



Earnings Conference Call First-Quarter Fiscal 2021

February 4, 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 12-16 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

- Q1 performance summary
- Q1 financial results
- priorities and outlook
- closing comments
- thank you and Q&A



Q1 performance summary

Commentary on Q1 Performance

- year-over-year sales growth of 4%; currency favorably impacted sales by 2%
- year-over-year growth adjusted EBITDA growth of 41%; prior-year shutdown in I&S represented 14%
- resilient demand among most consumer end markets; began exit of lower-margin products lines
- continued recovery of global industrial demand with less seasonal impact
- improved mix, lower SG&A and R&D ("SARD") expenses and operating costs leading to expanded margins
- significant growth in free cash flow from improved earnings and disciplined working capital control
- announced signing of definitive agreement to acquire Schülke & Mayr personal-care business

Q1 Highlights¹

Sales of \$552 million (+4%)

Adjusted EBITDA of \$124 million (+41%)

Adjusted EBITDA margin of 22.5% (+600 bps)

Free cash flow of \$76 million

FCF conversion² of 61%

Q1 financial results

Fiscal-First Quarter Adjusted Results¹

(\$US in millions, except percentages)	Q1 FY21	Q1 FY20	Change
Sales	\$552	\$533	+4 %
Gross profit margin	32.2 %	28.7 %	+350 bps
SG&A / R&D costs / Intangible amortization	\$121	\$128	(5) %
Operating Income	\$62	\$24	+158 %
EBITDA	\$124	\$88	+41 %
EBITDA margin	22.5 %	16.5 %	+600 bps
EPS (excluding acquisition amortization) ²	\$0.94	\$0.41	+129 %

- financial results reflect improving demand dynamics, favorable mix and continued benefit from self-help cost reductions
 - consumer end markets demonstrated continued strength
 - industrial end markets exhibited strong improvement and less seasonality
- EBITDA up 41% due primarily to sales growth, favorable mix, lower operating costs and lower SARD expenses
- continued action on cost drove the 5% 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)	Q1 FY21	Q1 FY20	Change
Sales	\$296	\$292	+1 %
Gross profit	\$107	\$103	+4 %
Gross profit margin	36.1 %	35.3 %	+80 bps
Operating Income	\$44	\$33	+33 %
EBITDA	\$79	\$67	+18 %
EBITDA margin	26.7 %	22.9 %	+380 bps

- resilient demand across most consumer end markets, offset by exit from lower-margin product lines and continued Avoca challenges; favorable currency impacted sales by +2%
- improved EBITDA and EBITDA margins driven by improved mix and lower SARD expenses

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

1Q-21 year-over-year Sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

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

Industrial Specialties Adjusted Results Summary¹



(\$US in millions, except percentages)	Q1 FY21	Q1 FY20	Change
Sales	\$231	\$213	+8 %
Gross profit	\$67	\$59	+14 %
Gross profit margin	29.0 %	27.7 %	+130 bps
Operating Income	\$31	\$19	+63 %
EBITDA	\$55	\$43	+28 %
EBITDA margin	23.8 %	20.2 %	+360 bps

- broad-based growth consistent with industrial demand recovery
- particular strength in coatings, construction and all adhesive applications; favorable currency impacted sales by +2%
- improved EBITDA and EBITDA margins driven by improved mix and lower SARD expenses

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

1Q-21 year-over-year Sales (HSD/MSD/LSL = high, mid or low single-digit %. DD = double-digit %)

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

Intermediates & Solvents (I&S) Adjusted Results Summary¹



(\$US in millions, except percentages)	Q1 FY21	Q1 FY20	Change
Sales	\$33	\$28	+18 %
Gross profit	\$4	(\$10)	NM
Gross profit margin	12.1 %	(35.6) %	NM
Operating Income	\$2	(\$12)	NM
EBITDA	\$5	(\$9)	NM
EBITDA margin	15.2 %	(32.1) %	NM

- merchant volumes of derivatives to high-value industries improved sequentially but not to prior-year levels
- intercompany volumes improved compared to prior year which included an extended shut-down at the Lima, OH facility

-HSD	+DD
Merchant	Captive

1Q-21 year-over-year Sales (HSD/MSD/LSL = high, mid or low single-digit %. DD = double-digit %)

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

Ashland Global Holdings Inc.

Free Cash Flow

- generated free cash flow of \$76 million compared to \$63 million deficit in prior-year Q1
- year-over-year increase of \$139 million
- improvement driven by improved earnings and continuous working capital improvement
- expect Adjusted EBITDA to free cash flow conversion of >50% in FY2021



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.

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 applications
- accretive to growth, earnings and margins and consistent with our strategic growth and profitability-improvement objectives
- acquisition expected to close by the end of the June quarter



FY2021 Outlook Drivers

- continued mix improvement
- acceleration of self-help actions
- demand recovery continues in industrial end markets
- favorable foreign-currency translation

- benefits from incremental volume on absorption will be partially offset by the impact of cost absorption from a recent labor strike at one of our plants

- continuation of COVID-19 pandemic impact on consumer behavior and specific end markets
- normalization of demand for hand-sanitizer ingredients
- increased risk of supply-chain constraints given COVID-19 uncertainty and government responses to the pandemic
- changing raw-material dynamics in Performance Adhesives

Outlook

not providing specific FY2021 guidance given macro uncertainty

forward-looking insights

- assume current continued recovery in global demand, 3 – 5% sales growth in fiscal 2021 (inclusive of favorable FX and exit of lower-margin product lines)
- incremental volume growth at higher contribution margin offset by absorption impact from labor strike in Belgium
- greater impact of self-help actions, partially offset by some operating cost resets, will be a major contributor to EBITDA growth in the range \$25 – \$30 million

FY2020 performance

+ sales growth

+ cost reduction carryover

+ new COGS cost reductions

(-) incentive/merit/health cost resets

FY2021 performance

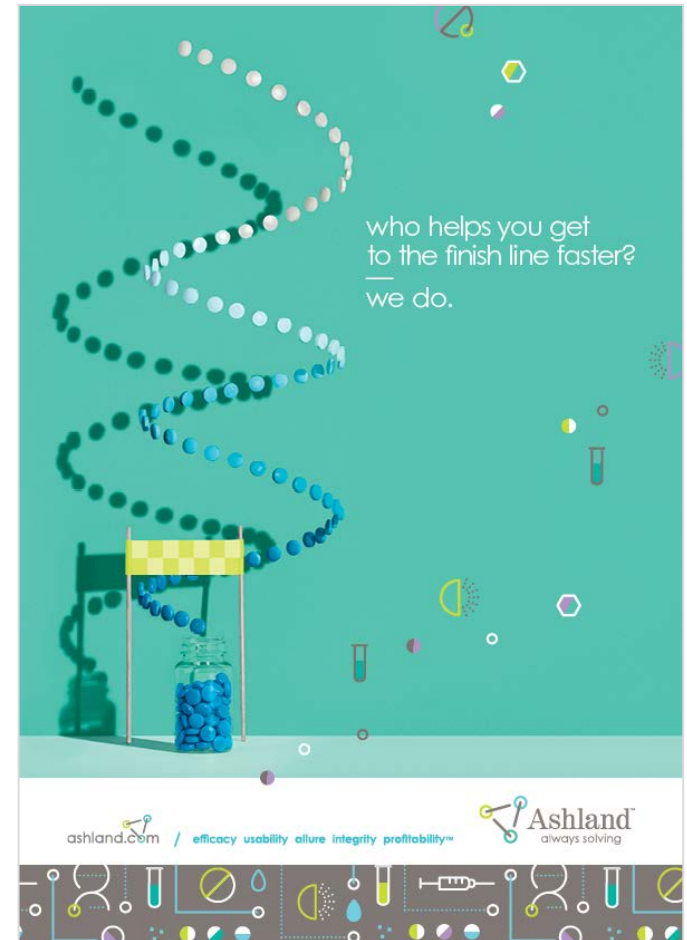
focused on internal actions and continued momentum

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 Summary¹

(\$US in millions, except percentages and per share data)	Q1 FY21	Q1 FY20	Change
Sales	\$552	\$533	+4 %
Gross profit	\$178	\$153	+16 %
Gross profit margin	32.2 %	28.7 %	+350 bps
SG&A / R&D costs / Intangible amort.	\$121	\$128	(5) %
Operating income	\$62	\$24	+158 %
Depreciation & amortization	\$62	\$61	+2 %
EBITDA	\$124	\$88	+41 %
EBITDA margin	22.5 %	16.5 %	+600 bps
Net interest and other expense	\$12	\$19	(37) %
Effective tax rate	19 %	3 %	+1,600 bps
Income from continuing operations	\$41	\$8	+413 %
Income from continuing operations (excluding acquisition amortization)	\$58	\$25	+132 %
Diluted share count (million shares)	61	61	-
EPS (excluding acquisition amortization)	\$0.94	\$0.41	+129 %

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.



Ashland Global Holdings Inc.

Q1 Business Unit Consolidation

(\$US in millions, except percentages)	Consumer Specialties	Industrial Specialties	I&S	Interco Eliminations	Unallocated and Other	Ashland
Sales	\$296	\$231	\$33	(\$8)	-	\$552
Gross profit	\$107	\$67	\$4	-	-	\$178
Gross profit margin	36.1 %	29.0 %	12.1 %	-	-	32.2 %
EBITDA	\$79	\$55	\$5	-	(\$15)	\$124
EBITDA margin	26.7 %	23.8 %	15.2 %	-	-	22.5 %

- 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	12/31/20 Balance
Cash					\$335
Revolver and A/R facility availability					694
Cash, A/R and revolver availability					\$1,029
Debt					
2.00% Notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	\$614
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	-	-	69
U.S. A/R securitization	Mar. 2021	L+75 / CP+60	-	-	-
Revolving credit facility	Jan. 2025	L+137.5	-	-	-
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	55
Other ¹		-	-	-	13
Total debt			Ba1/stable	BB+/negative	\$1,694
Cash					(335)
Net debt					\$1,359

¹ Includes \$15 million of debt issuance cost discounts as of December 31, 2020. Additionally, as of December 31, 2020, 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

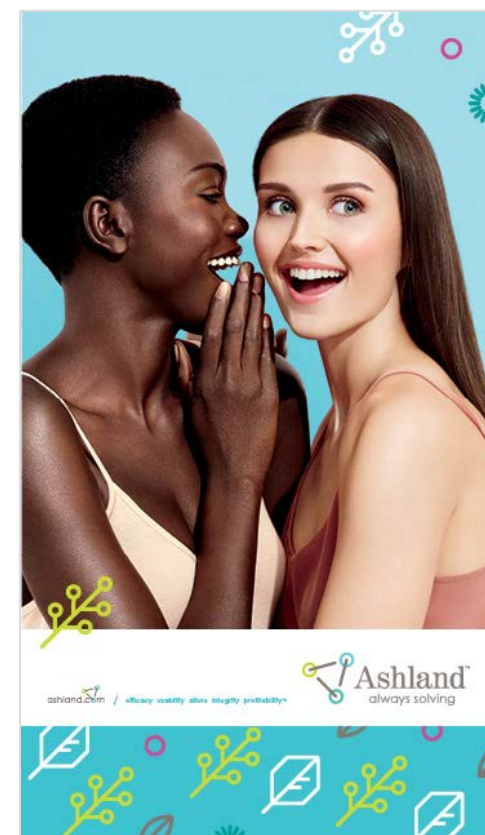
Reconciliation of Non-GAAP Data

for 12 Months Ended December 31, 2020

(\$ millions, except percentages)

Sales ¹	Q1 21	Q4 20	Q3 20	Q2 20	Total		Q1 20
Life Sciences	\$ 170	\$ 180	\$ 189	\$ 184	\$ 723		\$ 155
Personal Care & Household	126	164	155	159	604		137
<i>Consumer Specialties</i>	296	344	344	343	1,327		292
Specialty Additives	147	160	135	155	597		139
Performance Adhesives	84	80	71	85	320		74
<i>Industrial Specialties</i>	231	240	206	240	917		213
<i>Intermediates & Solvents</i>	33	28	36	37	134		28
Less: Intercompany Eliminations	(8)	(3)	(12)	(10)	(33)		0
Total	\$ 552	\$ 609	\$ 574	\$ 610	\$ 2,345		\$ 533

Adjusted EBITDA ¹	Q1 21	Q4 20	Q3 20	Q2 20	Total	Adjusted EBITDA Margin	Q1 20
Life Sciences	\$ 45	\$ 51	\$ 55	\$ 52	\$ 203	28.1%	\$ 37
Personal Care & Household	34	46	35	39	154	25.5%	30
<i>Consumer Specialties</i>	79	97	90	91	357	26.9%	67
Specialty Additives	32	44	37	33	146	24.5%	29
Performance Adhesives	23	20	16	20	79	24.7%	14
<i>Industrial Specialties</i>	55	64	53	53	225	24.5%	43
<i>Intermediates & Solvents</i>	5	6	11	5	27	20.1%	(9)
<i>Unallocated</i>	(15)	(13)	(11)	(7)	(46)		(13)
Total	\$ 124	\$ 154	\$ 143	\$ 142	\$ 563	24.0%	\$ 88



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 December 31, 2020

(\$ millions)

	Three Months Ended December 31, 2020								Total
	Life Sciences	Personal Care	Consumer Specialties	Specialty Additives	Performance Adhesives	Industrial Specialties	Intermediates and Solvents	Unallocated & Other	
OPERATING INCOME (LOSS)									
Operating key items:									
Restructuring, separation and other costs	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (12)	\$ (12)
Capital project impairment	-	-	-	(9)	-	(9)	-	-	(9)
All other operating income (loss)	29	15	44	11	20	31	2	(15)	62
Operating income (loss)	29	15	44	2	20	22	2	(27)	41
NET INTEREST AND OTHER EXPENSE (INCOME)									
Key items								(18)	(18)
All other net interest and other expense (income)								12	12
								(6)	(6)
NET INCOME ON DIVESTITURES									
Key items								14	14
INCOME TAX EXPENSE (BENEFIT)									
Tax effect of key items ¹								4	4
Tax specific key items ²								(13)	(13)
All other income tax expense (benefit)								9	9
								-	-
INCOME (LOSS) FROM CONTINUING OPERATIONS	\$ 29	\$ 15	\$ 44	\$ 2	\$ 20	\$ 22	\$ 2	\$ (7)	\$ 61

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 pages 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 December 31, 2019

(\$ millions)

	Three Months Ended December 31, 2019								
	Life Sciences	Personal Care	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (7)	\$ (7)
All other operating income (loss)	22	11	33	9	10	19	(12)	(16)	24
Operating income (loss)	22	11	33	9	10	19	(12)	(23)	17
NET INTEREST AND OTHER EXPENSE (INCOME)									
Key items								(9)	(9)
All other net interest and other expense (income)								19	19
								10	10
NET INCOME ON DIVESTITURES								3	3
INCOME TAX EXPENSE (BENEFIT)									
Tax effect of key items ¹								1	1
Tax specific key items ²								(25)	(25)
All other income tax expense (benefit)								-	-
								(24)	(24)
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>\$ 22</u>	<u>\$ 11</u>	<u>\$ 33</u>	<u>\$ 9</u>	<u>\$ 10</u>	<u>\$ 19</u>	<u>\$ (12)</u>	<u>\$ (6)</u>	<u>\$ 34</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. See pages 32 and 33 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 December 31, 2020 and 2019

(\$ millions)

	Three months ended December 31	
	2020	2019
Free cash flows ¹		
Total cash flows provided by operating activities from continuing operations	\$ 106	\$ (34)
Adjustments:		
Additions to property, plant and equipment	(30)	(29)
Free cash flows ^{1,2}	<u>\$ 76</u>	<u>\$ (63)</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 \$14 million and \$6 million of restructuring payments for the three months ended December 31, 2020 and 2019, respectively.

	Three months ended December 31	
	2020	2019
Adjusted operating income		
Operating income (as reported)	\$ 41	\$ 17
Key items, before tax:		
Restructuring, separation and other costs	12	7
Capital project impairment	9	-
Adjusted operating income (non-GAAP)	<u>\$ 62</u>	<u>\$ 24</u>

Ashland Global Holdings Inc.

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended December 31, 2020 and 2019

(\$ millions)

Adjusted EBITDA - Ashland Global Holdings Inc.	Three months ended December 31	
	2020	2019
Net income	\$ 56	\$ 32
Income tax expense (benefit)	-	(24)
Net interest and other expense (income)	(6)	10
Depreciation and amortization	62	61
EBITDA	112	79
Loss from discontinued operations (net of taxes)	5	2
Net income on divestitures key items (see pages 25 & 26)	(14)	-
Operating key items (see pages 25 & 26)	21	7
Adjusted EBITDA	\$ 124	\$ 88

Consumer Specialties

Reconciliation of Non-GAAP Data – Adjusted EBITDA for 3 Months Ended December 31, 2020 and 2019

(\$ millions)

	Three months ended December 31	
	2020	2019
<u>Life Sciences</u>		
Operating income	\$ 29	\$ 22
Add:		
Depreciation and amortization	16	15
Adjusted EBITDA	<u>\$ 45</u>	<u>\$ 37</u>
<u>Personal Care and Household</u>		
Operating income	\$ 15	\$ 11
Add:		
Depreciation and amortization	19	19
Adjusted EBITDA	<u>\$ 34</u>	<u>\$ 30</u>
<u>Adjusted EBITDA - Consumer Specialties Total</u>		
Operating income	\$ 44	\$ 33
Add:		
Depreciation and amortization	35	34
Adjusted EBITDA	<u>\$ 79</u>	<u>\$ 67</u>

Industrial Specialties, Intermediates and Solvents

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended December 31, 2020 and 2019

(\$ millions)

	Three months ended December 31	
	2020	2019
Specialty Additives		
Operating income	\$ 2	\$ 9
Add:		
Depreciation and amortization	21	20
Operating key items (see pages 25 & 26)	9	-
Adjusted EBITDA	<u>\$ 32</u>	<u>\$ 29</u>
Performance Adhesives		
Operating income	\$ 20	\$ 10
Add:		
Depreciation and amortization	3	4
Adjusted EBITDA	<u>\$ 23</u>	<u>\$ 14</u>
Adjusted EBITDA - Industrial Specialties Total		
Operating income	\$ 22	\$ 19
Add:		
Depreciation and amortization	24	24
Operating key items (see pages 25 & 26)	9	-
Adjusted EBITDA	<u>\$ 55</u>	<u>\$ 43</u>
Adjusted EBITDA - Intermediates and Solvents		
Operating income	\$ 2	\$ (12)
Add:		
Depreciation and amortization	3	3
Adjusted EBITDA	<u>\$ 5</u>	<u>\$ (9)</u>

Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for 3 Months Ended December 31, 2020 and 2019

(\$ millions)

	Three months ended December 31	
	2020	2019
Income from continuing operations (as reported)	\$ 61	\$ 34
Key items, before tax:		
Restructuring, separation and other costs	12	7
Capital project impairment	9	-
Unrealized gain on securities	(18)	(9)
Net gain on acquisitions and divestitures	(14)	-
Key items, before tax	(11)	(2)
Tax effect of key items ¹	4	1
Key items, after tax	(7)	(1)
Tax specific key items:		
Restructuring and separation activity	(13)	-
Other tax reform related activity	-	(25)
Tax specific key items ²	(13)	(25)
Total key items	(20)	(26)
Adjusted income from continuing operations (non-GAAP)	\$ 41	\$ 8
Amortization expense adjustment (net of tax) ³	17	17
Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense	\$ 58	\$ 25

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.
- 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% and 20% for the three months ended December 31, 2020 and 2019, respectively.

Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for 3 Months Ended December 31, 2020 and 2019

(\$ millions)

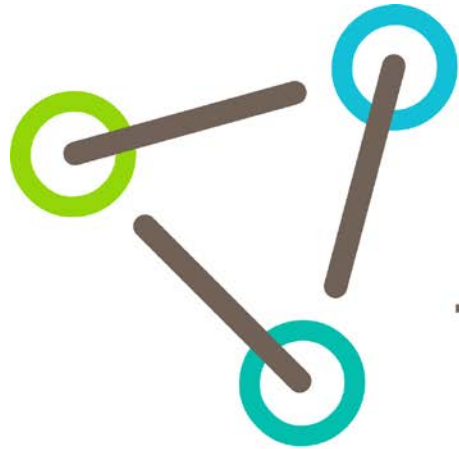
	Three months ended December 31	
	2020	2019
Diluted EPS from continuing operations (as reported)	\$ 0.99	\$ 0.56
Key items, before tax:		
Restructuring, separation and other costs	0.18	0.12
Capital project impairment	0.16	-
Unrealized gain on securities	(0.29)	(0.15)
Net gain on acquisitions and divestitures	(0.23)	-
Key items, before tax	(0.18)	(0.03)
Tax effect of key items ¹	0.07	0.02
Key items, after tax	(0.11)	(0.01)
Tax specific key items:		
Restructuring and separation activity	(0.22)	-
Other tax reform related activity	-	(0.42)
Tax specific key items ²	(0.22)	(0.42)
Total key items	(0.33)	(0.43)
Adjusted diluted EPS from continuing operations (non-GAAP)	\$ 0.66	\$ 0.13
Amortization expense adjustment (net of tax) ³	0.28	0.28
Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense	\$ 0.94	\$ 0.41

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.
- 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% and 20% for the three months ended December 31, 2020 and 2019, respectively.



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