$50	\$46	+9 %
EBITDA	\$108	\$106	+2 %
EBITDA margin	20.6 %	20.7 %	(10) bps
EPS (excluding acquisition amortization) <sup>2</sup>	\$0.97	\$0.88	+10 %
ongoing free cash flow <sup>3</sup>	(\$21)	\$26	NM

<sup>1</sup> 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.

<sup>2</sup> Unless otherwise noted, earnings are reported on a diluted-share basis.

<sup>3</sup> 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.

# life sciences

## highlights

- strong pharma demand
- favorable product mix
- disciplined cost recovery through pricing
- continued margin expansion
- unfavorable FX negatively impacted sales by 5 percent and EBITDA by 19 percent

adjusted results summary <sup>1</sup>			
(\$US in millions, except percentages)	Q1 FY23	Q1 FY22	change
sales	\$207	\$170	+22 %
gross profit	\$67	\$51	+31 %
gross profit margin	32.4 %	30.0 %	+240 bps
operating income	\$35	\$21	+67 %
EBITDA	\$52	\$36	+44 %
EBITDA margin	25.1 %	21.2 %	+390 bps
+DD		-DD	
pharma		nutraceuticals	
		nutrition & other	

Q1 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.



# personal care

## highlights

- double-digit percent reduction of sales in China primarily due to COVID policies
- significant destocking with distribution channel particularly in Europe
- disciplined cost recovery through pricing & favorable product mix
- unfavorable FX negatively impacted sales by 5 percent and EBITDA by 8 percent

adjusted results summary <sup>1</sup>			
(\$US in millions, except percentages)	Q1 FY23	Q1 FY22	change
sales	\$138	\$147	(6) %
gross profit	\$49	\$53	(8) %
gross profit margin	35.5 %	36.1 %	(60) bps
operating income	\$11	\$15	(27) %
EBITDA	\$32	\$36	(11) %
EBITDA margin	23.2 %	24.5 %	(130) bps
<div> <div>-HSD</div> <div>-DD</div> <div>+LSD</div> <div>-HSD</div> </div>			
skin care	hair care	oral care	household

Q1 FY23 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

<sup>1</sup> 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.



# specialty additives

## highlights

- significant reduction of sales in China primarily due to COVID policies
- rapid inventory destocking in Europe
- mid-single-digit percent sales growth outside of China and Europe
- disciplined cost recovery through pricing
- \$5 million planned and \$2 million unplanned turnaround costs vs. prior year
- unfavorable FX negatively impacted sales by 4 percent and EBITDA by 3 percent

adjusted results summary <sup>1</sup>			
(\$US in millions, except percentages)	Q1 FY23	Q1 FY22	change
sales	\$143	\$156	(8) %
gross profit	\$27	\$39	(31) %
gross profit margin	18.9 %	25.0 %	(610) bps
operating income	\$5	\$17	(71) %
EBITDA	\$23	\$38	(39) %
EBITDA margin	16.1 %	24.4 %	(830) bps
-MSD		-DD	
coatings		construction, energy, performance spec.	

Q1 FY23 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

<sup>1</sup> 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.



# intermediates

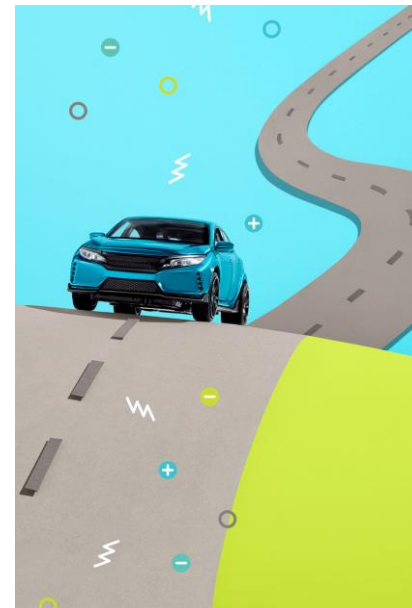
## highlights

- strong pricing across all merchant product lines
- pricing and mix improvements for merchant sales
- unfavorable FX negatively impacted sales by 2 percent and EBITDA by 5 percent

adjusted results summary <sup>1</sup>			
(\$US in millions, except percentages)	Q1 FY23	Q1 FY22	change
sales	\$54	\$53	+2 %
gross profit	\$22	\$18	+22 %
gross profit margin	40.7 %	34.0 %	+670 bps
operating income	\$20	\$16	+25 %
EBITDA	\$23	\$19	+21 %
EBITDA margin	42.6 %	35.8 %	+680 bps
<div> <div>-HSD</div> <div>merchant</div> </div>		<div> <div>+DD</div> <div>captive</div> </div>	

Q1 FY23 year-over-year sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

<sup>1</sup> 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.



# strong balance sheet

## strong financial position with increased flexibility

### new share repurchase under \$500 million evergreen share repurchase authorization

- new \$100 million Rule 10b5-1 trading plan agreement planned for February
- \$400 million expected under the current evergreen authorization after completion of the new 10b5-1 program

### strong balance sheet<sup>1</sup>

- cash and liquidity available of ~\$1.2 billion
- net debt<sup>2</sup> of \$784 million
- net leverage<sup>3</sup> of 1.3x
- 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



outlook

# outlook perspective

## Q2 developments

- January demand improving
  - pharma resilience
  - order book rebounding vs Q1
  - China remains weak
  - destocking dynamics stabilizing
- December storm impact to Calvert City (~\$15 million incremental cost)
- February / March uncertainty
  - China re-opening implications
  - geopolitical developments in Europe
  - central bank actions
- anticipate improved visibility by end of fiscal Q2

## second-half FY23 implications

- demand resilience
  - global recession
  - China re-opening
  - geopolitical outlook in Europe
- inflation outlook
- China re-opening impact on supply chains and inflation
  - global energy-price trends
  - raw materials
  - logistics capacity
- potential need for more inventory control and absorption actions
- plans to offset impact of Q1 shutdowns

price and mix performance remains critical



# outlook

## maintain full-year guidance (models below midpoint)

### forward looking insights

- end-market resilience consistent with historical trends
- current internal models within guidance range but below midpoint
- HEC and acetylenic market capacity utilization remains >90%
- continued pricing and mix carryover
- stable operating performance and rebalancing of Q3 & Q4 turnarounds
- stabilizing/improving raw-material cost and hedged energy cost

### risks (+/-)

- uncertainty with China reopening trend and impact
- global recession impact on customer demand
- extended customer destocking in specific segments or regions
- need for added inventory control actions impacting absorption
- inflationary cost trends return
- escalation of Russia/Ukraine war

#### sales

\$2.5 – \$2.7 billion

#### adjusted EBITDA

\$600 – \$650 million

agile, disciplined,  
focused on what  
we can control

closing comments

# Ashland

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## 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

thank you and Q&A

## appendix A: adjusted results summary and balance sheet

# adjusted results summary<sup>1</sup>

(\$US in millions, except percentages and per share data)	Q1 FY23	Q1 FY22	change
sales	\$525	\$512	+3 %
gross profit	\$165	\$161	+3 %
gross profit margin	31.4 %	31.4 %	-
SG&A / R&D costs / intangible amort.	\$116	\$115	+1 %
operating income	\$50	\$46	+9 %
depreciation & amortization	\$59	\$60	(2) %
EBITDA	\$108	\$106	+2 %
EBITDA margin	20.6 %	20.7 %	(10) bps
net interest and other expense	\$7	\$9	(22) %
effective tax rate	15 %	13 %	+200 bps
income from continuing operations	\$36	\$32	+13 %
income from continuing operations (excluding intangible amortization)	\$54	\$51	+6 %
diluted share count (million shares)	55	58	(5) %
EPS (excluding intangible amortization)	\$0.97	\$0.88	+10 %

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

# Q1 business unit consolidation<sup>1</sup>

(\$US in millions, except percentages)	life sciences	personal care	specialty additives	Intermediates	intercompany eliminations <sup>2</sup>	unallocated and other <sup>3</sup>	Ashland
sales	\$207	\$138	\$143	\$54	(\$17)	-	\$525
gross profit	\$67	\$49	\$27	\$22	-	-	\$165
gross profit margin	32.4 %	35.5 %	18.9 %	40.7 %	-	-	31.4 %
EBITDA	\$52	\$32	\$23	\$23	-	(\$22)	\$108
EBITDA margin	25.1 %	23.2 %	16.1 %	42.6 %	-	-	20.6 %

<sup>1</sup> 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.

<sup>2</sup> Intercompany sales from intermediates to all other segments recorded at market pricing and are eliminated in consolidation.

<sup>3</sup> Unallocated and other includes legacy costs plus corporate governance (finance, legal, executive, etc.).

# liquidity and net debt

(\$US in millions)	expiration	interest rate	Moody's rating	S&P rating	12/31/22 balance
cash					\$532
revolver and A/R facilities availability					687
<b>cash, A/R and revolver availability<sup>1</sup></b>					<b>\$1,219</b>
<b>US A/R sales program<sup>1</sup></b>					<b>-</b>
debt					
2.00% notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	\$534
3.375% notes	Sept. 2031	3.375%	Ba1	BB+	450
6.875% notes	May 2043	6.875%	Ba1	BB+	282
European A/R securitization	July 2023	CP+70	-	-	-
revolving credit facility <sup>2</sup>	July 2027	Term SOFR+125	-	-	-
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	61
other <sup>3</sup>		-	-	-	(11)
<b>total debt</b>			<b>Ba1/stable</b>	<b>BB+/stable</b>	<b>\$1,316</b>
cash					(532)
<b>net debt</b>					<b>\$784</b>

<sup>1</sup> Total liquidity of \$1,219 million from all sources.

<sup>2</sup> Term SOFR benchmark rate to include 10 bps credit adjustment spread on USD 1-, 3-, and 6-month borrowings.

<sup>3</sup> Includes \$14 million of debt issuance cost discounts as of December 31, 2022.



## appendix B: non-GAAP reconciliation<sup>1</sup>

<sup>1</sup> 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 December 31, 2022

(\$ millions, except percentages)

<b>Sales<sup>1</sup></b>	<b>Q1 23</b>	<b>Q4 22</b>	<b>Q3 22</b>	<b>Q2 22</b>	<b>Total</b>		<b>Q1 22</b>
Life Sciences	\$ 207	\$ 213	\$ 228	\$ 204	\$ 852		\$ 170
Personal Care	138	188	172	172	670		147
Specialty Additives	143	187	194	182	706		156
Intermediates	54	64	73	66	257		53
Less: Intercompany Eliminations	(17)	(21)	(23)	(20)	(81)		(14)
<b>Total</b>	<b>\$ 525</b>	<b>\$ 631</b>	<b>\$ 644</b>	<b>\$ 604</b>	<b>\$ 2,404</b>		<b>\$ 512</b>

<b>Adjusted EBITDA<sup>1</sup></b>	<b>Q1 23</b>	<b>Q4 22</b>	<b>Q3 22</b>	<b>Q2 22</b>	<b>Total</b>	<b>Adjusted EBITDA Margin</b>	<b>Q1 22</b>
Life Sciences	\$ 52	\$ 57	\$ 67	\$ 58	\$ 234	27.5%	\$ 36
Personal Care	32	56	45	49	182	27.2%	36
Specialty Additives	23	43	56	48	170	24.1%	38
Intermediates	23	17	34	30	104	40.5%	19
<i>Unallocated</i>	(22)	(26)	(28)	(22)	(98)		(23)
<b>Total</b>	<b>\$ 108</b>	<b>\$ 147</b>	<b>\$ 174</b>	<b>\$ 163</b>	<b>\$ 592</b>	<b>24.6%</b>	<b>\$ 106</b>

## Segment Components of Key Items for Applicable Income Statement Captions

(\$ millions)

Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
\$ -	\$ -	\$ -	\$ -	\$ (8)	\$ (8)
(1)	-	-	-	-	(1)
-	-	(4)	-	-	(4)
35	11	5	20	(21)	50
34	11	1	20	(29)	37
				(21)	(21)
				7	7
				(14)	(14)
				(1)	(1)
				2	2
				6	6
				8	8
\$ 34	\$ 11	\$ 1	\$ 20	\$ (24)	\$ 42

# Ashland Inc. and Consolidated Subsidiaries

## Segment Components of Key Items for Applicable

### Income Statement Captions

In millions - preliminary and unaudited)

(\$ millions)

	Three Months Ended December 31, 2021					
	Life Sciences	Personal Care	Specialty Additives	Intermediates	Unallocated & Other	Total
<b>OPERATING INCOME (LOSS)</b>						
Operating key items:						
Environmental reserve adjustments	\$ -	\$ -	\$ -	\$ -	\$ (3)	\$ (3)
Restructuring, separation and other costs	-	-	-	-	(1)	(1)
All other operating income (loss)	21	15	17	16	(23)	46
Operating income (loss)	21	15	17	16	(27)	42
<b>NET INTEREST AND OTHER EXPENSE (INCOME)</b>						
Key items					(4)	(4)
All other net interest and other expense					9	9
					5	5
<b>INCOME TAX EXPENSE (BENEFIT)</b>						
All other income tax expense (benefit)					5	5
					5	5
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	\$ 21	\$ 15	\$ 17	\$ 16	\$ (37)	\$ 32

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

for the 3 Months Ended December 31, 2022 and 2021

(\$ millions)

## Free cash flows

	Three months ended December 31	
	2022	2021
Total cash flows provided (used) by operating activities from continuing operations	\$ (29)	\$ 14
Adjustments:		
Additions to property, plant and equipment	(23)	(15)
Free cash flows	<u>\$ (52)</u>	<u>\$ (1)</u>
Cash outflows from U.S. Accounts Receivable Sales Program (1)	19	10
Restructuring-related payments (2)	1	4
Environmental and related litigation payments (3)	11	13
Ongoing free cash flow	<u>\$ (21)</u>	<u>\$ 26</u>
Adjusted EBITDA (4)	\$ 108	\$ 106
Ongoing free cash flow conversion (5)	-19%	25%

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

(2) Restructuring payments incurred during each period presented.

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

(4) See Adjusted EBITDA reconciliation.

(5) Ongoing free cash flow divided by Adjusted EBITDA

## Adjusted operating income

	Three months ended December 31	
	2022	2021
Operating income (as reported)	\$ 37	\$ 42
Key items, before tax:		
Restructuring, separation and other costs	1	1
Environmental reserve adjustments	8	3
Asset impairments	4	-
Adjusted operating income (non-GAAP)	<u>\$ 50</u>	<u>\$ 46</u>

# Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended December 31, 2022 and 2021

(\$ millions)

Adjusted EBITDA - Ashland Inc.	Three months ended December 31	
	2022	2021
Net income	\$ 40	\$ 48
Income tax expense	8	5
Net interest and other expense (income)	(14)	5
Depreciation and amortization	59	60
EBITDA	93	118
(Income) loss from discontinued operations (net of taxes)	2	(16)
Operating key items (see slides 27 & 28)	13	4
Adjusted EBITDA	\$ 108	\$ 106

# Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended December 31, 2022 and 2021

(\$ millions)

	Three months December 31	
	2022	2021
<b>Adjusted EBITDA - Life Sciences</b>		
Operating income	\$ 34	\$ 21
Add:		
Depreciation and amortization	17	15
Operating key items (see slides 27 and 28)	1	-
Adjusted EBITDA	<u>\$ 52</u>	<u>\$ 36</u>
<b>Adjusted EBITDA - Personal Care</b>		
Operating income	\$ 11	\$ 15
Add:		
Depreciation and amortization	21	21
Operating key items (see slides 27 and 28)	-	-
Adjusted EBITDA	<u>\$ 32</u>	<u>\$ 36</u>

# Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended December 31, 2022 and 2021

(\$ millions)

	Three months December 31	
	2022	2021
<u>Adjusted EBITDA - Specialty Additives</u>		
Operating income	\$ 1	\$ 17
Add:		
Depreciation and amortization	18	21
Operating key items (see slides 27 and 28)	4	-
Adjusted EBITDA	<u>\$ 23</u>	<u>\$ 38</u>
<u>Adjusted EBITDA - Intermediates</u>		
Operating income	\$ 20	\$ 16
Add:		
Depreciation and amortization	3	3
Operating key items (see slides 27 and 28)	-	-
Adjusted EBITDA	<u>\$ 23</u>	<u>\$ 19</u>



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

for the 3 Months Ended December 31, 2022 and 2021

(\$ millions)

	Three months ended December 31	
	2022	2021
Income from continuing operations (as reported)	\$ 42	\$ 32
Key items, before tax:		
Restructuring, separation and other costs	1	1
Unrealized gains on securities	(21)	(4)
Environmental reserve adjustments	8	3
Asset impairments	4	-
Key items, before tax	(8)	-
Tax effect of key items (a)	2	-
Key items, after tax	(6)	-
Adjusted income from continuing operations (non-GAAP)	<u>\$ 36</u>	<u>\$ 32</u>
Amortization expense adjustment (net of tax) (b)	18	19
Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense	<u>\$ 54</u>	<u>\$ 51</u>

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

(b) Amortization expense adjustment (net of tax) tax rates were 20% for the three months ended December 31, 2022 and 2021.

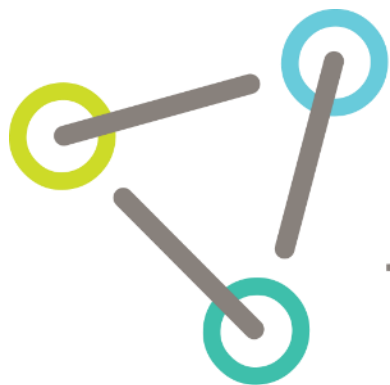
# Reconciliation of Non-GAAP Data – Adjusted Diluted EPS from Continuing Operations

for the 3 Months Ended December 31, 2022 and 2021

	Three months ended December 31	
	2022	2021
<b>Diluted EPS from continuing operations (as reported)</b>	\$ 0.76	\$ 0.55
Key items, before tax:		
Restructuring, separation and other costs	0.02	0.02
Unrealized gains on securities	(0.38)	(0.07)
Environmental reserve adjustments	0.14	0.05
Asset impairments	0.07	-
Key items, before tax	(0.15)	-
Tax effect of key items (a)	0.03	-
Key items, after tax	(0.12)	-
<b>Adjusted diluted EPS from continuing operations (non-GAAP)</b>	<u>\$ 0.64</u>	<u>\$ 0.55</u>
Amortization expense adjustment (net of tax) (b)	0.33	0.33
<b>Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense</b>	<u>\$ 0.97</u>	<u>\$ 0.88</u>

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

(b) Amortization expense adjustment (net of tax) tax rates were 20% for the three months ended December 31, 2022 and 2021.



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