



# Earnings Conference Call Second-Quarter Fiscal 2021

---

April 29, 2021 – 10:00am Eastern Time



ashland.com / efficacy usability allure integrity profitability



## 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 14-21 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

---

- Q2 performance summary
- Q2 financial results
- priorities and outlook
- closing comments
- Q&A



# Q2 performance summary

# Ashland Global Holdings Inc.

## commentary on Q2 performance

- year-over-year sales decline of 2%; currency favorably impacted sales by 3%
- year-over-year adjusted EBITDA decline of 6% driven by US Gulf Coast winter-storm impact of \$11 million and additional environmental charges of \$4 million
- strong pharma and nutraceutical demand
- persistent pandemic-related impact to global consumer behavior for styling, grooming and oral-care products; continued exit of lower-margin products lines of \$11 million
- continued recovery of global industrial demand
- lower SG&A and R&D ("SARD") expenses
- growth in free cash flow from lower capital expenditures, cash interest and cash taxes

### Q2 highlights<sup>1</sup>

**sales of \$598 million (-2%)**

**adjusted EBITDA of \$134 million (-6%)**

**adjusted EBITDA margin of 22.4% (-90 bps)**

**free cash flow of \$40 million**

**FCF conversion<sup>2</sup> of 30%**

Ashland Global Holdings Inc.

# U.S. Gulf Coast freeze impact

---

- US Gulf Coast Freeze impact to Q2 Adjusted EBITDA of \$11 million
  - \$7 million of lost absorption at affected Texas facilities
  - \$4 million of repair costs for pumps, pipes, and other manufacturing equipment
  - primarily impacted Consumer Specialties segments
  - revenue shift from Q2 into Q3 due to supply chain / shipping restrictions
- additional \$3 million of lost absorption in Q3, offset by revenue shift from Q2 to Q3
- end-market demand remains strong
- raw-material availability is currently the largest risk

# Q2 financial results

Ashland Global Holdings Inc.

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

(\$US in millions, except percentages)	Q2 FY21	Q2 FY20	change
sales	\$598	\$610	(2) %
gross profit margin	31.9 %	33.0 %	(110) bps
SG&A / R&D costs / intangible amortization	\$118	\$127	(7) %
operating income	\$72	\$81	(11) %
EBITDA	\$134	\$142	(6) %
EBITDA margin	22.4 %	23.3 %	(90) bps
EPS (excluding acquisition amortization) <sup>2</sup>	\$1.05	\$1.12	(6) %

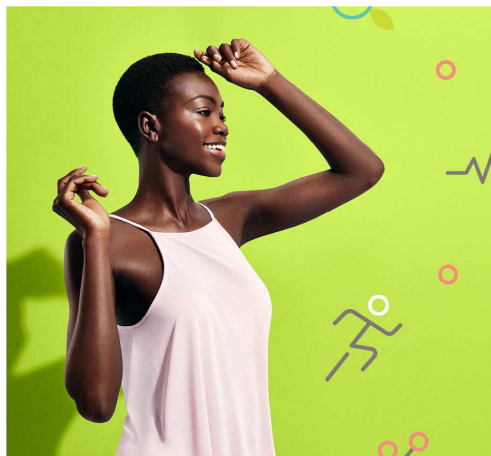
- o financial results reflect improved end-market demand and the negative impact of weather-related events in the U.S. Gulf Coast
- o EBITDA down 6%; lower SARD expenses were more than offset by weather-related costs and higher environmental charges

<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.



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

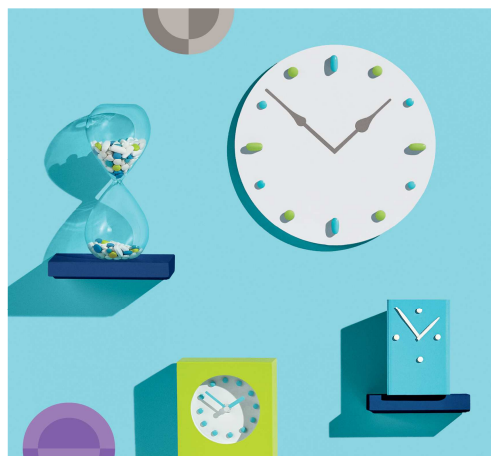


(\$US in millions, except percentages)	Q2 FY21	Q2 FY20	change
sales	\$322	\$343	(6) %
gross profit	\$113	\$128	(12) %
gross profit margin	35.1 %	37.3 %	(220) bps
operating Income	\$54	\$57	(5) %
EBITDA	\$88	\$91	(3) %
EBITDA margin	27.3 %	26.5 %	+80 bps

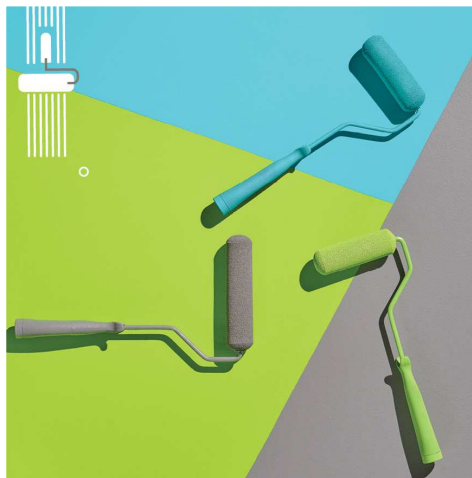
- o pharma demand roughly in-line with strong prior-year quarter
- o pandemic-driven consumer behavior continued to impact Personal Care end markets
- o low-margin product exits and favorable currency also impacted sales
- o \$11 million impact to Adjusted EBITDA from U.S. Gulf Coast freeze
- o improved EBITDA margins driven by improved mix and lower SARD expenses

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

2Q-21 year-over-year Sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)



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



(\$US in millions, except percentages)	Q2 FY21	Q2 FY20	change
sales	\$246	\$240	+3 %
gross profit	\$72	\$69	+4 %
gross profit margin	29.3 %	28.8 %	+50 bps
operating Income	\$38	\$29	+31 %
EBITDA	\$62	\$53	+17 %
EBITDA margin	25.2 %	22.1 %	+310 bps

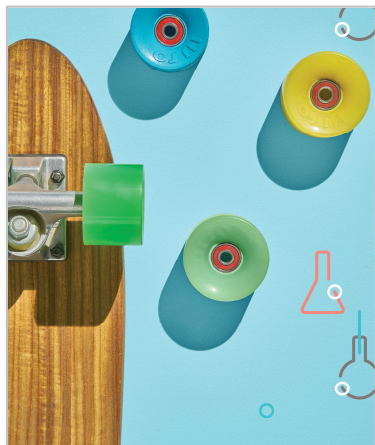
- continued growth in most end markets consistent with industrial demand recovery
- strength in architectural coatings and all adhesive applications, partially offset by weak energy and construction; favorable currency impacted sales by +3%
- improved EBITDA and EBITDA margins driven by improved mix and lower SARD expenses

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

2Q-21 year-over-year Sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)



10 <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 & Solvents (I&S) adjusted results summary<sup>1</sup>



(\$US in millions, except percentages)	Q2 FY21	Q2 FY20	change
sales	\$37	\$37	-
gross profit	\$6	\$4	+50 %
gross profit margin	16.2 %	10.8 %	+540 bps
operating Income	\$3	\$2	+50 %
EBITDA	\$7	\$5	+40 %
EBITDA margin	18.9 %	13.5 %	+540 bps

- volumes of derivatives to high-value industries improved due to recovery in merchant markets and force majeure at competitors
- intercompany volumes declined largely due to unplanned outages resulting from the winter storms in the U.S. Gulf Coast

 +HSD	 -DD
Merchant	Captive

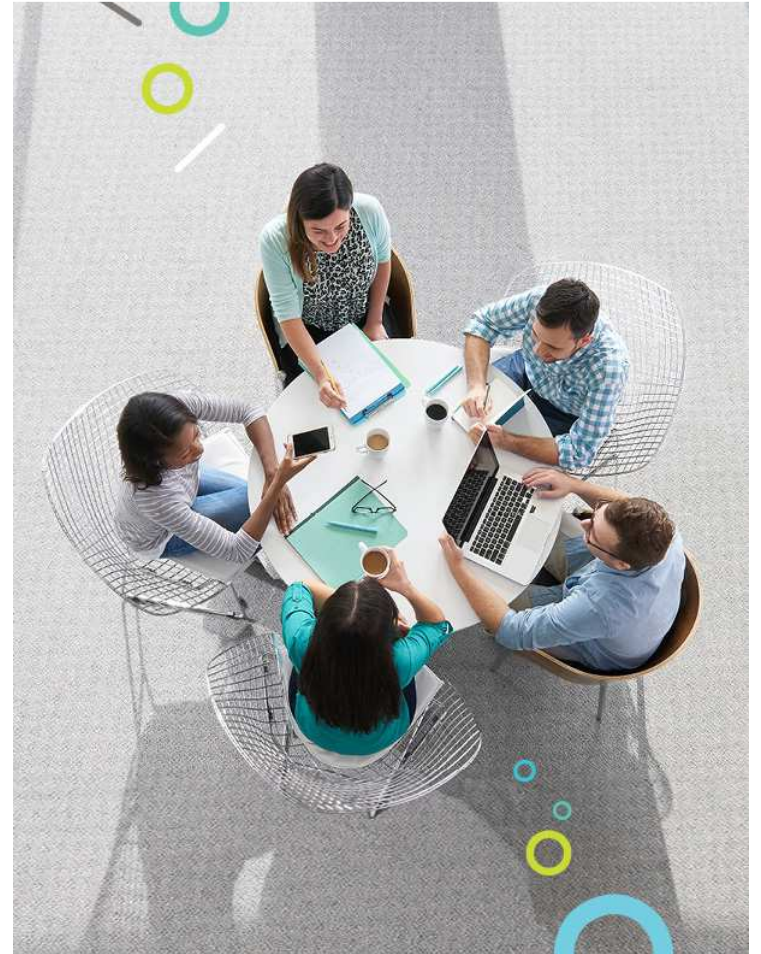
2Q-21 year-over-year Sales (HSD/MSD/LSL = high, mid or low single-digit %. DD = double-digit %)

# Ashland Global Holdings Inc.

## free cash flow

---

- generated free cash flow of \$40 million compared to \$10 million in prior-year Q2
- year-over-year increase of \$30 million
- improvement driven by lower capital expenditures, cash interest and cash taxes
- expect Adjusted EBITDA to free cash flow conversion of >50% in FY2021



# Ashland Global Holdings Inc.

## Q2 results takeaways

---

- excluding the “freeze” impact, all business segments generated strong growth in adjusted EBITDA and adjusted EBITDA margin
- higher corporate expense due to favorable items in the prior-year period and unfavorable items in the current-year period
- despite continued uncertainty related to the timing of global consumer-demand recovery, our outlook for the business units remains unchanged



# priorities and outlook

# Ashland Global Holdings Inc.

## 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)



### 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
- all business units rebalancing innovation portfolios
- BU customer focus and commercial accountability
- bolt-on M&A

Ashland Global Holdings Inc.

# Schülke & Mayr acquisition update

- announced signing of definitive agreement to acquire Schülke & Mayr personal-care business for €262.5 million
- broadens breadth of specialty additive solutions and expands our biotechnology and microbiology technical capabilities
- business will be included in the Personal Care and Household segment
- advances environmental, social and governance agenda for Personal Care and Household
- accretive to growth, earnings and margins and consistent with our strategic growth and profitability-improvement objectives
- acquisition expected to close during the June quarter





# Ashland Global Holdings Inc.

## market demand outlook

---

- continued strong Pharma and Nutraceutical demand
- demand recovery delayed for several Personal Care consumer-behavior-driven segments
- stronger industrial demand continues
  - contractor-driven segments adapting to COVID (globally)
  - consumer demand driving demand for other industrial segments
- China and US markets leading the demand recovery
- raw-material supply tightness stabilizing and with some improvement
- significant uncertainty as to the timing and speed of COVID recovery in other regions given global vaccination roll-out is critical to sustainable global recovery



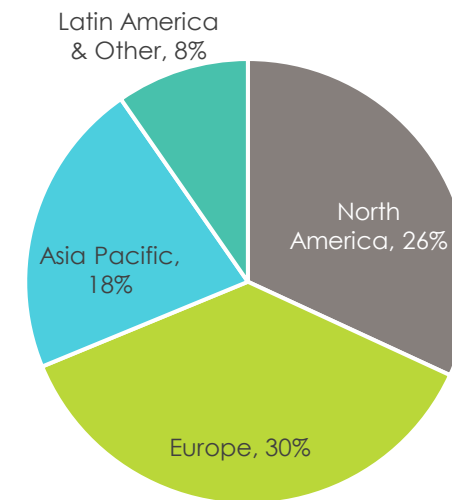
# Ashland Global Holdings Inc.

## COVID-19 global recovery

region	current daily vaccination rate (MMs per day)	length of time to achieve 75% vaccinated
US	3.3	3 months
EU	2.4	8 months
India	3.3	19 months
China	4.3	15 months
<b>Global</b>	<b>17.9</b>	<b>19 months</b>

Source: Bloomberg

Ashland FY2020 geographic sales mix (excl. Performance Adhesives and I&S)



- ~75% of Ashland sales (excluding Performance Adhesives and I&S) are outside of North America
- ~70% of Personal Care and Household (PCHH) sales are outside of North America
- COVID-19 global pandemic continues to impact consumer behavior and buying patterns

**vaccination-driven global recovery more likely in 2022**  
**impacting recovery of some consumer-behavior driven segments**

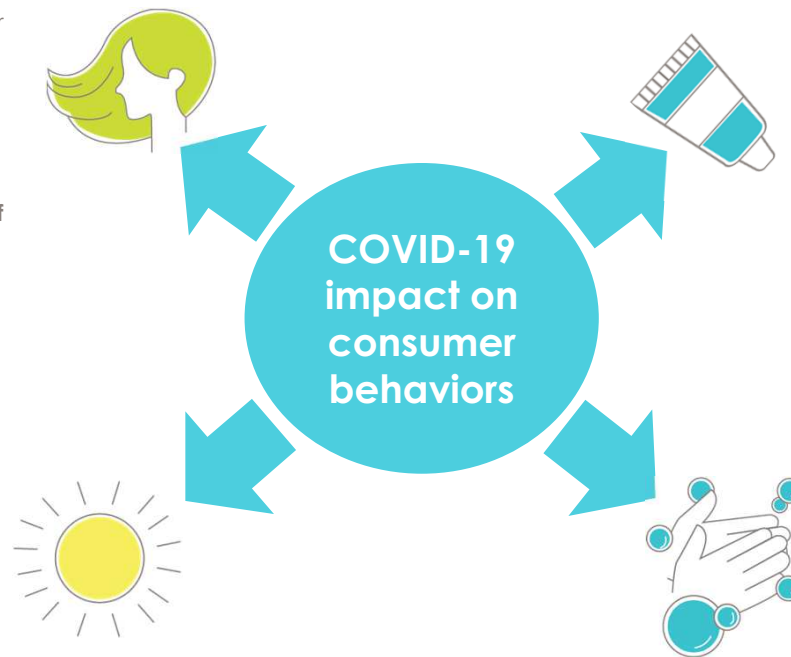
# COVID impact on PCHH demand<sup>1</sup>

## hair styling

- COVID-19 pandemic impacted consumer habits with stay-at-home orders and less socializing activities
- hair styling is a significant part of our Hair Care business
- **increased vaccination rates, reopening of economies and public venues – such as restaurants, bars, theaters etc. – will help hair styling market to recover**

## sun care

- global pandemic significantly reduced vacation travel and outdoor activities
- with exited low-margin business, sun care is now a smaller part of our Skin Care business
- **increased vaccination rates, relaxing of cross-border travel restrictions and return of consumer confidence in leisure travel will benefit sun-care recovery**



increased global vaccination rates and reopening of economies will help recovery

## denture adhesives

- government lockdowns – particularly in Western Europe – and 2nd wave of COVID resulted less dining out
- less socializing and consistent mask wearing also reduce the usage of denture wear
- overstocking across the value chain added additional demand softness for denture adhesive ingredients
- significant portion of our Oral Care portfolio is focused on denture adhesives
- **increased vaccination rates and reopening of economies will help the segment to recover**

## hand sanitizers

- significant industry overstock being worked down
- consumer and personal use stabilized to “new normal”
- growth of other expected demand drivers slower given impact of slower economic opening (stay at home, schools are not opening, limited travel and online shopping/delivery replacing shopping in store, etc.)
- business is small part of our portfolio
- **reopening of economies should encourage the consumption of hand sanitizers and revitalize demand**

<sup>1</sup> Listed end markets represent approximately 30% of Personal Care and Household segment sales.

# Ashland Global Holdings Inc.

## outlook

---

providing specific outlook ranges for the fiscal year

### forward-looking insights

- strong demand but changing mix
  - stable Life Sciences demand growth
  - delayed demand recovery in several personal care segments
  - continued recovery in industrial segments
- favorable FX
- self-help actions continue strong and offset impact from Belgium strike and Freeze headwinds
- balanced pricing / raw-material inflation
- upside potential as availability of raw materials improves and allows for inventory rebuild
- outlook excludes contribution from Schülke & Mayr acquisition; expected closing in the June quarter

FY2021 sales

\$2.4 – \$2.5 billion

FY2021 adj. EBITDA

\$570 – \$590 million

focused on internal actions and continued momentum

# Ashland Global Holdings Inc.

## maintaining focus

---

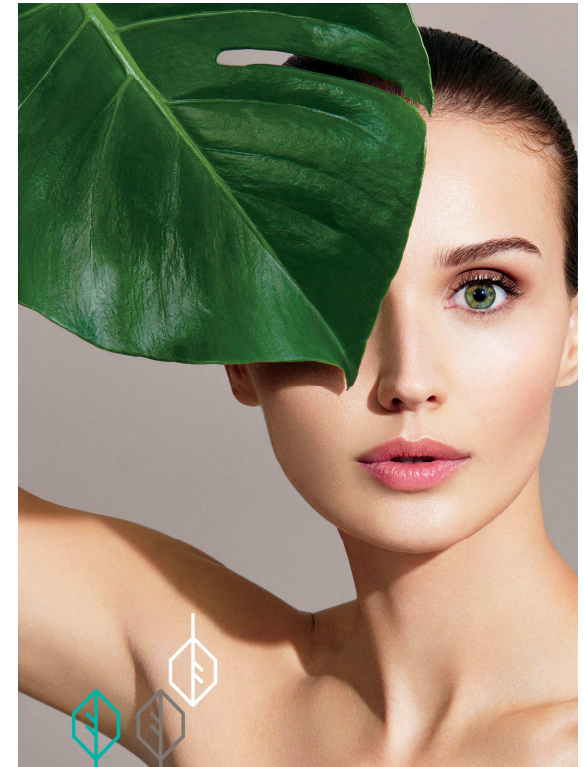
businesses performing in line with expectations

- ✓ advancing strategic initiatives (and M&A)
- ✓ commercial and innovation activities
- ✓ self-help actions
- ✓ managing pricing/raw-material dynamics

COVID recovery and raw-material supply stabilization remain and +/- uncertainties out of our control

focusing on what we control

- offsetting impact of US Gulf Coast freeze
- expanding product offering for PC segments less impacted by COVID
- executing our strategy for portfolio transformation and profitable growth
- driving self-help actions



closing comments

Ashland Global Holdings Inc.

# 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

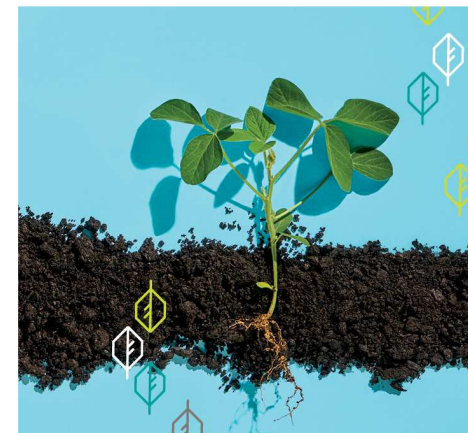




# appendix A: adjusted results summary and balance sheet

# Ashland Global Holdings Inc. adjusted results summary<sup>1</sup>

(\$US in millions, except percentages and per share data)	Q2 FY21	Q2 FY20	change
sales	\$598	\$610	(2) %
gross profit	\$191	\$201	(5) %
gross profit margin	31.9 %	33.0 %	(110) bps
SG&A / R&D costs / intangible amort.	\$118	\$127	(7) %
operating income	\$72	\$81	(11) %
depreciation & amortization	\$62	\$61	+2 %
EBITDA	\$134	\$142	(6) %
EBITDA margin	22.4 %	23.3 %	(90) bps
net interest and other expense	\$16	\$18	(11) %
effective tax rate	16 %	18 %	(200) bps
income from continuing operations	\$47	\$52	(10) %
income from continuing operations (excluding acquisition amortization)	\$64	\$69	(7) %
diluted share count (million shares)	62	62	-
EPS (excluding acquisition amortization)	\$1.05	\$1.12	(6) %



<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.

# Ashland Global Holdings Inc. Q2 business unit consolidation<sup>1</sup>

(\$US in millions, except percentages)	Consumer Specialties	Industrial Specialties	I&S	interco. eliminations	unallocated and other	Ashland
sales	\$322	\$246	\$37	(\$7)	-	\$598
gross profit	\$113	\$72	\$6	-	-	\$191
gross profit margin	35.1 %	29.3 %	16.2 %	-	-	31.9 %
EBITDA	\$88	\$62	\$7	-	(\$23)	\$134
EBITDA margin	27.3 %	25.2 %	18.9 %	-	-	22.4 %

- 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

<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.

# Ashland Global Holdings Inc.

## liquidity and net debt

(\$US in millions)	expiration	interest rate	Moody's rating	S&P rating	3/31/21 balance
cash					\$373
revolver and A/R facilities availability					610
<b>cash, A/R and revolver availability<sup>1</sup></b>					<b>\$983</b>
<b>US A/R sales program<sup>1</sup></b>					<b>\$107</b>
debt					
2.00% notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	\$586
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	-	-	62
revolving credit facility	Jan. 2025	L+137.5	-	-	-
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	56
other <sup>2</sup>		-	-	-	12
<b>total debt</b>			<b>Ba1/stable</b>	<b>BB+/negative</b>	<b>\$1,659</b>
cash					(373)
<b>net debt</b>					<b>\$1,286</b>

<sup>1</sup> Total liquidity of \$1,090 million from all sources.

<sup>2</sup> Includes \$14 million of debt issuance cost discounts as of March 31, 2021. Additionally, as of March 31, 2021, Other included a European short-term loan facility with an outstanding balance of \$23 million.



# 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 Global Holdings Inc. and Consolidated Subsidiaries

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

### for 3 Months Ended March 31, 2021

(\$ millions)

	Three Months Ended March 31, 2021								
	Life Sciences	Personal Care and Household	Consumer Specialties	Specialty Additives	Performance Adhesives	Industrial Specialties	Intermediates and Solvents	Unallocated & Other	Total
<b>OPERATING INCOME (LOSS)</b>									
Operating key items:									
Restructuring, separation and other costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1)	\$ (1)
All other operating income (loss)	35	19	54	19	19	38	3	(23)	72
Operating income (loss)	35	19	54	19	19	38	3	(24)	71
<b>NET INTEREST AND OTHER EXPENSE</b>									
Key items								7	7
All other net interest and other expense (income)								16	16
								23	23
<b>NET INCOME (LOSS) ON ACQUISITIONS AND DIVESTITURES</b>									
Key items								(5)	(5)
<b>INCOME TAX EXPENSE (BENEFIT)</b>									
Tax effect of key items (a)								2	2
Tax specific key items (b)								7	7
All other income tax expense (benefit)								(9)	(9)
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<u>\$ 35</u>	<u>\$ 19</u>	<u>\$ 54</u>	<u>\$ 19</u>	<u>\$ 19</u>	<u>\$ 38</u>	<u>\$ 3</u>	<u>\$ (52)</u>	<u>\$ 43</u>

<sup>1</sup> Represents the tax effect of the key items that are previously identified above.

<sup>2</sup> 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 37 and 38 for additional information.

# Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

### for 3 Months Ended March 31, 2020

(\$ millions)

	Three Months Ended March 31, 2020								
	Life Sciences	Personal Care and Household	Consumer Specialties	Specialty Additives	Performance Adhesives	Industrial Specialties	Intermediates and Solvents	Unallocated & Other	Total
<b>OPERATING INCOME (LOSS)</b>									
Operating key items:									
Restructuring, separation and other costs	\$ (1)	\$ -	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ (14)	\$ (15)
Goodwill impairment	-	(356)	(356)	(174)	-	(174)	-	-	(530)
Inventory adjustment	-	-	-	-	-	-	(4)	-	(4)
All other operating income (loss)	37	20	57	13	16	29	2	(7)	81
Operating income (loss)	36	(336)	(300)	(161)	16	(145)	(2)	(21)	(468)
<b>NET INTEREST AND OTHER EXPENSE</b>									
Key items								99	99
All other net interest and other expense								18	18
								117	117
<b>INCOME TAX EXPENSE (BENEFIT)</b>									
Tax effect of key items (a)								(21)	(21)
Tax specific key items (b)								-	-
All other income tax expense (benefit)								11	11
								(10)	(10)
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	\$ 36	\$ (336)	\$ (300)	\$ (161)	\$ 16	\$ (145)	\$ (2)	\$ (128)	\$ (575)

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

<sup>(2)</sup> 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 37 and 38 for additional information.

# Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

### for 3 Months Ended March 31, 2021 and 2020

(\$ millions)

	Three months ended March 31		Six months ended March 31	
	2021	2020	2021	2020
<b>Free cash flows (a)</b>				
Total cash flows provided by operating activities from continuing operations	\$ 64	\$ 47	\$ 170	\$ 13
Adjustments:				
Additions to property, plant and equipment	(24)	(37)	(55)	(66)
Free cash flows <sup>(1) (2)</sup>	<u>\$ 40</u>	<u>\$ 10</u>	<u>\$ 115</u>	<u>\$ (53)</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 \$15 million and \$7 million of restructuring payments for the three months ended March 31, 2021 and 2020, respectively, and \$29 million and \$13 million of restructuring payments for the six months ended March 31, 2021 and 2020, respectively.

	Three months ended March 31		Six months ended March 31	
	2021	2020	2021	2020
<b>Adjusted operating income</b>				
<b>Operating income (loss) (as reported)</b>	\$ 71	\$ (468)	\$ 112	\$ (451)
Key items, before tax:				
Restructuring, separation and other costs	1	15	13	22
Goodwill impairment	-	530	-	530
Inventory adjustments	-	4	-	4
Capital project impairment	-	-	9	-
<b>Adjusted operating income (non-GAAP)</b>	<u>\$ 72</u>	<u>\$ 81</u>	<u>\$ 134</u>	<u>\$ 105</u>



Ashland Global Holdings Inc.

## Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended March 31, 2021 and 2020

(\$ millions)

	Three months ended March 31	
	2021	2020
Adjusted EBITDA - Ashland Global Holdings Inc.		
Net income (loss)	\$ 41	\$ (582)
Income tax expense (benefit)	-	(10)
Net interest and other expense	23	117
Depreciation and amortization	62	61
EBITDA	126	(414)
Loss from discontinued operations (net of taxes)	2	7
Net loss on acquisitions and divestitures key items (see Slides 31 and 32)	5	-
Operating key items (see Slides 31 and 32)	1	549
Adjusted EBITDA	<u>\$ 134</u>	<u>\$ 142</u>

## Consumer Specialties

# Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended March 31, 2021 and 2020

(\$ millions)

	Three months ended March 31	
	2021	2020
<b>Life Sciences</b>		
Operating income	\$ 35	\$ 36
Add:		
Depreciation and amortization	15	15
Operating key items (see Slides 31 and 32)	-	1
Adjusted EBITDA	<u>\$ 50</u>	<u>\$ 52</u>
<b>Personal Care and Household</b>		
Operating income (loss)	\$ 19	\$ (336)
Add:		
Depreciation and amortization	19	19
Operating key items (see Slides 31 and 32)	-	356
Adjusted EBITDA	<u>\$ 38</u>	<u>\$ 39</u>
<b>Adjusted EBITDA - Consumer Specialties Total</b>		
Operating income (loss)	\$ 54	\$ (300)
Add:		
Depreciation and amortization	34	34
Operating key items (see Slides 31 and 32)	-	357
Adjusted EBITDA	<u>\$ 88</u>	<u>\$ 91</u>

## Industrial Specialties, Intermediates and Solvents

# Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended March 31, 2021 and 2020

(\$ millions)	Three months ended March 31	
	2021	2020
<b>Specialty Additives</b>		
Operating income (loss)	\$ 19	\$ (161)
Add:		
Depreciation and amortization	21	20
Operating key items (see Slides 31 and 32)	-	174
Adjusted EBITDA	<u>\$ 40</u>	<u>\$ 33</u>
<b>Performance Adhesives</b>		
Operating income	\$ 19	\$ 16
Add:		
Depreciation and amortization	3	4
Adjusted EBITDA	<u>\$ 22</u>	<u>\$ 20</u>
<b>Adjusted EBITDA - Industrial Specialties Total</b>		
Operating income (loss)	\$ 38	\$ (145)
Add:		
Depreciation and amortization	24	24
Operating key items (see Slides 31 and 32)	-	174
Adjusted EBITDA	<u>\$ 62</u>	<u>\$ 53</u>
<b>Adjusted EBITDA - Intermediates and Solvents</b>		
Operating income (loss)	\$ 3	\$ (2)
Add:		
Depreciation and amortization	4	3
Operating key items (see Slides 31 and 32)	-	4
Adjusted EBITDA	<u>\$ 7</u>	<u>\$ 5</u>

# Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

### for 3 Months Ended March 31, 2021 and 2020

(\$ millions)

#### Income (loss) from continuing operations (as reported)

Key items, before tax:

Restructuring, separation and other costs  
 Unrealized loss (gain) on securities  
 Goodwill impairment  
 Inventory adjustments  
 Accelerated amortization of debt issuance costs  
 Loss on early retirement of debt  
 Net loss (gain) on acquisitions and divestitures  
 Capital project impairment

Key items, before tax

Tax effect of key items <sup>(1)</sup>

Key items, after tax

Tax specific key items:

Restructuring and separation activity  
 Uncertain tax positions  
 Other tax reform related activity

Tax specific key items <sup>(2)</sup>

Total key items

#### Adjusted income from continuing operations (non-GAAP)

Amortization expense adjustment (net of tax) <sup>(3)</sup>

#### Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense

	Three months ended		Six months ended	
	March 31		March 31	
	2021	2020	2021	2020
Income (loss) from continuing operations (as reported)	\$ 43	\$ (575)	\$ 104	\$ (541)
Key items, before tax:				
Restructuring, separation and other costs	1	15	13	22
Unrealized loss (gain) on securities	7	32	(11)	23
Goodwill impairment	-	530	-	530
Inventory adjustments	-	4	-	4
Accelerated amortization of debt issuance costs	-	8	-	8
Loss on early retirement of debt	-	59	-	59
Net loss (gain) on acquisitions and divestitures	5	-	(9)	-
Capital project impairment	-	-	9	-
Key items, before tax	13	648	2	646
Tax effect of key items <sup>(1)</sup>	(2)	(21)	2	(20)
Key items, after tax	11	627	4	626
Tax specific key items:				
Restructuring and separation activity	-	-	(13)	-
Uncertain tax positions	(7)	-	(7)	-
Other tax reform related activity	-	-	-	(25)
Tax specific key items <sup>(2)</sup>	(7)	-	(20)	(25)
Total key items	4	627	(16)	601
Adjusted income from continuing operations (non-GAAP)	\$ 47	\$ 52	\$ 88	\$ 60
Amortization expense adjustment (net of tax) <sup>(3)</sup>	17	17	34	34
Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense	\$ 64	\$ 69	\$ 122	\$ 94

<sup>1</sup> Represents the tax effect of the key items that are previously identified above.

<sup>2</sup> 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.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2020.

<sup>3</sup> Amortization expense adjustment (net of tax) tax rates were 21% and 20% for the three months March 31, 2021 and 2020, respectively.

# Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

### for 3 Months Ended March 31, 2021 and 2020

(\$ millions)

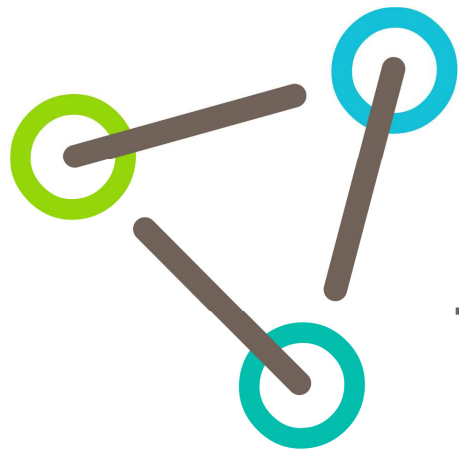
	Three months ended March 31		Six months ended March 31	
	2021	2020	2021	2020
<b>Diluted EPS from continuing operations (as reported)</b>	\$ 0.69	\$ (9.48)	\$ 1.69	\$ (8.93)
Key items, before tax:				
Restructuring, separation and other costs	0.02	0.23	0.21	0.35
Unrealized loss (gain) on securities	0.11	0.53	(0.18)	0.38
Goodwill impairment	-	8.75	-	8.75
Inventory adjustments	-	0.06	-	0.06
Accelerated amortization of debt issuance costs	-	0.13	-	0.13
Loss on early retirement of debt	-	0.97	-	0.97
Net loss (gain) on acquisitions and divestitures	0.08	-	(0.16)	-
Capital project impairment	-	-	0.16	-
Key items, before tax	0.21	10.67	0.03	10.64
Tax effect of key items <sup>(1)</sup>	(0.03)	(0.35)	0.03	(0.33)
Key items, after tax	0.18	10.32	0.06	10.31
Tax specific key items:				
Restructuring and separation activity	-	-	(0.22)	-
Uncertain tax positions	(0.10)	-	(0.10)	-
Other tax reform related activity	-	-	-	(0.41)
Tax specific key items <sup>(2)</sup>	(0.10)	-	(0.32)	(0.41)
Total key items	0.08	10.32	(0.26)	9.90
<b>Adjusted diluted EPS from continuing operations (non-GAAP)</b>	<b>\$ 0.77</b>	<b>\$ 0.84</b>	<b>\$ 1.43</b>	<b>\$ 0.97</b>
Amortization expense adjustment (net of tax) <sup>(3)</sup>	0.28	0.28	0.55	0.56
<b>Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense</b>	<b>\$ 1.05</b>	<b>\$ 1.12</b>	<b>\$ 1.98</b>	<b>\$ 1.53</b>

<sup>1</sup> Represents the tax effect of the key items that are previously identified above.

<sup>2</sup> 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.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2020.

<sup>3</sup> Amortization expense adjustment (net of tax) tax rates were 21% and 20% for the three months ended March 31, 2021 and 2020, respectively.



Ashland<sup>TM</sup>  
always solving