

Earnings Conference Call Third-Quarter Fiscal 2021

July 28, 2021 – 9:00am Eastern Time



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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 Priorities and Outlook on pages 13-16 of the presentation, and Ashland’s expectations regarding its ability to drive sales and earnings growth and realize further cost reductions. 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 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 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.



agenda

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



Q3 performance summary

Q3 tailwinds and headwinds

tailwinds



- cost savings from self-help actions
- strong recovery of industrial end-market demand
- Improved results in nutraceuticals and nutrition
- favorable FX
- completed Schülke & Mayr acquisition
- improved I&S pricing
- strong free cash flow discipline

headwinds



- global constraints on logistics and shipping impacting cost and timing of order invoicing
- raw-material availability impacting unplanned manufacturing downtime and cost
- continued raw material inflation extending pricing and margin recovery activities, particularly within Performance Adhesives
- pandemic-related impact to global consumer buying behavior delaying recovery
- hand sanitizer and Avoca demand weakness

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commentary on Q3 performance

- sales increased 11% compared to the prior year; currency favorably impacted sales by 3%
- year-over-year adjusted EBITDA increase of 4% to \$148 million
- no major surprises with underlying market dynamics or business-unit performance
 - industrial end-market recovery
 - consumer end-market resilience with delayed recovery
 - stronger BDO pricing
- completed acquisition of Schülke & Mayr personal-care business
- growth in free cash flow from lower capital expenditures, higher earnings, cash interest and inflows from the new US A/R sales program
- supply chain constraints and raw material availability/cost presented the greatest challenges to sales, mix, cost and margins

Q3 highlights¹

sales of \$637 million (+11%)

adjusted EBITDA of \$148 million (+4%)

adjusted EBITDA margin of 23.2% (-170 bps)

free cash flow of \$210 million²

FCF conversion³ of 142%

1 Comparisons versus prior-year quarter.

2 Includes \$90 million of cash inflows associated with the U.S. Accounts Receivables Sales Program.

3 FCF conversion defined as free cash flow / Adjusted EBITDA.

Q3 financial results

fiscal-third quarter adjusted results¹

(\$US in millions, except percentages)	Q3 FY21	Q3 FY20	change
sales	\$637	\$574	+11 %
gross profit margin	31.4 %	34.1 %	(270) bps
SG&A / R&D costs / intangible amortization	\$118	\$115	+3 %
operating income	\$83	\$81	+2 %
EBITDA	\$148	\$143	+4 %
EBITDA margin	23.2 %	24.9 %	(170) bps
EPS (excluding acquisition amortization) ²	\$1.22	\$1.12	+9 %

- financial results primarily reflect improved industrial end-market demand and the negative impact of global challenges in raw-material procurement, logistics and shipping
- EBITDA up 4% compared to prior year; favorable industrial volumes, self-help cost reductions and FX partially offset by weaker personal care volumes and increased manufacturing and shipping costs due to raw-material availability and global supply-chain constraints

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

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

Consumer Specialties adjusted results summary¹



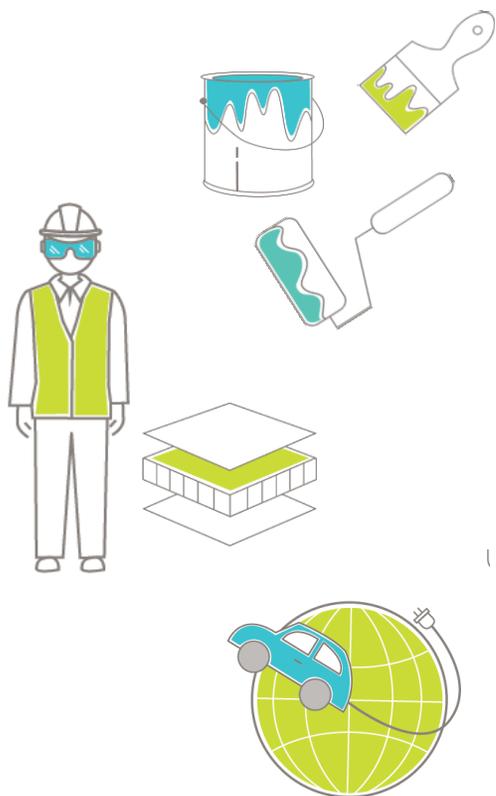
(\$US in millions, except percentages)	Q3 FY21	Q3 FY20	change
sales	\$340	\$344	(1) %
gross profit	\$121	\$122	(1) %
gross profit margin	35.6 %	35.5 %	+10 bps
operating Income	\$55	\$56	(2) %
EBITDA	\$92	\$90	+2 %
EBITDA margin	27.1 %	26.2 %	+90 bps

- strong nutrition and nutraceutical demand; pharma sales down compared to strong prior-year quarter plus supply-chain challenges
- weakness in hand-sanitizer ingredients and Avoca; pandemic-driven consumer behavior continued to impact recovery of key personal-care end markets
- results include acquisition of Schülke & Mayr personal care business

-MSD	+DD	+DD	+HSD	-DD
Pharma	Nutraceuticals	Nutrition & other	Personal Care	Household

3Q-21 year-over-year Sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

Industrial Specialties adjusted results summary¹



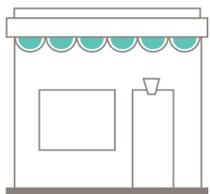
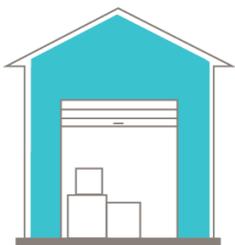
(\$US in millions, except percentages)	Q3 FY21	Q3 FY20	change
sales	\$263	\$205	+28 %
gross profit	\$65	\$64	+2 %
gross profit margin	24.7 %	31.2 %	(650) bps
operating Income	\$30	\$30	-
EBITDA	\$55	\$54	+2 %
EBITDA margin	20.9 %	26.3 %	(540) bps

- strong industrial demand recovery compared to weak prior-year period across all end markets and regions except for energy markets
- sales returned to pre-pandemic level achieved in fiscal Q3 2019, with supply-chain challenges impacting incremental orders
- EBITDA margins down driven primarily by increased plant and shipping costs, plus unfavorable price vs. raw-material cost in Performance Adhesives

+DD	+DD	+DD	+DD	+MSD
Coatings	Construction, Energy, Perf Spec	Pressure Sensitive Adhesives	Structural Adhesives	Laminated & Coating

3Q-21 year-over-year Sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

Intermediates & Solvents (I&S) adjusted results summary¹



(\$US in millions, except percentages)	Q3 FY21	Q3 FY20	change
sales	\$49	\$37	+32 %
gross profit	\$14	\$10	+40 %
gross profit margin	28.6 %	27.0 %	+160 bps
operating Income	\$11	\$7	+57 %
EBITDA	\$15	\$11	+36 %
EBITDA margin	30.6 %	29.7 %	+90 bps

- sales of derivatives to high-value industries improved primarily due to higher pricing
- intercompany sales improved with higher pricing partially offset by lower volumes

+DD	+DD
Merchant	Captive

3Q-21 year-over-year Sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

free cash flow

- generated free cash flow of \$210 million compared to \$112 million in prior-year Q3
- year-over-year increase of \$98 million, inclusive of \$90 million from the new US A/R sales program
- improvement driven by lower capital expenditures, higher earnings and lower cash interest
- expect Adjusted EBITDA to free cash flow conversion of >50% in FY2021 (excluding US A/R sales program)



priorities and outlook

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market demand outlook

- continued strong pharma and nutraceutical demand
- demand recovery in Personal Care end markets dependent on pace of global reopening (e.g. consumer behavior); expect weak hand-sanitizer demand to persist
- stronger industrial demand continues; energy market demand expected to improve
- supply-chain and raw-material challenges present the greatest risk and uncertainty



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outlook

maintaining full-year guidance

forward-looking insights

- strong demand continues
 - stable life sciences demand growth
 - delayed demand recovery in several personal care end markets
 - continued recovery in industrial end markets
- no changes to underlying operating performance
- continue pricing actions to offset raw-material inflation
- improving raw material availability but inability to meaningfully rebuild inventories
- difficult to forecast “key risks” given high levels of uncertainty
- full-year adjusted EBITDA guidance:
 - excluding Schülke acquisition: lower-end of the range
 - including Schülke acquisition: middle of the range

stay focused on what we can control

FY2021 sales

\$2.4 – \$2.5 billion

FY2021 adj. EBITDA

\$570 – \$590 million

key risks

- reliability of ocean freight
- availability of raw materials
- continued raw-material inflation expected to delay timing of pricing / raw-material margin recovery

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our priorities



margin expansion

- 2021 COGS/SARD reduction
- innovation and mix improvement
- exit lower-margin product lines
- productivity actions



enhanced free cash flow conversion

- margin expansion
- capital allocation priorities (capex and working capital)

managing supply-chain challenges

- pricing
- planning
- communication
- cost



business resilience

- business unit focus
- S&OP discipline (increase BU operating visibility)
- organizational ownership / accountability
- alignment of rewards to performance



growth accelerators

- clear strategic priorities
- rebalance innovation portfolios
- customer focus and commercial accountability
- bolt-on M&A

closing comments

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premier specialty materials company

- focused on high-quality markets and businesses with exciting profitable growth opportunities
- franchise businesses have leadership positions
 - #1 or #2
 - strong teams with deep industry expertise
 - excellent customer relationships and industry knowledge
 - leaders in innovation with leading technology capabilities
- profitable, high-margin portfolio
- businesses generate strong free cash flow



thank you and Q&A

appendix A: adjusted results summary and balance sheet

Ashland Global Holdings Inc.

adjusted results summary¹

(\$US in millions, except percentages and per share data)	Q3 FY21	Q3 FY20	change
sales	\$637	\$574	+11 %
gross profit	\$200	\$196	+2 %
gross profit margin	31.4 %	34.1 %	(270) bps
SG&A / R&D costs / intangible amort.	\$118	\$115	+3 %
operating income	\$83	\$81	+2 %
depreciation & amortization	\$65	\$62	+5 %
EBITDA	\$148	\$143	+4 %
EBITDA margin	23.2 %	24.9 %	(170) bps
net interest and other expense	\$16	\$17	(6) %
effective tax rate	15 %	20 %	(500) bps
income from continuing operations	\$57	\$51	+12 %
income from continuing operations (excluding acquisition amortization)	\$75	\$68	+10 %
diluted share count (million shares)	62	61	+2 %
EPS (excluding acquisition amortization)	\$1.22	\$1.12	+9 %

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.

Q3 business unit consolidation¹

(\$US in millions, except percentages)	Consumer Specialties	Industrial Specialties	I&S	interco. eliminations	unallocated and other	Ashland
sales	\$340	\$263	\$49	(\$15)	-	\$637
gross profit	\$121	\$65	\$14	-	-	\$200
gross profit margin	35.6 %	24.7 %	28.6 %	-	-	31.4 %
EBITDA	\$92	\$55	\$15	-	(\$14)	\$148
EBITDA margin	27.1 %	20.9 %	30.6 %	-	-	23.2 %

- I&S intercompany sales (market pricing) eliminated in consolidation
- unallocated and other includes legacy costs plus corporate governance (finance, legal, executive, etc.)
- costs and assets aligned with primary business unit

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.

Ashland Global Holdings Inc.

liquidity and net debt

(\$US in millions)	expiration	interest rate	Moody's rating	S&P rating	6/30/21 balance
cash					\$262
revolver and A/R facilities availability					614
cash, A/R and revolver availability¹					\$876
US A/R sales program¹					\$27
debt					
2.00% notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	\$595
4.750% notes	Aug. 2022	4.750%	Ba1	BB+	411
6.875% notes	May 2043	6.875%	Ba1	BB+	282
term loan A	Jan. 2025	L+137.5	-	-	250
European A/R securitization	Aug. 2021	CP+70	-	-	71
revolving credit facility	Jan. 2025	L+137.5	-	-	-
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	57
other ²		-	-	-	13
total debt			Ba1/stable	BB+/negative	\$1,679
cash					(262)
net debt					\$1,417

1 Total liquidity of \$903 million from all sources.

2 Includes \$13 million of debt issuance cost discounts as of June 30, 2021. Additionally, as of June 30, 2021, Other included a European short-term loan facility with an outstanding balance of \$24 million.

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 Global Holdings Inc. and Consolidated Subsidiaries

Reconciliation of Non-GAAP Data

for 12 Months Ended June 30, 2021

(\$ millions, except percentages)

Sales¹	Q3 21	Q2 21	Q1 21	Q4 20	Total	Q3 20
Life Sciences	\$ 193	\$ 185	\$ 170	\$ 180	\$ 728	\$ 189
Personal Care & Household	147	137	125	164	573	155
<i>Consumer Specialties</i>	340	322	295	344	1,301	344
Specialty Additives	169	158	147	160	634	135
Performance Adhesives	94	88	85	80	347	71
<i>Industrial Specialties</i>	263	246	232	240	981	206
<i>Intermediates & Solvents</i>	49	37	32	28	146	36
Less: Intercompany Eliminations	(15)	(7)	(8)	(3)	(33)	(12)
Total	\$ 637	\$ 598	\$ 551	\$ 609	\$ 2,395	\$ 574

Adjusted EBITDA¹	Q3 21	Q2 21	Q1 21	Q4 20	Total	Adjusted EBITDA Margin	Q3 20
Life Sciences	\$ 53	\$ 50	\$ 45	\$ 51	\$ 199	27.3%	\$ 55
Personal Care & Household	39	38	33	46	156	27.2%	35
<i>Consumer Specialties</i>	92	88	78	97	355	27.3%	90
Specialty Additives	39	40	32	44	155	24.4%	37
Performance Adhesives	16	22	24	20	82	23.6%	17
<i>Industrial Specialties</i>	55	62	56	64	237	24.2%	54
<i>Intermediates & Solvents</i>	15	7	5	6	33	22.6%	11
<i>Unallocated</i>	(14)	(23)	(15)	(13)	(65)		(12)
Total	\$ 148	\$ 134	\$ 124	\$ 154	\$ 560	23.4%	\$ 143

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 Global Holdings Inc. and Consolidated Subsidiaries

Segment Components of Key Items for Applicable Income Statement Captions

for 3 Months Ended June 30, 2021

(\$ millions)

	Three Months Ended June 30, 2021								
	Life Sciences	Personal Care and Household	Consumer Specialties	Specialty Additives	Performance Adhesives	Industrial Specialties	Intermediates and Solvents	Unallocated & Other	Total
OPERATING INCOME (LOSS)									
Operating key items:									
Inventory adjustment	\$ -	\$ (2)	\$ (2)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2)
Environmental reserve adjustments	-	-	-	(3)	-	(3)	-	(18)	(21)
Restructuring, separation and other costs	-	-	-	-	-	-	-	2	2
All other operating income (loss)	37	18	55	18	13	31	11	(14)	83
Operating income (loss)	37	16	53	15	13	28	11	(30)	62
NET INTEREST AND OTHER EXPENSE (INCOME)									
Key items									
All other net interest and other expense (income)								(15)	(15)
								16	16
								1	1
NET INCOME (LOSS) ON ACQUISITIONS AND DIVESTITURES									
Key items									
								2	2
INCOME TAX EXPENSE (BENEFIT)									
Tax effect of key items ⁽¹⁾									
								(1)	(1)
Tax specific key items ⁽²⁾									
								(33)	(33)
All other income tax expense (benefit)									
								10	10
								(24)	(24)
INCOME (LOSS) FROM CONTINUING OPERATIONS	\$ 37	\$ 16	\$ 53	\$ 15	\$ 13	\$ 28	\$ 11	\$ (5)	\$ 87

⁽¹⁾ Represents the tax effect of the key items that are previously identified above.

⁽²⁾ 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 32 and 33 for additional information.

Ashland Global Holdings Inc. and Consolidated Subsidiaries
**Segment Components of Key Items for Applicable
Income Statement Captions**
for 3 Months Ended June 30, 2020

(\$ millions)

	Three Months Ended June 30, 2020								
	Life Sciences	Personal Care and Household	Consumer Specialties	Specialty Additives	Performance Adhesives	Industrial Specialties	Intermediates and Solvents	Unallocated & Other	Total
OPERATING INCOME (LOSS)									
Operating key items:									
Restructuring, separation and other costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (14)	\$ (14)
Environmental reserve adjustments	-	-	-	(2)	-	(2)	-	(17)	(19)
All other operating income (loss)	40	16	56	17	13	30	7	(12)	81
Operating income (loss)	40	16	56	15	13	28	7	(43)	48
NET INTEREST AND OTHER EXPENSE (INCOME)									
Key items								(31)	(31)
All other net interest and other expense								17	17
								(14)	(14)
INCOME TAX EXPENSE (BENEFIT)									
Tax effect of key items ⁽¹⁾								(1)	(1)
All other income tax expense (benefit)								13	13
								12	12
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>\$ 40</u>	<u>\$ 16</u>	<u>\$ 56</u>	<u>\$ 15</u>	<u>\$ 13</u>	<u>\$ 28</u>	<u>\$ 7</u>	<u>\$ (41)</u>	<u>\$ 50</u>

⁽¹⁾ Represents the tax effect of the key items that are previously identified above.

Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for 3 Months Ended June 30, 2021 and 2020

(\$ millions)

	Three months ended June 30		Nine months ended June 30	
	2021	2020	2021	2020
Free cash flows (a)				
Total cash flows provided by operating activities from continuing operations	\$ 233	\$ 140	\$ 403	\$ 153
Adjustments:				
Additions to property, plant and equipment	(23)	(28)	(77)	(94)
Free cash flows ^{(1) (2) (3)}	<u>\$ 210</u>	<u>\$ 112</u>	<u>\$ 326</u>	<u>\$ 59</u>

⁽¹⁾ Free cash flow is defined as cash flows provided (used) by operating activities less additions to property, plant and equipment and other items Ashland has deemed non operational (if applicable).

⁽²⁾ Includes \$6 million and \$9 million of restructuring payments for the three months ended June 30, 2021 and 2020, respectively, and \$35 million and \$22 million of restructuring payments for the nine months ended June 30, 2021 and 2020, respectively.

⁽³⁾ Includes \$90 million of cash inflows for the three and nine months ended June 30, 2021 associated with the U.S. Accounts Receivable Sales Program.

	Three months ended June 30		Nine months ended June 30	
	2021	2020	2021	2020
Adjusted operating income				
Operating income (loss) (as reported)	\$ 62	\$ 48	\$ 174	\$ (403)
Key items, before tax:				
Restructuring, separation and other costs	(2)	14	10	36
Environmental reserve adjustments	21	19	21	19
Goodwill impairment	-	-	-	530
Inventory adjustments	2	-	2	4
Capital project impairment	-	-	9	-
Adjusted operating income (non-GAAP)	<u>\$ 83</u>	<u>\$ 81</u>	<u>\$ 216</u>	<u>\$ 186</u>



Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended June 30, 2021 and 2020

(\$ millions)

	Three months ended June 30	
	2021	2020
<u>Adjusted EBITDA - Ashland Global Holdings Inc.</u>		
Net income (loss)	\$ 80	\$ 37
Income tax expense (benefit)	(24)	12
Net interest and other expense	1	(14)
Depreciation and amortization	65	62
EBITDA	122	97
Loss from discontinued operations (net of taxes)	7	13
Net gain on acquisitions and divestitures key items (see Table 5)	(2)	-
Operating key items (see Table 5)	21	33
Adjusted EBITDA	<u>\$ 148</u>	<u>\$ 143</u>

Consumer Specialties

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended June 30, 2021 and 2020

(\$ millions)

	Three months June 30	
	2021	2020
Life Sciences		
Operating income	\$ 37	\$ 40
Add:		
Depreciation and amortization	16	15
Adjusted EBITDA	<u>\$ 53</u>	<u>\$ 55</u>
Personal Care and Household		
Operating income (loss)	\$ 16	\$ 16
Add:		
Depreciation and amortization	21	19
Operating key items (see Table 5)	2	-
Adjusted EBITDA	<u>\$ 39</u>	<u>\$ 35</u>
Adjusted EBITDA - Consumer Specialties Total		
Operating income (loss)	\$ 53	\$ 56
Add:		
Depreciation and amortization	37	34
Operating key items (see Table 5)	2	-
Adjusted EBITDA	<u>\$ 92</u>	<u>\$ 90</u>

Industrial Specialties, Intermediates and Solvents

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended June 30, 2021 and 2020

(\$ millions)	Three months ended June 30	
	2021	2020
Specialty Additives		
Operating income (loss)	\$ 15	\$ 15
Add:		
Depreciation and amortization	21	20
Operating key items (see Table 5)	3	2
Adjusted EBITDA	<u>\$ 39</u>	<u>\$ 37</u>
Performance Adhesives		
Operating income	\$ 13	\$ 13
Add:		
Depreciation and amortization	3	4
Adjusted EBITDA	<u>\$ 16</u>	<u>\$ 17</u>
Adjusted EBITDA - Industrial Specialties Total		
Operating income (loss)	\$ 28	\$ 28
Add:		
Depreciation and amortization	24	24
Operating key items (see Table 5)	3	2
Adjusted EBITDA	<u>\$ 55</u>	<u>\$ 54</u>
Adjusted EBITDA - Intermediates and Solvents		
Operating income (loss)	\$ 11	\$ 7
Add:		
Depreciation and amortization	4	4
Adjusted EBITDA	<u>\$ 15</u>	<u>\$ 11</u>

Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for 3 Months Ended June 30, 2021 and 2020

(\$ millions)

	Three months ended		Nine months ended	
	June 30		June 30	
	2021	2020	2021	2020
Income (loss) from continuing operations (as reported)	\$ 87	\$ 50	\$ 190	\$ (491)
Key items, before tax:				
Restructuring, separation and other costs	(2)	14	10	36
Unrealized loss (gain) on securities	(15)	(31)	(26)	(9)
Goodwill impairment	-	-	-	530
Inventory adjustments	2	-	2	4
Environmental reserve adjustments	21	19	21	19
Accelerated amortization of debt issuance costs	-	-	-	8
Loss on early retirement of debt	-	-	-	59
Net loss (gain) on acquisitions and divestitures	(2)	-	(11)	-
Capital project impairment	-	-	9	-
Key items, before tax	4	2	5	647
Tax effect of key items ⁽¹⁾	(1)	(1)	1	(20)
Key items, after tax	3	1	6	627
Tax specific key items:				
Restructuring and separation activity	-	-	(13)	-
Uncertain tax positions	(33)	-	(39)	-
Other tax reform related activity	-	-	-	(25)
Tax specific key items ⁽²⁾	(33)	-	(52)	(25)
Total key items	(30)	1	(46)	602
Adjusted income from continuing operations (non-GAAP)	\$ 57	\$ 51	\$ 144	\$ 111
Amortization expense adjustment (net of tax) ⁽³⁾	18	17	53	51
Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense	\$ 75	\$ 68	\$ 197	\$ 162

⁽¹⁾ Represents the tax effect of the key items that are previously identified above.

⁽²⁾ Represents key items resulting from tax specific financial transactions, tax law changes or other matters that fall within the definition of tax specific key items. These tax specific key items included the following:

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

-Uncertain tax positions: includes the impact from settlement of uncertain tax positions with various tax authorities.

-Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2020.

⁽³⁾ Amortization expense adjustment (net of tax) tax rates were 21% for the three and nine months ended June 30, 2021 and 20% for the three and nine months ended June 30, 2020.



Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for 3 Months Ended June 30, 2021 and 2020

(\$ millions)

	Three months ended		Nine months ended	
	June 30		June 30	
	2021	2020	2021	2020
Diluted EPS from continuing operations (as reported)	\$ 1.40	\$ 0.81	\$ 3.09	\$ (8.11)
Key items, before tax:				
Restructuring, separation and other costs	(0.04)	0.23	0.16	0.58
Unrealized loss (gain) on securities	(0.24)	(0.51)	(0.42)	(0.15)
Goodwill impairment	-	-	-	8.75
Inventory adjustments	0.03	-	0.03	0.06
Environmental reserve adjustments	0.33	0.32	0.33	0.32
Accelerated amortization of debt issuance costs	-	-	-	0.13
Loss on early retirement of debt	-	-	-	0.97
Net loss (gain) on acquisitions and divestitures	(0.03)	-	(0.17)	-
Capital project impairment	-	-	0.16	-
Key items, before tax	0.05	0.04	0.09	10.66
Tax effect of key items ⁽¹⁾	(0.02)	(0.01)	0.02	(0.33)
Key items, after tax	0.03	0.03	0.11	10.33
Tax specific key items:				
Restructuring and separation activity	-	-	(0.22)	-
Uncertain tax positions	(0.52)	-	(0.63)	-
Other tax reform related activity	-	-	-	(0.41)
Tax specific key items ⁽²⁾	(0.52)	-	(0.85)	(0.41)
Total key items	(0.49)	0.03	(0.74)	9.92
Adjusted diluted EPS from continuing operations (non-GAAP)	\$ 0.91	\$ 0.84	\$ 2.35	\$ 1.81
Amortization expense adjustment (net of tax) ⁽³⁾	0.31	0.28	0.86	0.83
Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense	\$ 1.22	\$ 1.12	\$ 3.21	\$ 2.64

⁽¹⁾ Represents the tax effect of the key items that are previously identified above.

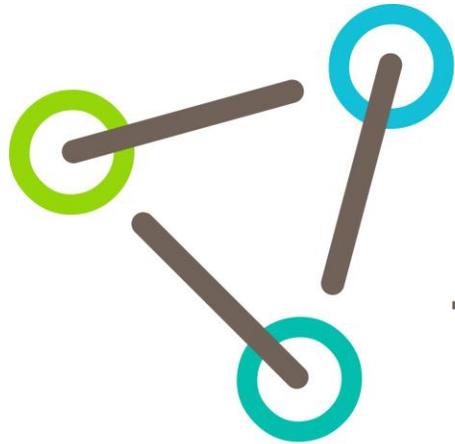
⁽²⁾ Represents key items resulting from tax specific financial transactions, tax law changes or other matters that fall within the definition of tax specific key items. These tax specific key items included the following:

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

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-Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2020.

⁽³⁾ Amortization expense adjustment (net of tax) tax rates were 21% for the three and nine months ended June 30, 2021 and 20% for the three and nine months ended June 30, 2020.



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