



Earnings Conference Call Fourth-Quarter Fiscal 2020

November 11, 2020 – 9:00am Eastern Time



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Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Ashland has identified some of these forward-looking statements with words such as “anticipates,” “believes,” “expects,” “estimates,” “is likely,” “predicts,” “projects,” “forecasts,” “objectives,” “may,” “will,” “should,” “plans” and “intends” and the negative of these words or other comparable terminology. Ashland may from time to time make forward-looking statements in its annual reports, quarterly reports and other filings with the SEC, news releases and other written and oral communications. These forward-looking statements are based on Ashland’s expectations and assumptions, as of the date such statements are made, regarding Ashland’s future operating performance, financial condition, and expected effects of the COVID-19 pandemic on Ashland’s business, as well as the economy and other future events or circumstances. These statements include, but may not be limited to, the statements under Priorities and Outlook on pages 14-18 of the presentation, and Ashland’s expectations regarding its ability to drive sales and earnings growth and realize further cost reductions. Ashland’s expectations and assumptions include, without limitation, internal forecasts and analyses of current and future market conditions and trends, management plans and strategies, operating efficiencies and economic conditions (such as prices, supply and demand, cost of raw materials, and the ability to recover raw-material cost increases through price increases), and risks and uncertainties associated with the following: the impact of acquisitions and/or divestitures Ashland has made or may make (including the possibility that Ashland may not realize the anticipated benefits from such transactions); Ashland’s substantial indebtedness (including the possibility that such indebtedness and related restrictive covenants may adversely affect Ashland’s future cash flows, results of operations, financial condition and its ability to repay debt); severe weather, natural disasters, public-health crises (including the current COVID-19 pandemic), cyber events and legal proceedings and claims (including product recalls, environmental and asbestos matters); the effects of the COVID-19 pandemic on the geographies in which we operate, the end markets we serve and on our supply chain and customers, and without limitation, risks and uncertainties affecting Ashland that are described in Ashland’s most recent Form 10-K (including Item 1A Risk Factors) filed with the SEC, which is available on Ashland’s website at <http://investor.ashland.com> or on the SEC’s website at <http://www.sec.gov>. Various risks and uncertainties may cause actual results to differ materially from those stated, projected or implied by any forward-looking statements. The extent and duration of the COVID-19 pandemic on our business and operations is uncertain. Factors that will influence the impact on our business and operations include the duration and extent of the pandemic, the extent of imposed or recommended containment and mitigation measures, and the general economic consequences of the pandemic. Ashland believes its expectations and assumptions are reasonable, but there can be no assurance that the expectations reflected herein will be achieved. Unless legally required, Ashland undertakes no obligation to update any forward-looking statements made in this news release whether as a result of new information, future events or otherwise.

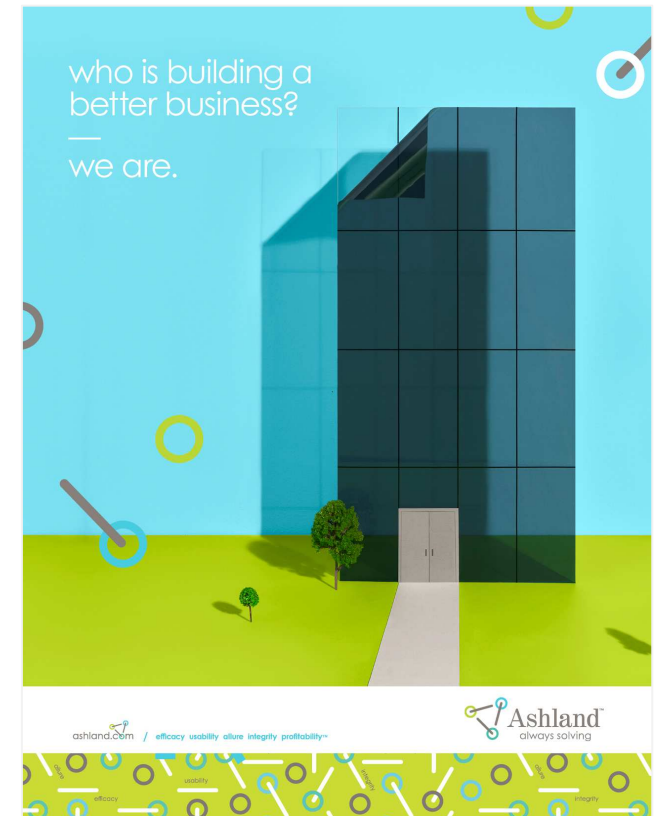
Regulation G: Adjusted Results

The information presented herein regarding certain unaudited adjusted results does not conform to generally accepted accounting principles in the United States (U.S. GAAP) and should not be construed as an alternative to the reported results determined in accordance with U.S. GAAP. Ashland has included this non-GAAP information to assist in understanding the operating performance of the company and its reportable segments. The non-GAAP information provided may not be consistent with the methodologies used by other companies. All non-GAAP information has been reconciled with reported U.S. GAAP results.



agenda

- Q4 performance summary
- Q4 & FY financial results
- priorities and outlook
- closing comments
- thank you and Q&A



Q4 performance summary

Ashland Global Holdings Inc.

Our Priorities in Current Environment

priority # 1

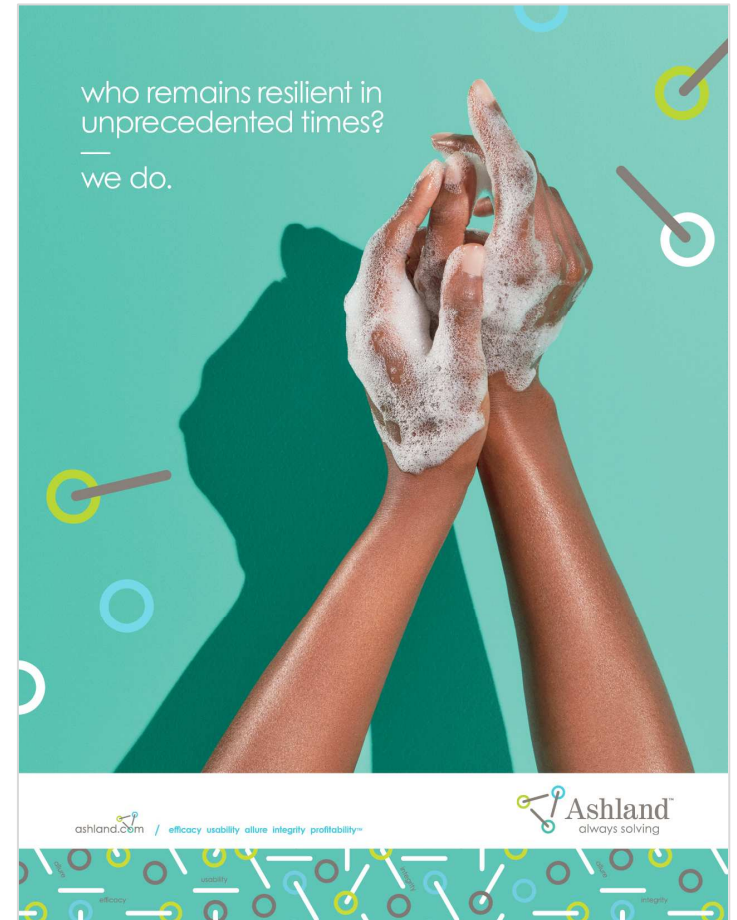
contingency planning for COVID-19
uncertainty

- health and safety of our employees
- continued supply to our customers and the critical industries we serve

priority # 2

execute on our strategy

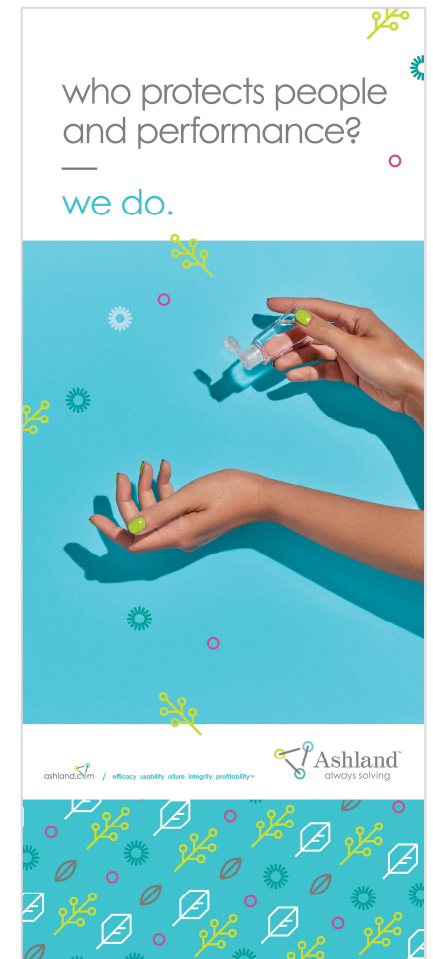
- margin expansion
- enhanced free cash flow conversion
- business resilience
- growth accelerators



Ashland Global Holdings Inc.

Commentary on Q4 Performance

- resilient consumer end-market demand
- significant sequential improvement in global industrial demand
- favorable price/mix and adjusted operating costs
- continued benefit from cost-reduction program leading to expanded margins
- free cash flow positively impacted by above-target inventory reductions



Q4 & FY financial results

Fiscal-Fourth Quarter Adjusted Results¹

| (\$US in millions, except percentages) | Q4 FY20 | Q4 FY19 | Change |
|---|---------|---------|----------|
| Sales | \$609 | \$609 | - |
| Gross profit margin | 34.3 % | 34.4 % | (10) bps |
| SG&A / R&D costs / Intangible amortization | \$118 | \$124 | (5) % |
| Operating Income (EBIT) | \$91 | \$85 | +7 % |
| EBITDA | \$154 | \$150 | +3 % |
| EBITDA margin | 25.3 % | 24.6 % | +70 bps |
| EPS (excluding acquisition amortization) ² | \$1.25 | \$1.03 | +21 % |

- portfolio demonstrated strong resiliency during uncertain economic times
 - consumer end markets performed particularly well
 - industrial end markets exhibited strong sequential improvement compared to the June quarter
- EBITDA up 3% due primarily to lower SG&A and R&D (“SARD”) expenses, improved product mix and lower non-BDO raw-material costs
- 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) | Q4 FY20 | Q4 FY19 | Change |
|--|---------|---------|----------|
| Sales | \$344 | \$332 | +4 % |
| Gross profit | \$127 | \$121 | +5 % |
| Gross profit margin | 36.9 % | 36.4 % | +50 bps |
| Operating Income (EBIT) | \$62 | \$53 | +17 % |
| EBITDA | \$97 | \$88 | +10 % |
| EBITDA margin | 28.2 % | 26.5 % | +170 bps |

- o resilient sales to Life Sciences and Personal Care & Household end markets
- o favorable price/mix drove improved gross profit margin; lower SARD expenses contributed to growth in EBITDA and EBITDA margin

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

4Q-20 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) | Q4 FY20 | Q4 FY19 | Change |
|--|---------|---------|----------|
| Sales | \$240 | \$247 | (3) % |
| Gross profit | \$76 | \$76 | - |
| Gross profit margin | 31.7 % | 30.8 % | +90 bps |
| Operating Income (EBIT) | \$39 | \$37 | +5 % |
| EBITDA | \$64 | \$62 | +3 % |
| EBITDA margin | 26.7 % | 25.1 % | +160 bps |

- industrial demand improved dramatically compared to the June quarter
 - particular strength in architectural coatings and building & construction adhesives
- improved cost position contributed to expanded EBITDA margins

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

4Q-20 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.

Intermediates & Solvents (I&S) Adjusted Results Summary¹



| (\$US in millions, except percentages) | Q4 FY20 | Q4 FY19 | Change |
|--|---------|---------|-------------|
| Sales | \$28 | \$42 | (33) % |
| Gross profit | \$5 | \$12 | (58) % |
| Gross profit margin | 17.9 % | 28.6 % | (1,070) bps |
| Operating Income (EBIT) | \$3 | \$9 | (67) % |
| EBITDA | \$6 | \$13 | (54) % |
| EBITDA margin | 21.4 % | 31.0 % | (960) bps |

- merchant volumes of derivatives to high-value industries were mixed, offset by weaker demand and pricing for BDO in North America
- intercompany volumes declined compared to the prior-year period reflecting inventory-control actions within Consumer Specialties

| | |
|----------|---------|
| -DD | -DD |
| Merchant | Captive |

4Q-20 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.

Ashland Global Holdings Inc.

Inventory Control / Free Cash Flow

- exceeded original targets for inventory-control actions
- reduced inventory by \$99 million compared to June-quarter end; balance offset by \$11 million FX impact on remaining inventory
- generated \$116 million of free cash flow in Q4, compared to \$83 million in prior-year period
- incurred \$47 million of inventory-control costs which are excluded from adjusted results
- inventory-control actions are substantially complete as of September 30



Ashland Global Holdings Inc. Fiscal Year 2020 Summary¹

| (\$US in millions, except percentages and per share data) | FY20 | FY19 | Change |
|--|----------------|----------------|-----------------|
| Consumer Specialties | \$1,323 | \$1,383 | (4) % |
| Industrial Specialties | \$899 | \$999 | (10) % |
| Intermediates & Solvents | \$129 | \$160 | (19) % |
| Intersegment Sales | (\$25) | (\$49) | +49 % |
| Sales | \$2,326 | \$2,493 | (7) % |
| Consumer Specialties | \$345 | \$339 | +2 % |
| Industrial Specialties | \$214 | \$222 | (4) % |
| Intermediates & Solvents | \$13 | \$41 | (68) % |
| Unallocated & Other | (\$44) | (\$70) | +37 % |
| EBITDA | \$528 | \$532 | (1) % |
| EBITDA margin | 22.7 % | 21.3 % | +140 bps |
| EPS (excl. intangible amortization) | \$3.90 | \$3.55 | +10 % |
| Free cash flow (incl. restructuring outflows)² | \$175 | \$74 | +136 % |



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.

² Restructuring outflows totaled \$30 and \$61 million in fiscal years 2020 and 2019, respectively.

priorities and outlook

Ashland Global Holdings Inc.

Our Priorities



margin expansion

- 2020 SARD reduction
- 2021 COGS/SARD reduction
- innovation and mix improvement
- exit low-end 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

Outlook

not providing specific FY2021 guidance given macro uncertainty

forward-looking insights

- assume current continued recovery in global demand, 2 – 4% sales growth in fiscal 2021
- incremental volume growth comes at higher contribution margin (GP + improved absorption)
- continued self-help actions, partially offset by some operating cost resets, will be a major contributor to EBITDA growth in the range \$20 – \$25 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

Ashland Global Holdings Inc.

Strategic Focus

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

Ashland Global Holdings Inc.

CEO Priorities

complete the transformation

- operational performance of our business model
- deliver \$100 MM cost reductions and margin expansion
- disciplined capital allocation aligned with strategy

focus on growth

- commercial excellence & geographic growth
- customer focus & innovation culture
- accelerate innovation impact
- targeted M&A

advance our ESG agenda

- become signatory of UN Global Compact
- science based targets on CO2, Water and Waste
- integral to innovation portfolio
- global social responsibility

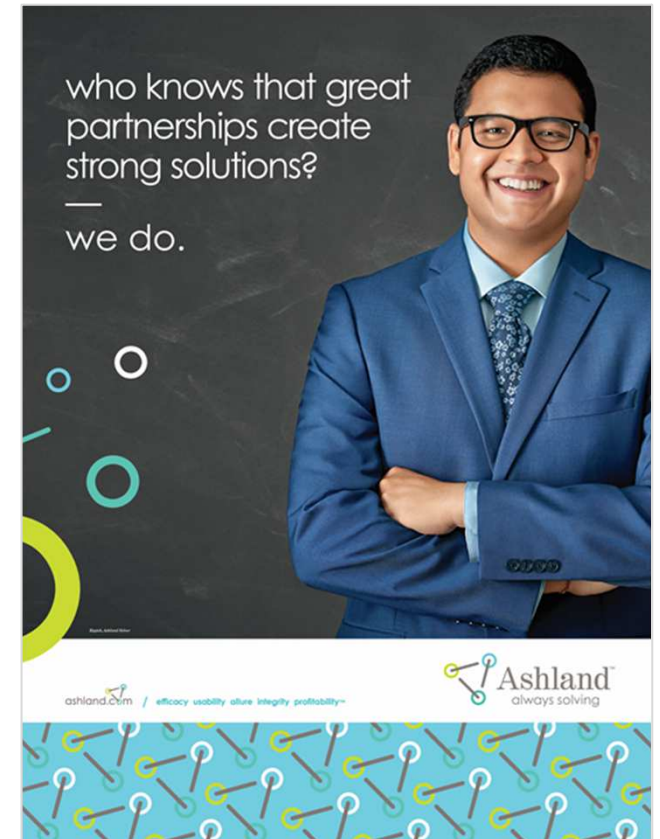


closing comments

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) | Q4 FY20 | Q4 FY19 | Change |
|---|---------|---------|-----------|
| Sales | \$609 | \$609 | - |
| Gross profit | \$209 | \$210 | (1) % |
| Gross profit margin | 34.3 % | 34.4 % | (10) bps |
| SG&A / R&D costs / Intangible amort. | \$118 | \$124 | (5) % |
| Operating income (EBIT) | \$91 | \$85 | +7 % |
| Depreciation & amortization | \$63 | \$64 | (2) % |
| EBITDA | \$154 | \$150 | +3 % |
| EBITDA margin | 25.3 % | 24.6 % | +70 bps |
| Net interest and other expense | \$17 | \$25 | (32) % |
| Effective tax rate | 19 % | 23 % | (400) bps |
| Income from continuing operations | \$60 | \$47 | +28 % |
| Diluted share count (million shares) | 61 | 61 | - |
| EPS (excluding acquisition amortization) | \$1.25 | \$1.03 | +21 % |

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

who solves complex challenges?
—
we do.



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Ashland™
always solving



Ashland Global Holdings Inc.

Q4 Business Unit Consolidation

| (\$US in millions, except percentages) | Consumer Specialties | Industrial Specialties | I&S | Interco Eliminations | Unallocated and Other | Ashland |
|--|----------------------|------------------------|--------|----------------------|-----------------------|---------|
| Sales | \$344 | \$240 | \$28 | (\$3) | - | \$609 |
| Gross profit | \$127 | \$76 | \$5 | - | - | \$209 |
| Gross profit margin | 36.9 % | 31.9 % | 17.9 % | - | - | 34.3 % |
| EBITDA | \$97 | \$64 | \$6 | - | (\$13) | \$154 |
| EBITDA margin | 28.2 % | 26.7 % | 21.4 % | - | - | 25.3 % |

- 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 | 9/30/20 Balance |
|--|------------|---------------|-------------------|---------------------|-----------------|
| Cash | | | | | \$454 |
| Revolver and A/R facility availability | | | | | 500 |
| Cash, A/R and revolver availability | | | | | \$954 |
| Debt | | | | | |
| 2.00% Notes (EUR) | Jan. 2028 | 2.000% | Ba1 | BB+ | \$587 |
| 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 | - | - | 93 |
| U.S. A/R securitization | Mar. 2021 | L+75 / CP+60 | - | - | 84 |
| Revolving credit facility | Jan. 2025 | L+137.5 | - | - | 80 |
| 6.50% junior subordinated notes | Jun. 2029 | 6.500% | B1 | BB+ | 55 |
| Other ¹ | | - | - | - | 11 |
| Total debt | | | Ba1/stable | BB+/negative | \$1,853 |
| Cash | | | | | (454) |
| Net debt | | | | | \$1,399 |

¹ Includes \$15 million of debt issuance cost discounts as of September 30, 2020. Additionally, as of September 30, 2020, Other included a European short-term loan facility with an outstanding balance of \$23 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 September 30, 2020

(\$ millions, except percentages)

| Sales¹ | Q4 20 | Q3 20 | Q2 20 | Q1 20 | Total | | Q4 19 |
|-------------------------------------|---------------|---------------|---------------|---------------|-----------------|--|---------------|
| Life Sciences | \$ 180 | \$ 189 | \$ 184 | \$ 155 | \$ 708 | | \$ 176 |
| Personal Care & Household | 164 | 155 | 159 | 137 | 615 | | 156 |
| <i>Consumer Specialties</i> | 344 | 344 | 343 | 292 | 1,323 | | 332 |
| Specialty Additives | 160 | 135 | 155 | 139 | 589 | | 160 |
| Performance Adhesives | 80 | 71 | 85 | 74 | 310 | | 87 |
| <i>Industrial Specialties</i> | 240 | 206 | 240 | 213 | 899 | | 247 |
| <i>Intermediates & Solvents</i> | 28 | 36 | 37 | 28 | 129 | | 42 |
| Less: Intercompany Eliminations | (3) | (12) | (10) | 0 | (25) | | (12) |
| Total | \$ 609 | \$ 574 | \$ 610 | \$ 533 | \$ 2,326 | | \$ 609 |

| Adjusted EBITDA¹ | Q4 20 | Q3 20 | Q2 20 | Q1 20 | Total | Adjusted EBITDA Margin | Q4 19 |
|-------------------------------------|---------------|---------------|---------------|--------------|---------------|-------------------------------|---------------|
| Life Sciences | \$ 51 | \$ 55 | \$ 52 | \$ 37 | \$ 195 | 27.5% | \$ 41 |
| Personal Care & Household | 46 | 35 | 39 | 30 | 150 | 24.4% | 47 |
| <i>Consumer Specialties</i> | 97 | 90 | 91 | 67 | 345 | 26.1% | 88 |
| Specialty Additives | 44 | 37 | 33 | 29 | 143 | 24.3% | 44 |
| Performance Adhesives | 20 | 16 | 20 | 15 | 71 | 22.9% | 19 |
| <i>Industrial Specialties</i> | 64 | 53 | 53 | 44 | 214 | 23.8% | 63 |
| <i>Intermediates & Solvents</i> | 6 | 11 | 5 | (9) | 13 | 10.1% | 13 |
| <i>Unallocated</i> | (13) | (11) | (7) | (13) | (44) | | (14) |
| Total | \$ 154 | \$ 143 | \$ 142 | \$ 89 | \$ 528 | 22.7% | \$ 150 |

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 September 30, 2020

(\$ millions)

| | Three Months Ended September 30, 2020 | | | | | | | | |
|---|---------------------------------------|-----------------------------|----------------------|---------------------|-----------------------|------------------------|----------------------------|---------------------|-------------|
| | Life Sciences | Personal Care and Household | Consumer Specialties | Specialty Additives | Performance Adhesives | Industrial Specialties | Intermediates and Solvents | Unallocated & Other | Total |
| OPERATING INCOME (LOSS) | | | | | | | | | |
| Operating key items: | | | | | | | | | |
| Inventory control measures | \$ (10) | \$ (13) | \$ (23) | \$ (18) | \$ - | \$ (18) | \$ (6) | \$ - | \$ (47) |
| Environmental reserve adjustments | - | - | - | - | - | - | - | (7) | (7) |
| Restructuring, separation and other costs | - | - | - | - | - | - | - | (22) | (22) |
| All other operating income (loss) | 36 | 26 | 62 | 23 | 16 | 39 | 3 | (13) | 91 |
| Operating income (loss) | 26 | 13 | 39 | 5 | 16 | 21 | (3) | (42) | 15 |
| NET INTEREST AND OTHER EXPENSE | | | | | | | | | |
| Key items | | | | | | | | (11) | (11) |
| All other net interest and other expense | | | | | | | | 17 | 17 |
| | | | | | | | | 6 | 6 |
| INCOME TAX EXPENSE (BENEFIT) | | | | | | | | | |
| Tax effect of key items ¹ | | | | | | | | (13) | (13) |
| Tax specific key items ² | | | | | | | | 8 | 8 |
| All other income tax expense (benefit) | | | | | | | | 14 | 14 |
| | | | | | | | | 9 | 9 |
| INCOME (LOSS) FROM CONTINUING OPERATIONS | \$ 26 | \$ 13 | \$ 39 | \$ 5 | \$ 16 | \$ 21 | \$ (3) | \$ (57) | \$ - |

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

² Represents key items resulting from tax specific financial transactions, tax law changes or other matters that fall within the definition of tax specific key items.

Ashland Global Holdings Inc. and Consolidated Subsidiaries

Segment Components of Key Items for Applicable Income Statement Captions

for 3 Months Ended September 30, 2019

(\$ millions)

| | Three Months Ended September 30, 2019 | | | | | | | | |
|--|---------------------------------------|-----------------------------|----------------------|---------------------|-----------------------|------------------------|----------------------------|---------------------|--------|
| | Life Sciences | Personal Care and Household | Consumer Specialties | Specialty Additives | Performance Adhesives | Industrial Specialties | Intermediates and Solvents | Unallocated & Other | Total |
| OPERATING INCOME (LOSS) | | | | | | | | | |
| Operating key items: | | | | | | | | | |
| Restructuring, separation and other costs | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ (1) | \$ (1) |
| Proxy Costs | - | - | - | - | - | - | - | 1 | 1 |
| All other operating income (loss) | 26 | 27 | 53 | 22 | 15 | 37 | 9 | (14) | 85 |
| Operating income (loss) | 26 | 27 | 53 | 22 | 15 | 37 | 9 | (14) | 85 |
| NET INTEREST AND OTHER EXPENSE | | | | | | | | | |
| Key items | | | | | | | | 1 | 1 |
| All other net interest and other expense | | | | | | | | 25 | 25 |
| | | | | | | | | 26 | 26 |
| OTHER NET PERIODIC BENEFIT INCOME (COSTS) | | | | | | | | | |
| Key items | | | | | | | | (11) | (11) |
| All other net periodic benefit costs | | | | | | | | - | - |
| NET INCOME ON DIVESTITURES | | | | | | | | 1 | 1 |
| INCOME TAX EXPENSE (BENEFIT) | | | | | | | | | |
| Tax effect of key items ¹ | | | | | | | | (3) | (3) |
| Tax specific key items ² | | | | | | | | 11 | 11 |
| All other income tax expense (benefit) | | | | | | | | 14 | 14 |
| | | | | | | | | 22 | 22 |
| INCOME (LOSS) FROM CONTINUING OPERATIONS | \$ 26 | \$ 27 | \$ 53 | \$ 22 | \$ 15 | \$ 37 | \$ 9 | \$ (72) | \$ 27 |

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

² Represents key items resulting from tax specific financial transactions, tax law changes or other matters that fall within the definition of tax specific key items.

Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for 12 Months Ended September 30, 2020 and 2019

(\$ millions)

Free cash flows ¹

Total cash flows provided by operating activities from continuing operations

Adjustments:

Additions to property, plant and equipment

Free cash flows ¹

| Year Ended September 30 | |
|----------------------------|--------------|
| 2020 | 2019 |
| \$ 313 | \$ 228 |
| (138) | (154) |
| <u>\$ 175</u> | <u>\$ 74</u> |

Adjusted operating income (loss)

Operating income (loss) (as reported)

Key items, before tax:

Goodwill impairment

Restructuring, separation and other costs

Inventory control measures

Environmental reserve adjustments

Proxy costs

Tax indemnity expense

Unplanned plant shutdowns

Adjusted operating income (non-GAAP)

| Year Ended September 30 | |
|----------------------------|---------------|
| 2020 | 2019 |
| \$ (388) | \$ 166 |
| 530 | - |
| 58 | 90 |
| 51 | - |
| 26 | 15 |
| - | 4 |
| - | 6 |
| - | 2 |
| <u>\$ 277</u> | <u>\$ 283</u> |

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

Ashland Global Holdings Inc.

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended September 30, 2020 and 2019

(\$ millions)

| Adjusted EBITDA - Ashland Global Holdings Inc. | Three months ended September 30 | |
|--|------------------------------------|---------------|
| | 2020 | 2019 |
| Net income (loss) | \$ 5 | \$ 411 |
| Income tax expense (benefit) | 9 | 22 |
| Net interest and other expense | 6 | 26 |
| Depreciation and amortization | 63 | 64 |
| EBITDA | 83 | 523 |
| (Income) loss from discontinued operations (net of taxes) | (5) | (384) |
| Loss on pension and other postretirement plan remeasurements | - | 11 |
| Operating key items (see pages 28 & 29) | 76 | - |
| Adjusted EBITDA | <u>\$ 154</u> | <u>\$ 150</u> |

Consumer Specialties

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended September 30, 2020 and 2019

(\$ millions)

| | Three months ended September 30 | |
|--|------------------------------------|--------------|
| | <u>2020</u> | <u>2019</u> |
| <u>Life Sciences</u> | | |
| Operating income | \$ 26 | \$ 26 |
| Add: | | |
| Depreciation and amortization | 15 | 15 |
| Operating key items (see pages 28 & 29) | 10 | - |
| Adjusted EBITDA | <u>\$ 51</u> | <u>\$ 41</u> |
| <u>Personal Care and Household</u> | | |
| Operating income | \$ 13 | \$ 27 |
| Add: | | |
| Depreciation and amortization | 20 | 20 |
| Operating key items (see pages 28 & 29) | 13 | - |
| Adjusted EBITDA | <u>\$ 46</u> | <u>\$ 47</u> |
| <u>Adjusted EBITDA - Consumer Specialties Total</u> | | |
| Operating income | \$ 39 | \$ 53 |
| Add: | | |
| Depreciation and amortization | 35 | 35 |
| Operating key items (see pages 28 & 29) | 23 | - |
| Adjusted EBITDA | <u>\$ 97</u> | <u>\$ 88</u> |

Industrial Specialties, Intermediates and Solvents

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended September 30, 2020 and 2019

| (\$ millions) | Three months ended September 30 | |
|---|------------------------------------|--------------|
| | 2020 | 2019 |
| Specialty Additives | | |
| Operating income | \$ 5 | \$ 22 |
| Add: | | |
| Depreciation and amortization | 21 | 21 |
| Operating key items (see pages 28 & 29) | 18 | - |
| Adjusted EBITDA | <u>\$ 44</u> | <u>\$ 43</u> |
| Performance Adhesives | | |
| Operating income | \$ 16 | \$ 15 |
| Add: | | |
| Depreciation and amortization | 4 | 4 |
| Adjusted EBITDA | <u>\$ 20</u> | <u>\$ 19</u> |
| Adjusted EBITDA - Industrial Specialties Total | | |
| Operating income | \$ 21 | \$ 37 |
| Add: | | |
| Depreciation and amortization | 25 | 25 |
| Operating key items (see pages 28 & 29) | 18 | - |
| Adjusted EBITDA | <u>\$ 64</u> | <u>\$ 62</u> |
| Adjusted EBITDA - Intermediates and Solvents | | |
| Operating income | \$ (3) | \$ 9 |
| Add: | | |
| Depreciation and amortization | 3 | 4 |
| Operating key items (see pages 28 & 29) | 6 | - |
| Adjusted EBITDA | <u>\$ 6</u> | <u>\$ 13</u> |

Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for 3 Months Ended September 30, 2020 and 2019

(\$ millions)

Income (loss) from continuing operations (as reported)

Key items, before tax:

| | |
|--|------|
| Goodwill impairment | - |
| Restructuring, separation and other costs | 22 |
| Inventory control measures | 47 |
| Environmental reserve adjustments | 7 |
| Proxy costs | - |
| Tax indemnity expense | - |
| Unplanned plant shutdowns | - |
| Gain on pension and other postretirement plan remeasurements | - |
| Unrealized (gain) loss on securities | (11) |
| Accelerated amortization of debt issuance costs | - |
| Loss on early retirement of debt | - |
| Debt refinancing costs | - |
| Net loss on acquisitions and divestitures | - |

Key items, before tax

Tax effect of key items¹

Key items, after tax

Tax specific key items:

| | |
|---------------------------------------|---|
| Deferred tax rate changes | - |
| One-time transition tax | - |
| Uncertain tax positions | 3 |
| Restructuring and separation activity | - |
| Other tax reform related activity | 5 |
| Other | - |

Tax specific key items²

Total key items

Adjusted income from continuing operations (non-GAAP)

Amortization expense adjustment (net of tax)³

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

| | Three months ended September 30 | |
|--|------------------------------------|-------|
| | 2020 | 2019 |
| | \$ - | \$ 27 |
| | - | - |
| | 22 | 1 |
| | 47 | - |
| | 7 | - |
| | - | (1) |
| | - | - |
| | - | - |
| | - | 11 |
| | (11) | (5) |
| | - | - |
| | - | - |
| | - | 6 |
| | - | - |
| | 65 | 12 |
| | (13) | (3) |
| | 52 | 9 |
| | - | - |
| | - | - |
| | 3 | 2 |
| | - | 13 |
| | 5 | (1) |
| | - | (3) |
| | 8 | 11 |
| | 60 | 20 |
| | \$ 60 | \$ 47 |
| | 16 | 17 |
| | \$ 76 | \$ 64 |

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

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

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities.
- Restructuring and separation activity: Includes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2019 and 2020.

³ Amortization expense adjustment (net of tax) tax rates were 24% for the three months ended September 30, 2020 and 21% for the three months ended September 30th, 2019, respectively.



Ashland Global Holdings Inc. and Consolidated Subsidiaries

Reconciliation of Non-GAAP Data – Adjusted Income from Continuing Operations for year ended September 30, 2020 and 2019

(\$ millions)

Income (loss) from continuing operations (as reported)

| | Year Ended September 30 | |
|---|----------------------------|---------------|
| | 2020 | 2019 |
| Key items, before tax: | \$ (491) | \$ 24 |
| Goodwill impairment | 530 | - |
| Restructuring, separation and other costs | 58 | 90 |
| Inventory control measures | 51 | - |
| Environmental reserve adjustments | 26 | 15 |
| Proxy costs | - | 4 |
| Tax indemnity expense | - | 6 |
| Unplanned plant shutdowns | - | 2 |
| Gain on pension and other postretirement plan remeasurements | - | (7) |
| Unrealized (gain) loss on securities | (20) | (7) |
| Accelerated amortization of debt issuance costs | 8 | - |
| Loss on early retirement of debt | 59 | - |
| Debt refinancing costs | - | 6 |
| Net loss on acquisitions and divestitures | - | 3 |
| Key items, before tax | 712 | 112 |
| Tax effect of key items ¹ | (33) | (14) |
| Key items, after tax | 679 | 98 |
| Tax specific key items: | | |
| Deferred tax rate changes | - | 2 |
| One-time transition tax | - | 28 |
| Uncertain tax positions | 3 | (6) |
| Restructuring and separation activity | - | 12 |
| Other tax reform related activity | (20) | (1) |
| Other | - | - |
| Tax specific key items ² | (17) | 35 |
| Total key items | 662 | 133 |
| Adjusted income from continuing operations (non-GAAP) | \$ 171 | \$ 157 |
| Amortization expense adjustment (net of tax) ³ | 67 | 67 |
| Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense | \$ 238 | \$ 224 |

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

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

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities.
- Restructuring and separation activity: Includes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2019 and 2020.

³ Amortization expense adjustment (net of tax) tax rates were 21% for the twelve months ended September 30, 2020 and 23% for the twelve months ended September 30th, 2019, respectively.

Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for 3 Months Ended September 30, 2020 and 2019

(\$ millions)

Diluted EPS from continuing operations (as reported)

Key items, before tax:

| | |
|--|--|
| Goodwill impairment | |
| Restructuring, separation and other costs | |
| Inventory control measures | |
| Environmental reserve adjustments | |
| Proxy costs | |
| Tax indemnity expense | |
| Unplanned plant shutdowns | |
| Gain on pension and other postretirement plan remeasurements | |
| Unrealized (gain) loss on securities | |
| Accelerated amortization of debt issuance costs | |
| Debt refinancing costs | |
| Net loss on acquisitions and divestitures | |

Key items, before tax

Tax effect of key items ¹

Key items, after tax

Tax specific key items:

| | |
|---------------------------------------|--|
| Deferred tax rate changes | |
| One-time transition tax | |
| Uncertain tax positions | |
| Restructuring and separation activity | |
| Other tax reform related activity | |
| Other | |

Tax specific key items ²

Total key items

Adjusted diluted EPS from continuing operations (non-GAAP)

Amortization expense adjustment (net of tax) ³

Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense

| Three months ended | |
|--------------------|---------|
| September 30 | |
| 2020 | 2019 |
| \$ - | \$ 0.44 |
| - | - |
| 0.36 | 0.01 |
| 0.77 | - |
| 0.12 | - |
| - | (0.01) |
| - | - |
| - | - |
| - | 0.18 |
| (0.18) | (0.07) |
| - | - |
| - | 0.09 |
| - | - |
| 1.07 | 0.20 |
| (0.21) | (0.05) |
| 0.86 | 0.15 |
| - | - |
| - | - |
| 0.05 | 0.03 |
| - | 0.21 |
| 0.08 | (0.02) |
| - | (0.04) |
| 0.13 | 0.18 |
| 0.99 | 0.33 |
| \$ 0.99 | \$ 0.77 |
| 0.26 | 0.26 |
| \$ 1.25 | \$ 1.03 |

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

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

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities.
- Restructuring and separation activity: Includes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2019 and 2020.

³ Amortization expense adjustment (net of tax) tax rates were 24% for the three months ended September 30, 2020 and 21% for the three months ended September 30th, 2019, respectively.



Ashland Global Holdings Inc. and Consolidated Subsidiaries

Reconciliation of Non-GAAP Data – Adjusted Diluted EPS from Continuing Operations for year ended September 30, 2020 and 2019

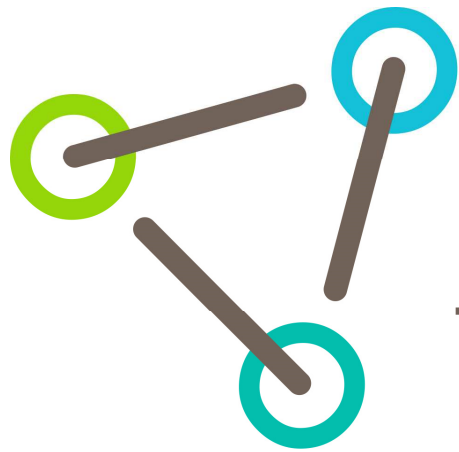
| (\$ millions) | Year Ended September 30 | |
|--|----------------------------|----------------|
| | 2020 | 2019 |
| Diluted EPS from continuing operations (as reported) | \$ (8.10) | \$ 0.39 |
| Key items, before tax: | | |
| Goodwill impairment | 8.75 | - |
| Restructuring, separation and other costs | 0.95 | 1.42 |
| Inventory control measures | 0.83 | - |
| Environmental reserve adjustments | 0.42 | 0.24 |
| Proxy costs | - | 0.07 |
| Tax indemnity expense | - | 0.10 |
| Unplanned plant shutdowns | - | 0.03 |
| Gain on pension and other postretirement plan remeasurements | - | (0.11) |
| Unrealized (gain) loss on securities | (0.33) | (0.11) |
| Accelerated amortization of debt issuance costs | 0.13 | - |
| Debt refinancing costs | 0.97 | 0.09 |
| Net loss on acquisitions and divestitures | - | 0.05 |
| Key items, before tax | 11.72 | 1.78 |
| Tax effect of key items ¹ | (0.54) | (0.22) |
| Key items, after tax | 11.18 | 1.56 |
| Tax specific key items: | | |
| Deferred tax rate changes | - | 0.03 |
| One-time transition tax | - | 0.44 |
| Uncertain tax positions | 0.05 | (0.09) |
| Restructuring and separation activity | - | 0.19 |
| Other tax reform related activity | (0.33) | (0.02) |
| Other | - | - |
| Tax specific key items ² | (0.28) | 0.55 |
| Total key items | 10.90 | 2.11 |
| Adjusted diluted EPS from continuing operations (non-GAAP) | \$ 2.80 | \$ 2.50 |
| Amortization expense adjustment (net of tax) ³ | 1.10 | 1.05 |
| Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense | \$ 3.90 | \$ 3.55 |

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

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

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities.
- Restructuring and separation activity: Includes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2019 and 2020.

³ Amortization expense adjustment (net of tax) tax rates were 21% for the twelve months ended September 30, 2020 and 23% for the twelve months ended September 30th, 2019, respectively.



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