

Earnings Conference Call Third-Quarter Fiscal 2020

July 29, 2020 – 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 13-18 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.

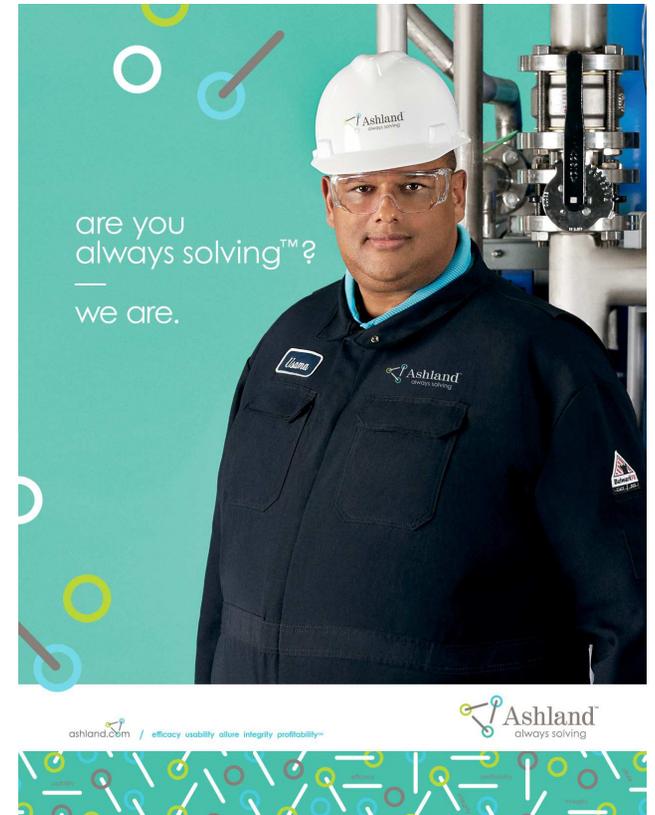
Regulation G: Adjusted Results

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
- thank you and Q&A



Q3 performance summary

Ashland Global Holdings Inc.

Our Priorities in Current Environment

priority # 1

address the impact of COVID-19

- health and safety of our employees
- continued supply to our customers and the critical industries we serve
- position Ashland for success across stressed scenarios
- prepare for reopening of economic activity

priority # 2

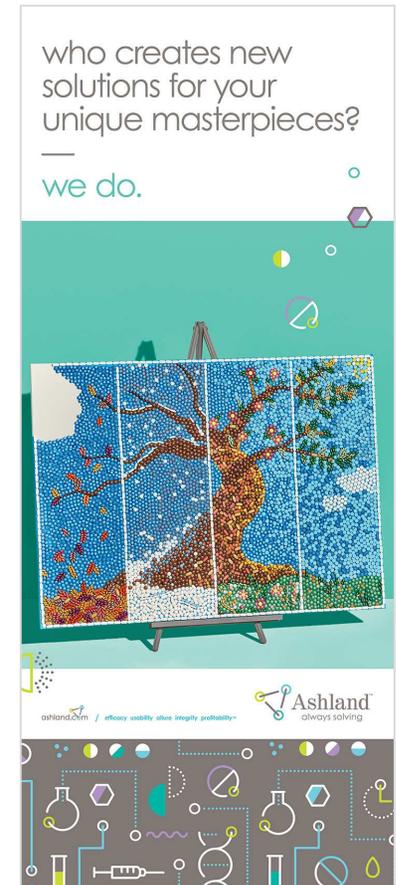
continue to advance our strategic initiatives to restructure Ashland

- operationalizing our new business-unit model
- improve business performance and refresh strategy
- drive our self-help actions
- invest for the future

Ashland Global Holdings Inc.

Commentary on Q3 Performance

- resilient consumer end-market demand
- weak global-industrial demand due to COVID-19
- favorable price/mix and operating costs
- continued benefit from cost-reduction program leading to expanded margins



Q3 financial results

Fiscal-Third Quarter Adjusted Results¹

(\$US in millions, except percentages)	Q3 FY20	Q3 FY19	Change
Sales	\$574	\$641	(10) %
Gross profit margin	34.1 %	32.8 %	+130 bps
SG&A / R&D costs / Intangible amortization	\$115	\$134	(14) %
EBITDA	\$143	\$140	+2 %
EBITDA margin	24.9 %	21.8 %	+310 bps
Earnings per share (EPS) ²	\$0.84	\$0.77	+9 %
EPS (excluding acquisition amortization) ²	\$1.12	\$1.04	+8 %

- portfolio demonstrated strong resiliency during uncertain economic times
 - consumer end markets performed particularly well
 - industrial end markets impacted by weak demand across the globe due to COVID-19 pandemic
- EBITDA up 2% due primarily to lower SG&A and R&D (“SARD”) expenses, improved product mix and lower raw-material costs
- continued action on cost drove the 14 percent reduction in SARD expenses

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 FY20	Q3 FY19	Change
Sales	\$344	\$348	(1) %
Gross profit	\$122	\$121	+1 %
Gross profit margin	35.5 %	34.8 %	+70 bps
Operating income	\$56	\$49	+14 %
EBITDA	\$90	\$84	+7 %
EBITDA margin	26.2 %	24.1 %	+210 bps

- o resilient sales to Life Sciences and Personal Care & Household end markets
 - strong results for pharmaceutical excipients, biofunctional ingredients and additives for hand sanitizers
 - 3 percentage-points (ppt) decline vs. prior year associated with previously-communicated business losses; unfavorable currency impact represented an additional 1 ppt decline
- o favorable price/mix drove improved gross profit margin; lower SARD expenses contributed to growth in EBITDA and EBITDA margin

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.

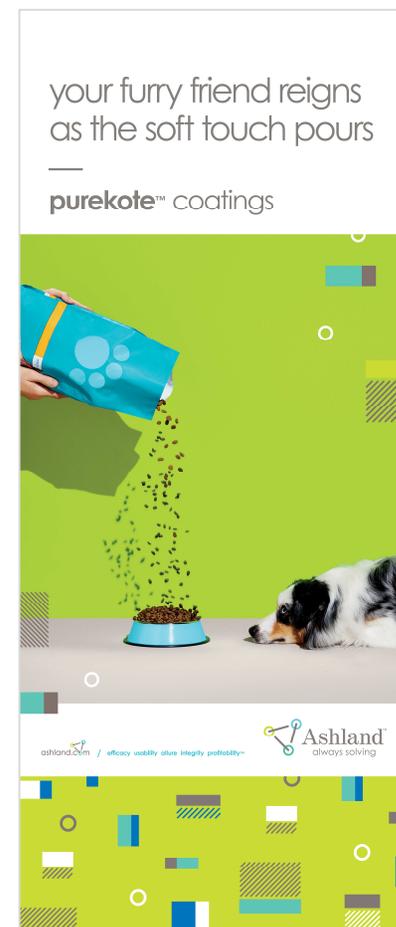


Industrial Specialties Adjusted Results Summary¹

(\$US in millions, except percentages)	Q3 FY20	Q3 FY19	Change
Sales	\$205	\$265	(23) %
Gross profit	\$64	\$78	(18) %
Gross profit margin	31.2 %	29.4 %	+180 bps
Operating income	\$30	\$38	(21) %
EBITDA	\$54	\$62	(13) %
EBITDA margin	26.3 %	23.4 %	+290 bps

- industrial demand weak and down versus prior year driven by the COVID-19 pandemic
 - all end markets and regions of the globe impacted, most notably automotive and construction
 - coatings DIY market remained resilient during the quarter
 - industrial demand weakest during April and May; signs of recovery emerged in June
- favorable price/mix in both Performance Adhesives and Specialty Additives
- improved cost position contributed to expanded EBITDA margins

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.



Intermediates & Solvents (I&S) Adjusted Results Summary¹

(\$US in millions, except percentages)	Q3 FY20	Q3 FY19	Change
Sales	\$37	\$41	(10) %
Gross profit	\$10	\$11	(9) %
Gross profit margin	27.0 %	26.8 %	+20 bps
Operating income	\$7	\$8	(13) %
EBITDA	\$11	\$11	-
EBITDA margin	29.7 %	26.8 %	+290 bps

- sales down primarily due to lower pricing
- merchant volumes of derivatives to high-value industries remained strong, offset by weaker demand for BDO in North America
- intercompany volumes of BDO to Consumer Specialties improved compared to the prior-year period

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.



Sale of Maleic Anhydride Business

- announced signing of definitive agreement to sell maleic anhydride business in Neal, West Virginia
- purchase price of \$100 million; expect after-tax net proceeds of approximately \$85 – \$90 million
- business was excluded from the sale of Composites / Marl facility in 2019; results have been reported through discontinued operations
- closing expected before December 2020 with customary closing conditions

priorities and outlook

Our Transformation

business-centric operating model

redesign of core operating systems and processes

realignment of SARD structure and cost

improve Gross Profit Margins

improve working capital discipline

self-help initiatives proceeding as communicated

BU model in operation and business process improvement in progress

- teams in place
- strategic planning
- S&OP process
- innovation process

expect to achieve over \$40 million of incremental SARD cost savings

- achieve run-rate savings by end of fiscal 2020
- keep \$40 million to improve cost position
- retain optionality to redeploy additional savings for growth initiatives

initiating work to drive COGS productivity

inventory-management initiatives expected to impact COGS by \$20 – \$30 million in fiscal Q4

advancing focus on strategic next steps...

Strategic Next Steps

- expand additives portfolio
- build out bio-tech capabilities
- accelerate our growth in Asia
- customer-focused & innovation-centric culture
- accelerate our digital modernization
- disciplined portfolio management & capital allocation

COVID-19 Scenario Planning

key take-aways

- largely defensive portfolio
- supply chain presents greatest risk
- self-help actions improving our performance
- high level of uncertainty continues

current actions amid great uncertainty

- increased focus and active management of supply-chain activities
- maintain continuous transparent/open discussions with customers to improve planning
- accelerated self-help actions to build resilience/agility and improve cost
- maintain strong balance sheet and liquidity
- build contingency plans to enact if necessary
 - BU-specific actions plans
 - identify additional potential corporate-level actions

Outlook

not providing guidance for Q4 or FY2020

forward-looking insights

- no significant changes expected in consumer macro trends
 - areas of weakness continue to be hair styling and sun care
 - continue working through challenges in Avoca
- sequential improvements in industrial business units driven by continuation of global reopening process (coatings contractors, construction and automotive)
- \$20 – \$30 million of cost absorption impact from inventory-reduction actions in Q4
- continue to benefit from SARD cost-reduction actions
- pricing / raw material changes stay balanced

focused on COVID-19 challenges and continued momentum

Ashland Global Holdings Inc.

Well Positioned for Uncertain Times

strong foundation for success

- high-value technologies, leading market positions in critical industries and deep customer relationships
- focused business units

self-help actions

- reducing working capital, capital spending and operating costs to improve profitability and conserve cash

solid balance sheet

- \$1 billion of cash, revolver availability and available invested assets
- resilient cash flows
- limited debt service and covenants
- plan to maintain dividend; no share repurchase plans in the present financial environment

closing comments

Ashland Global Holdings Inc.

A 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 FY20	Q3 FY19	Change
Sales	\$574	\$641	(10) %
Gross profit	\$196	\$210	(7) %
Gross profit margin	34.1 %	32.8 %	+130 bps
SG&A / R&D costs / Intangible amort.	\$115	\$134	(14) %
Operating income	\$81	\$78	+4 %
Depreciation & amortization	\$62	\$62	-
EBITDA	\$143	\$140	+2 %
EBITDA margin	24.9 %	21.8 %	+310 bps
Net interest and other expense	\$17	\$27	(37) %
Effective tax rate	20 %	6 %	+1,400 bps
Income from continuing operations	\$51	\$48	+6 %
Diluted share count (million shares)	61	62	(2) %
Earnings per share (EPS)	\$0.84	\$0.77	+9 %
EPS (excluding acquisition amortization)	\$1.12	\$1.04	+8 %

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.

who solves complex challenges?
—
we do.

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Ashland™
always solving

Ashland Global Holdings Inc.

Business Unit Consolidation

(\$US in millions, except percentages)	Consumer Specialties	Industrial Specialties	I&S	Interco Eliminations	Unallocated and Other	Ashland
Sales	\$344	\$205	\$37	(\$12)	-	\$574
Gross profit	\$122	\$64	\$10	-	-	\$196
Gross profit margin	35.5 %	31.2 %	27.0 %	-	-	34.1 %
EBITDA	\$90	\$54	\$11	-	(\$12)	\$143
EBITDA margin	26.2 %	26.3 %	29.7 %	-	-	24.9 %

- 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	6/30/20 Balance
Cash					\$416
Revolver and A/R facility availability					350
Cash, A/R and revolver availability					\$766
Debt					
2.00% Notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	\$561
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+162.5	-	-	250
Revolving credit facility	Jan. 2025	L+162.5	-	-	230
European A/R securitization	Aug. 2021	CP+70	-	-	106
U.S. A/R securitization	Mar. 2021	L+75 / CP+60	-	-	88
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	54
Other ¹		-	-	-	11
Total debt			Ba1/stable	BB+/negative	\$1,993
Cash					(416)
Net debt					\$1,577

¹ Includes \$15 million of debt issuance cost discounts as of June 30, 2020. Additionally, as of June 30, 2020, Other included a European short-term loan facility with an outstanding balance of \$22 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, 2020

(\$ millions, except percentages)

Sales¹	Q3 20	Q2 20	Q1 20	Q4 19	Total	Q3 19
Life Sciences	\$ 189	\$ 184	\$ 155	\$ 176	\$ 704	\$ 190
Personal Care & Household	155	159	137	157	608	158
<i>Consumer Specialties</i>	344	343	292	333	1,312	348
Specialty Additives	135	155	139	161	590	177
Performance Adhesives	70	85	74	85	314	88
<i>Industrial Specialties</i>	205	240	213	246	904	265
<i>Intermediates & Solvents</i>	37	37	28	42	144	41
Less: Intercompany Eliminations	(12)	(10)	0	(12)	(34)	(13)
Total	\$ 574	\$ 610	\$ 533	\$ 609	\$ 2,326	\$ 641

Adjusted EBITDA¹	Q3 20	Q2 20	Q1 20	Q4 19	Total	Adjusted EBITDA Margin	Q3 19
Life Sciences	\$ 55	\$ 52	\$ 37	\$ 41	\$ 185	26.3%	\$ 47
Personal Care & Household	35	39	30	47	151	24.8%	37
<i>Consumer Specialties</i>	90	91	67	88	336	25.6%	84
Specialty Additives	37	33	29	44	143	24.2%	42
Performance Adhesives	17	20	15	19	71	22.6%	20
<i>Industrial Specialties</i>	54	53	44	63	214	23.7%	62
<i>Intermediates & Solvents</i>	11	5	(9)	13	20	13.9%	11
<i>Unallocated</i>	(12)	(7)	(14)	(14)	(47)		(17)
Total	\$ 143	\$ 142	\$ 88	\$ 150	\$ 523	22.5%	\$ 140

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, 2020

(\$ millions)

	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	\$ 40	\$ 16	\$ 56	\$ 15	\$ 13	\$ 28	\$ 7	\$ (41)	\$ 50

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

Ashland Global Holdings Inc. and Consolidated Subsidiaries

Segment Components of Key Items for Applicable Income Statement Captions

for 3 Months Ended June 30, 2019

(\$ millions)

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12)	\$ (12)
Tax Indemnity expense	-	-	-	-	-	-	-	(6)	(6)
Environmental reserve adjustments	-	-	-	(1)	-	(1)	-	(14)	(15)
Unplanned plant shutdowns	-	-	-	(2)	-	(2)	-	-	(2)
All other operating income (loss)	32	17	49	22	16	38	8	(17)	78
Operating income (loss)	32	17	49	19	16	35	8	(49)	43
NET INTEREST AND OTHER EXPENSE (INCOME)									
Key items								(6)	(6)
All other net interest and other expense								27	27
								21	21
INCOME TAX EXPENSE (BENEFIT)									
Tax effect of key items ¹								(5)	(5)
Tax specific key items ²								1	1
All other income tax expense (benefit)								3	3
								(1)	(1)
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>\$ 32</u>	<u>\$ 17</u>	<u>\$ 49</u>	<u>\$ 19</u>	<u>\$ 16</u>	<u>\$ 35</u>	<u>\$ 8</u>	<u>\$ (69)</u>	<u>\$ 23</u>

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.

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, 2020 and 2019

(\$ millions)

	Three months ended June 30	
	2020	2019
Free cash flows¹		
Total cash flows used by operating activities from continuing operations	\$ 140	\$ 87
Adjustments:		
Additions to property, plant and equipment	(28)	(33)
Free cash flows ¹	<u>\$ 112</u>	<u>\$ 54</u>

	Three months ended June 30	
	2020	2019
Adjusted operating income (loss)		
Operating income (loss) (as reported)	\$ 48	\$ 43
Key items, before tax:		
Restructuring, separation and other costs	14	12
Tax indemnity expense	-	6
Environmental reserve adjustments	19	15
Unplanned plant shutdowns	-	2
Adjusted operating income (non-GAAP)	<u>\$ 81</u>	<u>\$ 78</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).

Ashland Global Holdings Inc.

Reconciliation of Non-GAAP Data – Adjusted EBITDA for 3 Months Ended June 30, 2020 and 2019

(\$ millions)

	Three months ended June 30	
	2020	2019
Adjusted EBITDA - Ashland Global Holdings Inc.		
Net income (loss)	\$ 37	\$ 66
Income tax expense (benefit)	12	(1)
Net interest and other expense	(14)	21
Depreciation and amortization	62	62
EBITDA	97	148
(Income) loss from discontinued operations (net of taxes)	13	(43)
Operating key items	33	35
Adjusted EBITDA	\$ 143	\$ 140

Consumer Specialties

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended June 30, 2020 and 2019

(\$ millions)

	Three months ended June 30	
	2020	2019
<hr/>		
Life Sciences		
Operating income	\$ 40	\$ 32
Add:		
Depreciation and amortization	15	15
Adjusted EBITDA	<u>\$ 55</u>	<u>\$ 47</u>
<hr/>		
Personal Care and Household		
Operating income	\$ 16	\$ 17
Add:		
Depreciation and amortization	19	20
Adjusted EBITDA	<u>\$ 35</u>	<u>\$ 37</u>
<hr/>		
Adjusted EBITDA - Consumer Specialties Total		
Operating income	\$ 56	\$ 49
Add:		
Depreciation and amortization	34	35
Adjusted EBITDA	<u>\$ 90</u>	<u>\$ 84</u>

Industrial Specialties, Intermediates and Solvents

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended June 30, 2020 and 2019

(\$ millions)

	Three months ended June 30	
	2020	2019
Specialty Additives		
Operating income	\$ 15	\$ 19
Add:		
Depreciation and amortization	20	20
Operating key items	2	3
Adjusted EBITDA	<u>\$ 37</u>	<u>\$ 42</u>
Performance Adhesives		
Operating income	\$ 13	\$ 16
Add:		
Depreciation and amortization	4	4
Adjusted EBITDA	<u>\$ 17</u>	<u>\$ 20</u>
Adjusted EBITDA - Industrial Specialties Total		
Operating income	\$ 28	\$ 35
Add:		
Depreciation and amortization	24	24
Operating key items	2	3
Adjusted EBITDA	<u>\$ 54</u>	<u>\$ 62</u>
Adjusted EBITDA - Intermediates and Solvents		
Operating income	\$ 7	\$ 8
Add:		
Depreciation and amortization	4	3
Adjusted EBITDA	<u>\$ 11</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, 2020 and 2019

(\$ millions)

	Three months ended June 30	
	2020	2019
Income (loss) from continuing operations (as reported)	\$ 50	\$ 23
Key items, before tax:		
Restructuring, separation and other costs	14	12
Tax indemnity expense	-	6
Environmental reserve adjustments	19	15
Unplanned plant shutdowns	-	2
Unrealized (gain) loss on securities	(31)	(6)
Key items, before tax	2	29
Tax effect of key items ¹	(1)	(5)
Key items, after tax	1	24
Tax specific key items:		
One-time transition tax	-	6
Uncertain tax positions	-	(8)
Other	-	3
Tax specific key items ²	-	1
Total key items	1	25
Adjusted income from continuing operations (non-GAAP)	\$ 51	\$ 48
Amortization expense adjustment (net of tax) ³	17	16
Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense	\$ 68	\$ 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:

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities.
- 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.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2019 and 2020.

³ Amortization expense adjustment (net of tax) tax rates were 20% for the three months ended June 30, 2020 and 21% for the three months ended June 30th, 2019, respectively.



Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for 3 Months Ended June 30, 2020 and 2019

(\$ millions)

	Three months ended June 30	
	2020	2019
Diluted EPS from continuing operations (as reported)	\$ 0.81	\$ 0.37
Key items, before tax:		
Restructuring, separation and other costs	0.23	0.19
Tax indemnity expense	-	0.10
Environmental reserve adjustments	0.32	0.24
Unplanned plant shutdowns	-	0.03
Unrealized (gain) loss on securities	(0.51)	(0.10)
Key items, before tax	0.04	0.46
Tax effect of key items ¹	(0.01)	(0.08)
Key items, after tax	0.03	0.38
Tax specific key items:		
One-time transition tax	-	0.10
Uncertain tax positions	-	(0.13)
Other	-	0.05
Tax specific key items ²	-	0.02
Total key items	0.03	0.40
Adjusted diluted EPS from continuing operations (non-GAAP)	\$ 0.84	\$ 0.77
Amortization expense adjustment (net of tax) ³	0.28	0.27
Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense	\$ 1.12	\$ 1.04

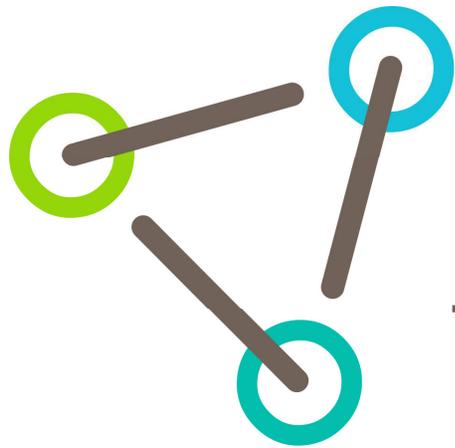
¹ Represents the tax effect of the key items that are previously identified above.

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:

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities.
- 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.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2019 and 2020.

³ Amortization expense adjustment (net of tax) tax rates were 20% for the three months ended June 30, 2020 and 21% for the three months ended June 30th, 2019, respectively.





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