



# Earnings Conference Call: Second-Quarter Fiscal 2020

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May 6, 2020 – 10:00am 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 19-25 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

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- Q2 Performance Summary and COVID-19 Impact
- Q2 Financial Results
- New Business Units
- Priorities and Outlook
- Closing Comments
- Thank you and Q&A

# Q2 Performance Summary

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# Our Priorities in Current Environment

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## 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.

# Q2 COVID-19 Impact & Actions

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limited impact on demand from COVID-19 pandemic

- more defensive portfolio
- expect Q3 demand reduction in several industrial businesses

rapid engagement and active management by Incident Management Teams

leveraging learnings from China since January

ASH considered an essential supplier by many global agencies

all manufacturing sites operating

implemented work-from-home protocols; limited travel

BU model helped performance

- increased focus, clarity and agility of decision making
- taking action to improve performance and cash

# Q2 Financial Results

# Fiscal-Second Quarter Adjusted Results<sup>1</sup>

(\$US in millions, except percentages)	Q2 FY20	Q2 FY19	Change
Sales	\$610	\$667	(9) %
Gross profit margin	33.0 %	32.5 %	+50 bps
SG&A / R&D costs / Intangible amortization	\$127	\$136	(7) %
EBITDA	\$142	\$142	-
EBITDA margin	23.3 %	21.3 %	+200 bps
Earnings per share (EPS) <sup>2</sup>	\$0.84	\$0.83	+1 %
EPS (excluding acquisition amortization) <sup>2</sup>	\$1.12	\$1.08	+4 %

- sales for all business units consistent with expectations
  - more than half of sales decline driven by Pharmachem, prior-year share losses and currency
  - stabilizing Pharmachem business lines (Avoca and custom manufacturing)
- EBITDA consistent with prior year due primarily to lower SG&A and R&D (“SARD”) expenses
- continued action on cost drove the 7 percent reduction in SARD expenses
- China business impacted during the quarter by COVID-19 and Q1 Nanjing plant event

<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 FY20	Q2 FY19	Change
Sales	\$343	\$379	(9) %
Gross profit	\$128	\$130	(2) %
Gross profit margin	37.3 %	34.3 %	+300 bps
Operating income	\$57	\$58	(2) %
EBITDA	\$91	\$92	(1) %
EBITDA margin	26.5 %	24.3 %	+220 bps

- sales consistent with expectations, demonstrating resilient end-market demand
  - Pharmachem and prior-year business losses in oral care represented ~6 percentage points (ppts) of decline vs. prior year; unfavorable currency impact represented an additional 1 ppt
- previously-disclosed goodwill impairment charge recognized during the quarter excluded from these results
- favorable price/mix and operating costs drove improved gross profit margin and EBITDA margin

<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.



# Industrial Specialties Adjusted Results Summary<sup>1</sup>

(\$US in millions, except percentages)	Q2 FY20	Q2 FY19	Change
Sales	\$240	\$258	(7) %
Gross profit	\$69	\$75	(8) %
Gross profit margin	28.8 %	29.1 %	(30) bps
Operating income	\$29	\$35	(17) %
EBITDA	\$53	\$59	(10) %
EBITDA margin	22.1 %	22.9 %	(80) bps

- industrial demand consistent with expectations and down versus prior year
  - largest regional decline in China
- previously-disclosed goodwill impairment charge recognized during the quarter excluded from these results
- sales impacted by weaker global demand for construction and transportation applications and reduced pricing partially reflecting lower raw-material costs
- favorable price/mix in both Performance Adhesives and Specialty Additives
- unfavorable fixed-cost absorption impacted margins compared to prior year

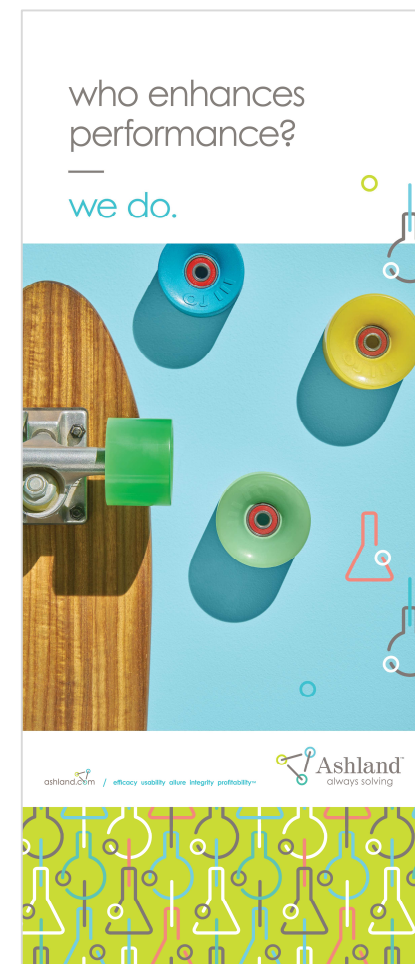
<sup>1</sup> All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income.



# Intermediates & Solvents (I&S) Adjusted Results Summary<sup>1</sup>

(\$US in millions, except percentages)	Q2 FY20	Q2 FY19	Change
Sales	\$37	\$44	(16) %
Gross profit	\$4	\$12	(67) %
Gross profit margin	10.8 %	27.3 %	(1,650) bps
Operating income	\$2	\$9	(78) %
EBITDA	\$5	\$12	(58) %
EBITDA margin	13.5 %	27.3 %	(1,400) bps

- sales down primarily due to lower pricing and lower intercompany sales volume reflecting inventory-management initiatives within Consumer Specialties
- volumes of derivatives to third-party customers increased 1 percent
  - derivatives represent a majority of third-party sales – includes sales to high-value industries including semiconductor, battery and pharmaceuticals
- unfavorable price/mix and operating costs impacted gross profit margin and EBITDA margin compared to prior year

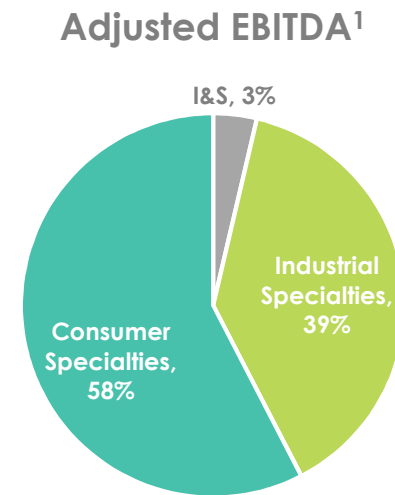
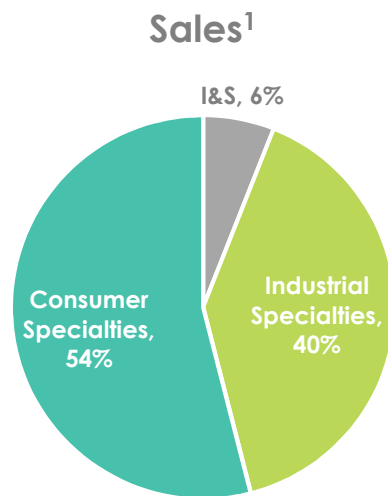


<sup>1</sup> All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income.

# New Business Units

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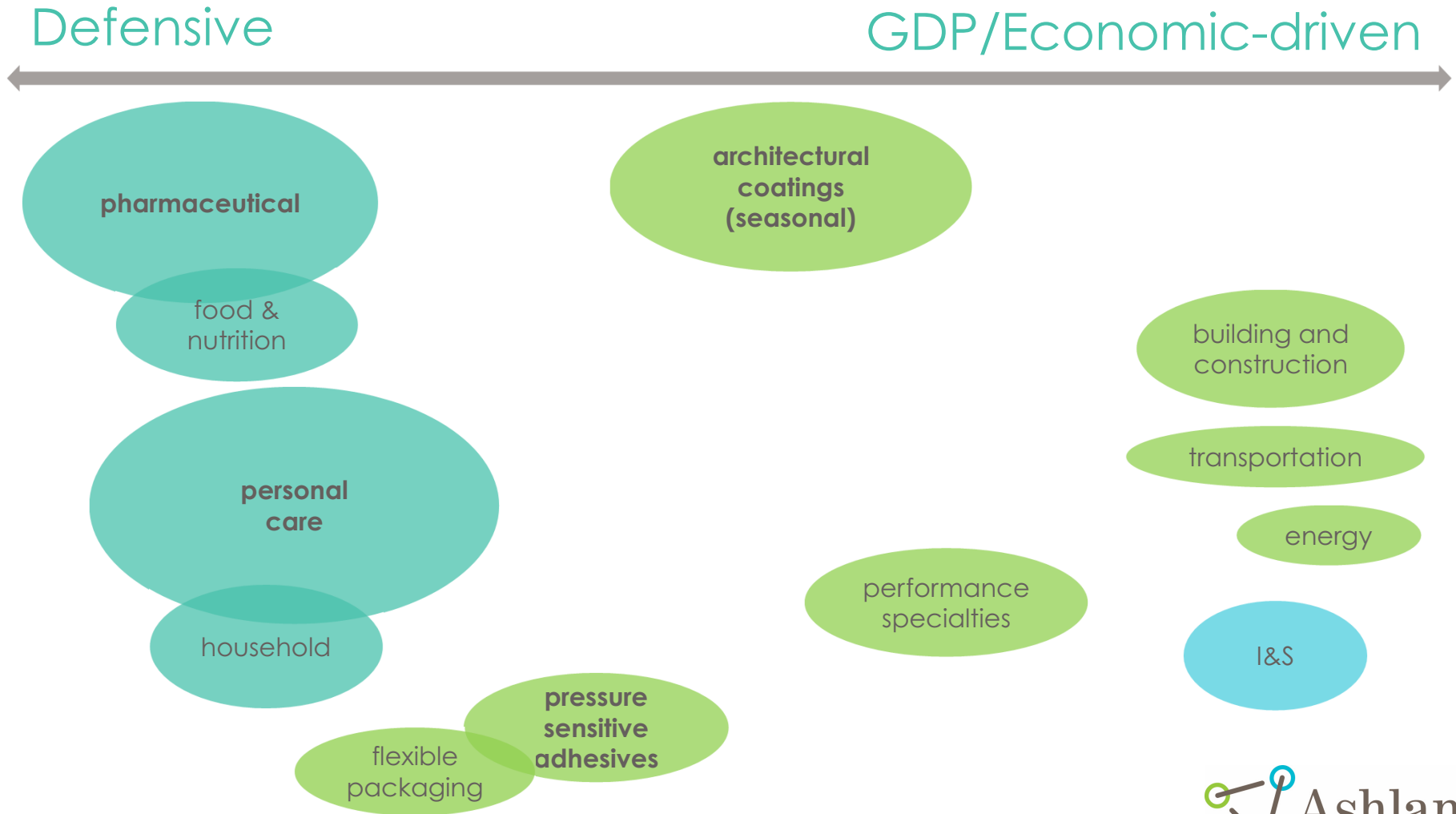
## Our Portfolio



- Strong defensive and semi-defensive portfolio
- four core end markets (Pharma, Personal Care, Architectural Coatings, Solvent pressure-sensitive adhesives) with strong leadership positions represent ~60% of sales
  - Consumer Specialties has a defensive profile
  - PSAs and Flexible Packaging have a semi-defensive profile
  - Architectural Coatings is seasonal (Q1 is slowest season in northern hemisphere)
- several industrial end markets impacted by cyclical, economic dynamics
- ~40% of I&S production driven by captive demand of Consumer Specialties

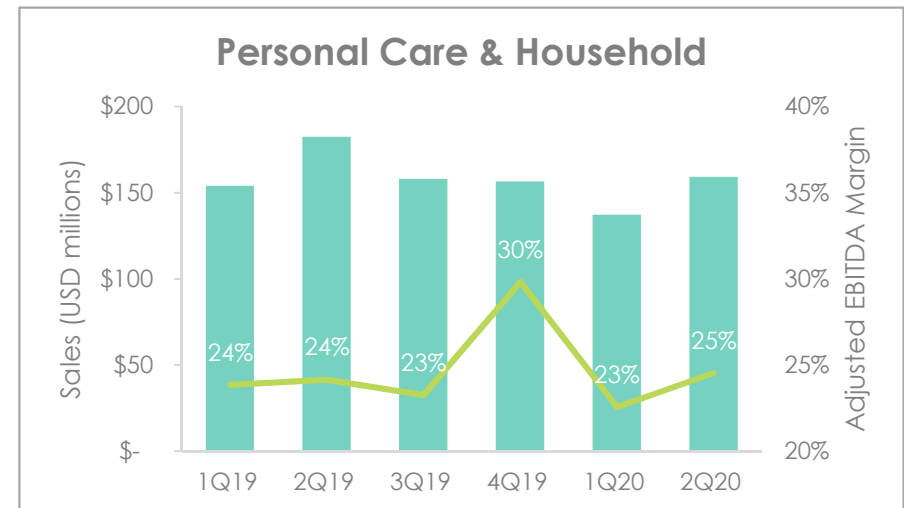
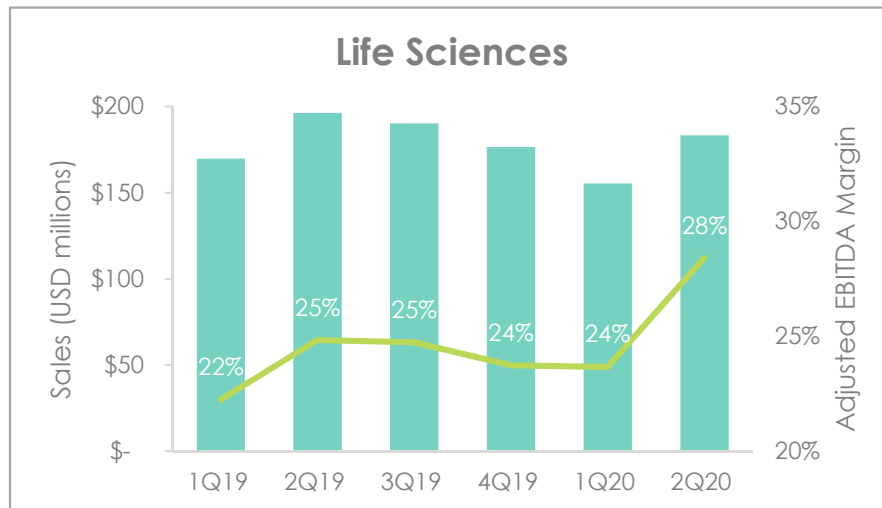
<sup>1</sup> For the last twelve months ended March 31, 2020. Sales excludes intercompany sales of \$35 million; Adjusted EBITDA excludes Unallocated and Other expense of \$53 million.

# Profile of our Business Portfolio



# Ashland Global Holdings Inc.

## Consumer Specialties



### strong Pharmaceutical franchise

- grow oral solid dose (OSD) excipients
- building bioPharma (Injectables) business
- leverage organic and inorganic opportunities

### Food & Nutrition leverages core additive portfolio

- improve profitability

### standalone US based Nutraceutical business

- stabilize and improve
- define long-term strategy

### strong Personal Care franchise

- rich ESG driven innovation portfolio
- expand bifunctional portfolio
- rebalance portfolio of lower margin buy and resell

### increase focus in Household

- stabilize Avoca business
- expand focus on fabric and hard surface cleaners

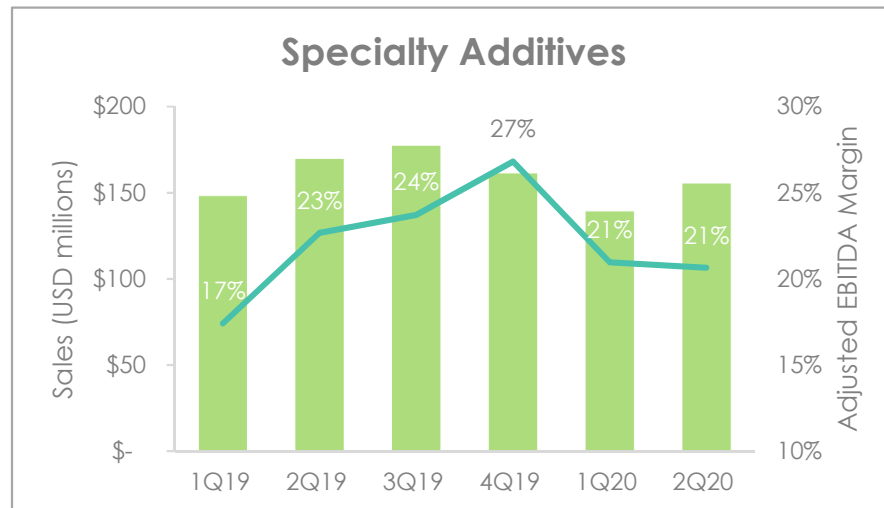
### leverage Biotech capabilities across our portfolio

- extraction/fermentation/purification
- expand product offering and leverage capability in adjacent markets



# Ashland Global Holdings Inc.

## Industrial Specialties



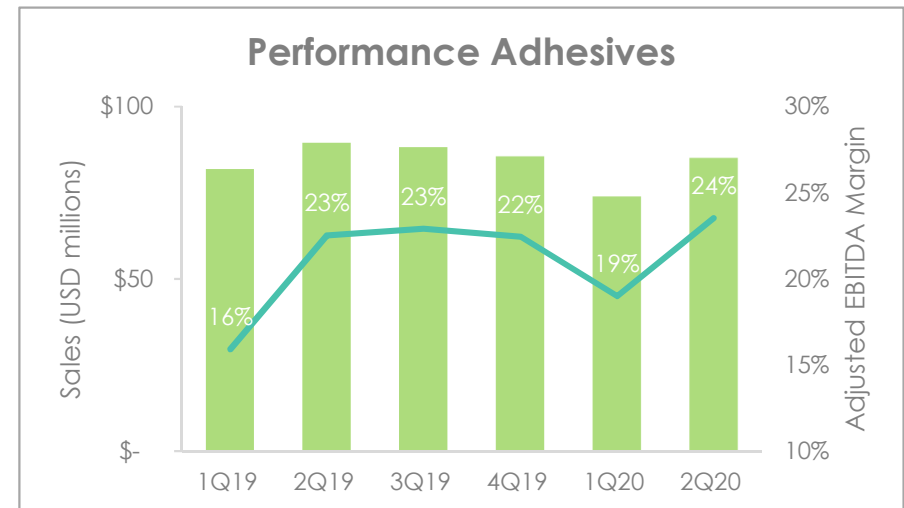
strong Architectural Coatings franchise based on rheology control

- accelerating growth in Asia
- increase Industrial Coatings focus
- expand product/technology portfolio

build scale in core additives technologies via broad market access

- Construction, Energy, Performance Specialties

improve margin profile and continue mix upgrade toward high-value additives/markets



strong Pressure Sensitive Adhesive franchise

- expand SB PSA participation in Asia

Structural Assembly Adhesives built on differentiated technology

- transportation - grow composites adhesives
- building & construction – US focused

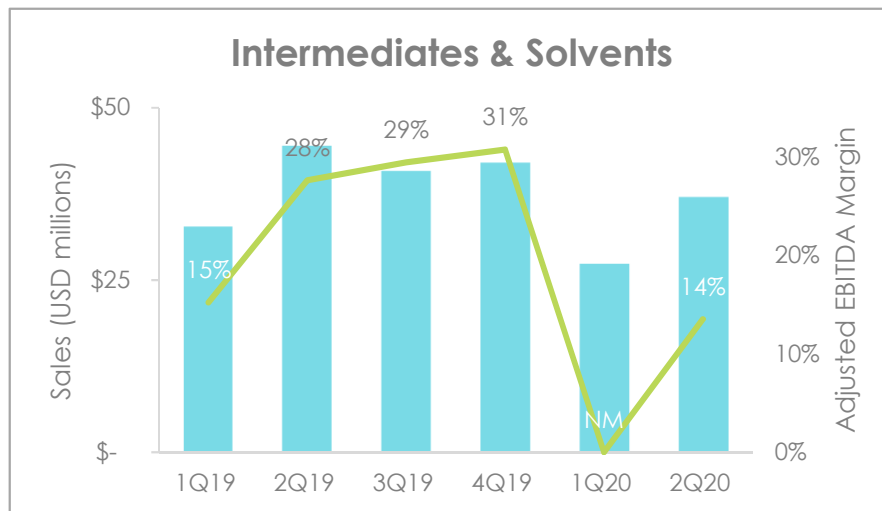
Laminating Adhesives & Coatings

- pursuing new growth opportunities





# Intermediates & Solvents



Butanediol (BDO) production driven by security of supply and lower cost

- captive sales transferred at market price
- volume ~40% captive

merchant business has migrated away from BDO to derivatives with sale of Marl

- BLO (Semiconductor)
- NMP (Battery)

developing long term strategy

- value of BDO back integration
- building a more stable and profitable merchant business in higher-value end markets

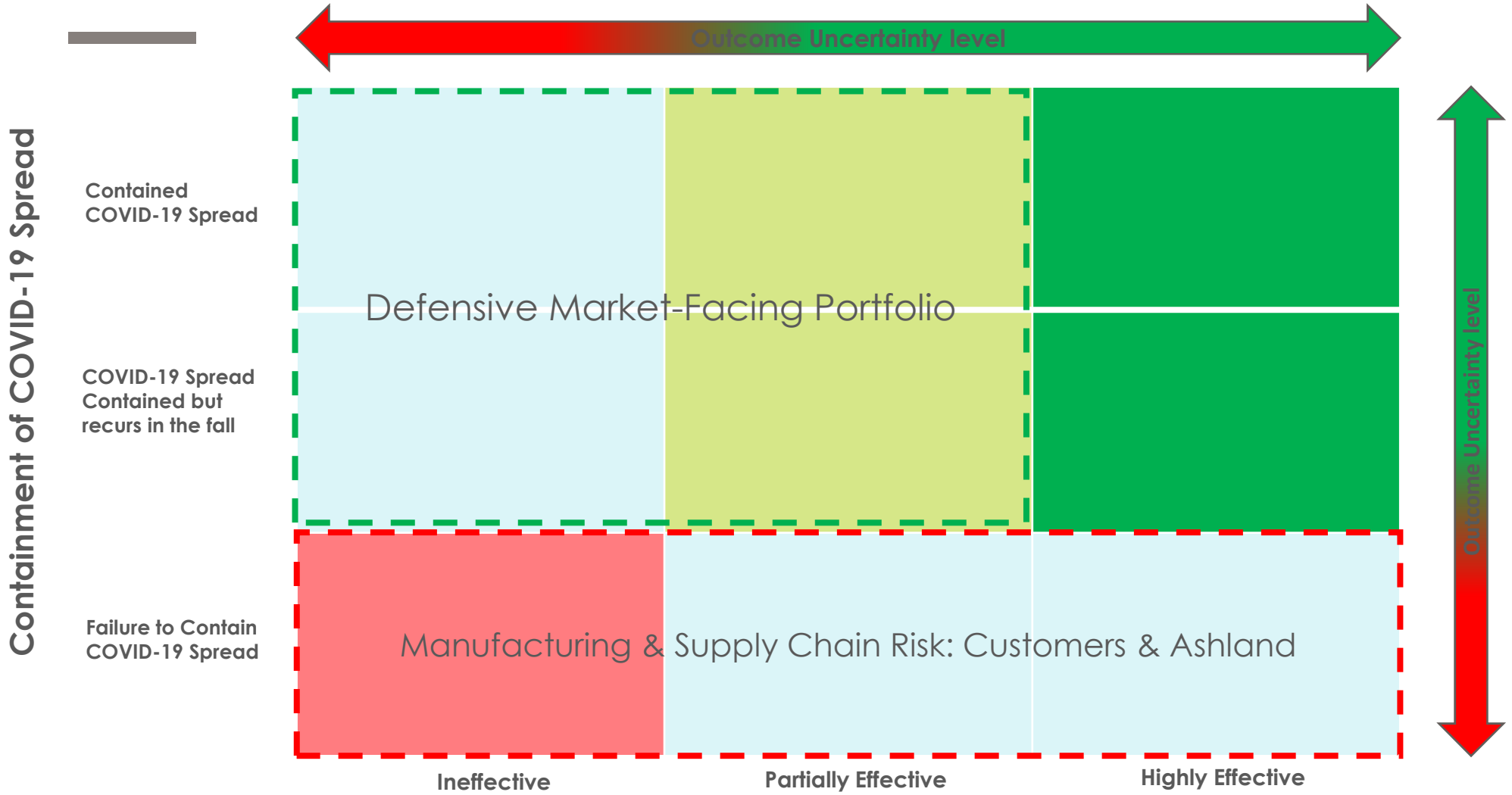
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# New Business Model Take-Aways

- leadership position in core businesses with global scale and infrastructure
- clear business-unit ownership and accountability
  - businesses restructured and improving cost structure
  - strategy updated
  - moving to execute
- strong and broad additive portfolio with scale
  - innovation engine drive by core businesses (Pharma, Personal Care, Coatings and Solvent Pressure Sensitive Adhesives)
  - leverage channel to multiple other markets to drive scale
- healthy Performance Adhesive portfolio with opportunities for innovation and geographic growth
- room to expand margins and redeploy resources for growth
  - new products/mix/productivity
  - SARD/COGS actions
- exciting innovation opportunities
  - ESG driven
  - performance driven
  - productivity driven
  - new geographies, customers and markets

# Priorities and Outlook

# COVID-19 Potential Scenarios



# COVID-19 Scenario Planning

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## key take-aways

- largely defensive portfolio
- supply chain presents greatest risk
- self-help actions improving our performance
- high level of uncertainty, difficult to model downside scenarios

## shifted focus to stress testing

- ensure corporate financial stability in highly stressed scenarios
- focus on operating to maximize performance based on “base case”
- identify leading indicators/triggers of increasing risk/opportunities
- build resilience and agility through contingency plans
  - minimize downside risk
  - capitalize on upside opportunities

# Stress Test

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in the event of a prolonged economic downturn or failure to contain the spread of COVID-19

- our overall portfolio is defensive, with significant differences by business unit
  - resilient though muted demand within Consumer Specialties
  - stressed demand within Industrial Specialties (auto, building and construction, energy)
- new organization structure allow us flexibility in tailoring our actions to specific developments

## plans

- increased focus and active management of supply chain activities
- maintain continuous transparent/open discussion 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

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# Cost and Growth Actions

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self-help initiatives proceeding as communicated

expect to achieve over \$40 million of incremental 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

inventory-management initiatives expected to impact COGS by at least \$25 million in 2H FY2020

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# Well Positioned for Uncertain Times

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## 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



# Outlook

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**not providing guidance for Q3 or FY2020**

## forward-looking insights

- more stable demand for defensive end markets
- weaker demand, and more uncertainty, for much of Industrial Specialties
- uncertainty of impact on seasonal end markets (Coatings and Construction)
- potential customer order timing movement from Q4 to Q3
- pricing/raw material changes stay balanced
- self-help actions having near-term +/- impact

**focused on COVID-19 challenges and continued momentum**

# Closing Comments

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# A Premier Specialty Materials Company

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- 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

# Adjusted Results Summary<sup>1</sup>

(\$US in millions, except percentages and per share data)	Q2 FY20	Q2 FY19	Change
Sales	\$610	\$667	(9) %
Gross profit	\$201	\$217	(7) %
Gross profit margin	33.0 %	32.5 %	+50 bps
SG&A / R&D costs / Intangible amort.	\$127	\$136	(7) %
Operating income	\$81	\$81	-
Depreciation & amortization	\$61	\$62	(2) %
EBITDA	\$142	\$142	-
EBITDA margin	23.3 %	21.3 %	+200 bps
Net interest and other expense	\$18	\$24	(25) %
Effective tax rate	18 %	6 %	+1,200 bps
Income from continuing operations	\$52	\$52	-
Diluted share count (million shares)	61	64	(5) %
Earnings per share (EPS)	\$0.84	\$0.83	+1 %
EPS (excluding acquisition amortization)	\$1.12	\$1.08	+4 %

<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.

## Business Unit Consolidation

(\$US in millions, except percentages)	Consumer Specialties	Industrial Specialties	I&S	Interco Eliminations	Unallocated and Other	Ashland
Sales	\$343	\$240	\$37	(\$10)	-	\$610
Gross profit	\$128	\$69	\$4	-	-	\$201
Gross profit margin	37.3 %	28.8 %	10.8 %	-	-	33.0 %
EBITDA	\$91	\$53	\$5	-	(\$7)	\$142
EBITDA margin	26.5 %	22.1 %	13.5 %	-	-	23.3 %

- I&S intercompany sales (market pricing) eliminated in consolidation
- unallocated and Other includes legacy costs plus corporate governance (finance, legal, executive, etc.)
- aligned cost and assets with primary business unit
- working capital continues to be a focus across the organization

<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	3/31/20 Balance
Cash					\$353
Revolver and A/R facility availability					339
<b>Cash, A/R and revolver availability</b>					<b>\$692</b>
Debt					
2.00% Notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	\$551
4.750% Notes	Aug. 2022	4.750%	Ba1	BB+	410
6.875% Notes	May 2043	6.875%	Ba1	BB+	282
Term Loan A	Jan. 2025	L+137.5	-	-	250
Revolving credit facility	Jan. 2025	L+137.5	-	-	240
European A/R securitization	Aug. 2021	CP+70	-	-	110
U.S. A/R securitization	Mar. 2021	L+75 / CP+60	-	-	99
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	54
Other <sup>1</sup>		-	-	-	10
<b>Total debt</b>			<b>Ba1/stable</b>	<b>BB+/stable</b>	<b>\$2,006</b>
Cash					(353)
<b>Net debt</b>					<b>\$1,653</b>

<sup>1</sup> Includes \$15 million of debt issuance cost discounts as of March 31, 2020. Additionally, as of March 31, 2020, Other included a European short-term loan facility with an outstanding balance of \$22 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

## Reconciliation of Non-GAAP Data

### for 12 Months Ended March 31, 2020

(\$ millions, except percentages)

Sales <sup>1</sup>	Q2 20	Q1 20	Q4 19	Q3 19	Total	
Life Sciences	184	155	176	190	705	
Personal Care & Household	159	137	157	158	611	
<i>Consumer Specialties</i>	343	292	333	348	1,316	
Specialty Additives	155	139	161	177	632	
Performance Adhesives	85	74	85	88	332	
<i>Industrial Specialties</i>	240	213	246	265	964	
<i>Intermediates &amp; Solvents</i>	37	28	42	41	148	
Less: Intercompany Eliminations	(10)	0	(12)	(13)	(35)	
Total	610	533	609	641	2,393	
						Adjusted EBITDA
Adjusted EBITDA <sup>1</sup>	Q2 20	Q1 20	Q4 19	Q3 19	Total	Margin
Life Sciences	52	37	41	47	177	25.1%
Personal Care & Household	39	30	47	37	153	25.0%
<i>Consumer Specialties</i>	91	67	88	84	330	25.1%
Specialty Additives	33	29	44	42	148	23.4%
Performance Adhesives	20	15	19	20	74	22.3%
<i>Industrial Specialties</i>	53	44	63	62	222	23.0%
<i>Intermediates &amp; Solvents</i>	5	(9)	13	12	21	14.2%
<i>Unallocated</i>	(7)	(14)	(14)	(18)	(53)	
Total	142	88	150	140	520	

<sup>1</sup> Quarterly totals may not sum to actual results due to quarterly rounding conventions. Calculation of adjusted EBITDA for each quarter has 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 March 31, 2020

(\$ millions)

	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 <sup>1</sup>								(21)	(21)
Tax specific key items <sup>2</sup>								-	-
All other income tax expense (benefit)								11	11
								(10)	(10)
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<b>\$ 36</b>	<b>\$ (336)</b>	<b>\$ (300)</b>	<b>\$ (161)</b>	<b>\$ 16</b>	<b>\$ (145)</b>	<b>\$ (2)</b>	<b>\$ (128)</b>	<b>\$ (575)</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.

# Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

### for 3 Months Ended March 31, 2019

(\$ millions)

	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	\$ -	\$ -	\$ -	\$ (20)	\$ -	\$ (20)	\$ -	\$ (12)	\$ (32)
Proxy Costs	-	-	-	-	-	-	-	(5)	(5)
All other operating income (loss)	33	25	58	18	17	35	9	(21)	81
Operating income (loss)	33	25	58	(2)	17	15	9	(38)	44
<b>NET INTEREST AND OTHER EXPENSE (INCOME)</b>									
Key items								(27)	(27)
All other net interest and other expense (income)								24	24
<b>OTHER NET PERIODIC BENEFIT INCOME (COSTS)</b>									
All other net periodic benefit income (costs)								(1)	(1)
<b>INCOME TAX EXPENSE (BENEFIT)</b>									
Tax effect of key items <sup>1</sup>								2	2
Tax specific key items <sup>2</sup>								(5)	(5)
All other income tax expense (benefit)								4	4
<b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>	<b>\$ 33</b>	<b>\$ 25</b>	<b>\$ 58</b>	<b>\$ (2)</b>	<b>\$ 17</b>	<b>\$ 15</b>	<b>\$ 9</b>	<b>\$ (37)</b>	<b>\$ 45</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.

# 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, 2020 and 2019

(\$ millions)

	Three months ended March 31	
	2020	2019
<b>Free cash flows<sup>1</sup></b>		
Total cash flows used by operating activities from continuing operations	\$ 47	\$ 15
Adjustments:		
Additions to property, plant and equipment	(37)	(37)
Free cash flows <sup>1</sup>	<u>\$ 10</u>	<u>\$ (22)</u>

	Three months ended March 31	
	2020	2019
<b>Adjusted operating income (loss)</b>		
<b>Operating income (loss) (as reported)</b>	\$ (468)	\$ 44
Key items, before tax:		
Restructuring, separation and other costs	15	32
Proxy costs	-	5
Goodwill impairment	530	-
Inventory adjustment	4	-
<b>Adjusted operating income (non-GAAP)</b>	<u>\$ 81</u>	<u>\$ 81</u>

<sup>1</sup> 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 March 31, 2020 and 2019

(\$ millions)

	Three months ended March 31	
	2020	2019
Adjusted EBITDA - Ashland Global Holdings Inc.		
Net income (loss)	\$ (582)	\$ 76
Income tax expense (benefit)	(10)	1
Net interest and other expense	117	(3)
Depreciation and amortization <sup>1</sup>	61	62
EBITDA	(414)	136
Income (loss) from discontinued operations (net of taxes)	7	(31)
Operating key items	549	37
Adjusted EBITDA	\$ 142	\$ 142

<sup>1</sup> Depreciation and amortization excludes accelerated depreciation of \$19 million for Specialty Additives for the three months ended March 31, 2019 and \$1 million for the Unallocated and Other for the three months ended March 31, 2019, which are included as key items within this table.

## Consumer Specialties

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

(\$ millions)

	Three months ended March 31	
	2020	2019
<b>Life Sciences</b>		
Operating income	\$ 36	\$ 33
Add:		
Depreciation and amortization	15	15
Operating key items	1	-
Adjusted EBITDA	<u>\$ 52</u>	<u>\$ 48</u>
<b>Personal Care and Household</b>		
Operating income	\$ (336)	\$ 25
Add:		
Depreciation and amortization	19	19
Operating key items	356	-
Adjusted EBITDA	<u>\$ 39</u>	<u>\$ 44</u>
<b>Adjusted EBITDA - Consumer Specialties Total</b>		
Operating income	\$ (300)	\$ 58
Add:		
Depreciation and amortization	34	34
Operating key items	357	-
Adjusted EBITDA	<u>\$ 91</u>	<u>\$ 92</u>

# Industrial Specialties, Intermediates and Solvents

## Reconciliation of Non-GAAP Data – Adjusted EBITDA

### for 3 Months Ended March 31, 2020 and 2019

(\$ millions)	Three months ended	
	March 31	
	2020	2019
<b>Specialty Additives</b>		
Operating income	\$ (161)	\$ (2)
Add:		
Depreciation and amortization <sup>1</sup>	20	20
Operating key items	174	20
Adjusted EBITDA	<u>\$ 33</u>	<u>\$ 38</u>
<b>Performance Adhesives</b>		
Operating income	\$ 16	\$ 17
Add:		
Depreciation and amortization	4	4
Operating key items	-	-
Adjusted EBITDA	<u>\$ 20</u>	<u>\$ 21</u>
<b>Adjusted EBITDA - Industrial Specialties Total</b>		
Operating income	\$ (145)	\$ 15
Add:		
Depreciation and amortization <sup>1</sup>	24	24
Operating key items	174	20
Adjusted EBITDA	<u>\$ 53</u>	<u>\$ 59</u>
<b>Adjusted EBITDA - Intermediates and Solvents</b>		
Operating income	\$ (2)	\$ 9
Add:		
Depreciation and amortization	3	3
Operating key items	4	-
Adjusted EBITDA	<u>\$ 5</u>	<u>\$ 12</u>

<sup>1</sup> Depreciation and amortization excludes accelerated depreciation of \$19 million for Specialty Additives for the three months ended March 31, 2019, which is included as key items within this table.



# Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

### for 3 Months Ended March 31, 2020 and 2019

(\$ millions)

	Three months ended March 31	
	2020	2019
<b>Income (loss) from continuing operations (as reported)</b>	\$ (575)	\$ 45
Key items, before tax:		
Restructuring, separation and other costs	15	32
Proxy Costs	-	5
Unrealized (gain) loss on securities	32	(27)
Goodwill impairment	530	-
Inventory adjustment	4	-
Accelerated amortization of debt issuance costs	8	-
Loss on early retirement of debt	59	-
Key items, before tax	648	10
Tax effect of key items <sup>1</sup>	(21)	2
Key items, after tax	627	12
Tax specific key items:		
Restructuring and separation activity	-	(2)
Other tax reform related activity	-	(3)
Tax specific key items <sup>2</sup>	-	(5)
Total key items	627	7
<b>Adjusted income from continuing operations (non-GAAP)</b>	\$ 52	\$ 52
Amortization expense adjustment (net of tax) <sup>3</sup>	17	17
<b>Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense</b>	69	69

<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:

- 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.

<sup>3</sup> Amortization expense adjustment (net of tax) tax rates were 20% for the three ended March 31, 2020 and 25% for the three months ended March 31, 2019.

# Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

### for 3 Months Ended March 31, 2020 and 2019

(\$ millions)

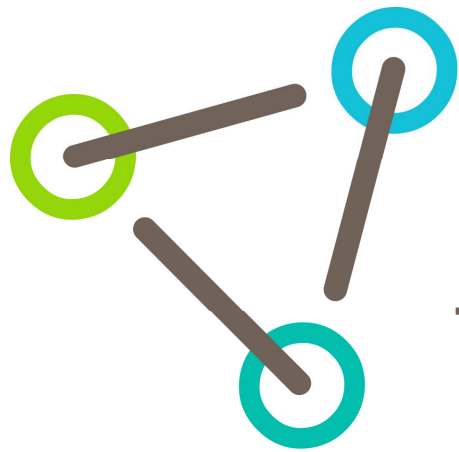
	Three months ended March 31	
	2020	2019
<b>Diluted EPS from continuing operations (as reported)</b>	\$ (9.48)	\$ 0.71
Key items, before tax:		
Restructuring, separation and other costs	0.23	0.50
Proxy costs	-	0.08
Unrealized (gain) loss on securities	0.53	(0.42)
Goodwill impairment	8.75	-
Inventory adjustment	0.06	-
Accelerated amortization of debt issuance costs	0.13	-
Debt refinancing costs	0.97	-
Key items, before tax	10.67	0.16
Tax effect of key items <sup>1</sup>	(0.35)	0.04
Key items, after tax	10.32	0.20
Tax specific key items:		
Restructuring and separation activity	-	(0.03)
Other tax reform related activity	-	(0.05)
Tax specific key items <sup>2</sup>	-	(0.08)
Total key items	10.32	0.12
<b>Adjusted diluted EPS from continuing operations (non-GAAP)</b>	\$ 0.84	\$ 0.83
Amortization expense adjustment (net of tax) <sup>3</sup>	0.28	0.25
<b>Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense</b>	\$ 1.12	\$ 1.08

<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:

- 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.

<sup>3</sup> Amortization expense adjustment (net of tax) tax rates were 20% for the three ended March 31, 2020 and 25% for the three months ended March 31, 2019.



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