



earnings conference call fourth-quarter fiscal 2021

November 10, 2021 – 9:00am ET



ashland.com / efficacy usability allure integrity profitability



Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Ashland has identified some of these forward-looking statements with words such as “anticipates,” “believes,” “expects,” “estimates,” “is likely,” “predicts,” “projects,” “forecasts,” “objectives,” “may,” “will,” “should,” “plans” and “intends” and the negative of these words or other comparable terminology. Ashland may from time to time make forward-looking statements in its annual reports, quarterly reports and other filings with the SEC, news releases and other written and oral communications. These forward-looking statements are based on Ashland’s expectations and assumptions, as of the date such statements are made, regarding Ashland’s future operating performance, financial condition, and expected effects of the COVID-19 pandemic on Ashland’s business, as well as the economy and other future events or circumstances. These statements include, but may not be limited to, the statements under Priorities and Outlook on pages 20 – 24 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.

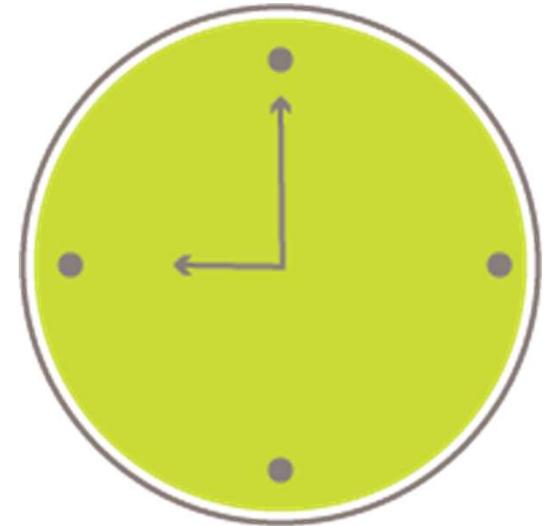
Regulation G: Adjusted Results

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 financial results
- FY financial results
- review new financials and bridge
- priorities and outlook
- closing comments
- Q&A



Q4 performance summary

sale of performance adhesives

signing of definitive agreement

- announced definitive sale agreement with Arkema on August 31 for \$1.65 billion
- expect net proceeds of \$1.2 – \$1.3 billion
- transaction expected to close in the March quarter of 2022
- Performance Adhesives results now reported in discontinued operations for Ashland



strong Performance Adhesives Q4 results vs. prior year

- sales increased 31% to \$105 million
- growth in all applications and regions driven by higher volumes and pricing
- adjusted EBITDA increased 10% to \$22 million
- growth driven by higher volumes and lower SARD; pricing gains offset by continued raw-material inflation



recognition of our Performance Adhesives team

commentary on Q4 performance

strong financial results

- sales and adjusted EBITDA results consistent with prior expectations
- strong execution despite continued supply-chain logistics challenges
- improving core end-market demand and higher pricing partially offset by cost inflation
- Schülke & Mayr acquisition partially offset by business exits and reduced hand-sanitizer additive sales within Personal Care and Household
- year-over-year adjusted EBITDA increase of 14% to \$149 million
- generated \$120 million of free cash flow² at 81% conversion rate³

disciplined portfolio, balance sheet and capital-allocation management

- signed definitive agreement to sell Performance Adhesives business for \$1.65 billion
- issued new \$450 million 3.375% senior notes due 2031
- established annual renewable environmental trust with initial funding of \$90 million
- initiated \$450 million accelerated share repurchase with initial delivery of ~3.9 million shares

1 Comparisons versus prior-year quarter.

2 Includes \$16 million inflow associated with the U.S. Accounts Receivable Sales Program and \$9 million of cash restructuring payments.

3 FCF conversion defined as free cash flow / Adjusted EBITDA.

Q4 highlights¹

sales of \$591 million (+12%)

adjusted EBITDA of \$149 million (+14%)

adjusted EBITDA margin of 25.2% (+40 bps)

free cash flow² of \$120 million

FCF conversion³ of 81%

Q4 financial results

fiscal-fourth quarter adjusted results¹

Ashland

(\$US in millions, except percentages)	Q4 FY21	Q4 FY20	change
sales	\$591	\$529	+12 %
gross profit margin	33.2 %	34.0 %	(80) bps
SG&A / R&D costs / intangible amortization	\$113	\$109	+4 %
operating income	\$85	\$71	+20 %
EBITDA	\$149	\$131	+14 %
EBITDA margin	25.2 %	24.8 %	+40 bps
EPS (excluding acquisition amortization) ²	\$1.22	\$1.03	+18 %

- financial results primarily reflect improved core end-market demand, improved pricing and the contribution from the Schülke & Mayr acquisition
- EBITDA up 14% to \$149 million compared to prior year
- EBITDA margin of 25.2%; all operating segments reported EBITDA margins >25%

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.

adjusted results summary¹



life sciences

(\$US in millions, except percentages)	Q4 FY21	Q4 FY20	change
sales	\$189	\$180	+5 %
gross profit	\$61	\$67	(9) %
gross profit margin	32.3 %	37.2 %	(490) bps
operating income	\$31	\$36	(14) %
EBITDA	\$48	\$51	(6) %
EBITDA margin	25.4 %	28.3 %	(290) bps

- sales growth driven by healthy demand in both pharma and nutrition end markets; nutraceuticals sales lower following from labor-shortage issues
- solid execution despite continued supply-chain and logistics challenges
- earnings and margins negatively impacted by mix and raw-material inflation, particularly from higher BDO transfer pricing



Q4 FY21 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.

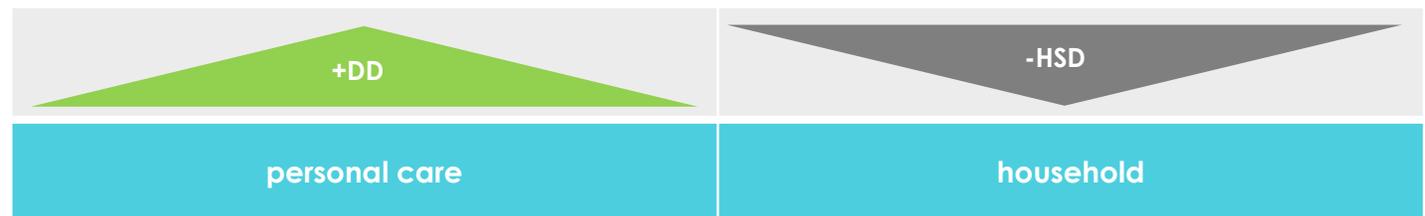
adjusted results summary¹



personal care & household

(\$US in millions, except percentages)	Q4 FY21	Q4 FY20	change
sales	\$183	\$164	+12 %
gross profit	\$68	\$60	+13 %
gross profit margin	37.2 %	36.6 %	+60 bps
operating income	\$29	\$26	+12 %
EBITDA	\$51	\$46	+11 %
EBITDA margin	27.9 %	28.0 %	(10) bps

- improved core demand and year-over-year sales growth across personal-care end markets and Avoca; partially offset by reduced hand-sanitizer sales
- core demand and Schülke & Mayr strong contributors to skin care growth: partially offset by product exits
- higher BDO transfer pricing was a headwind to overall margins and earnings



Q4 FY21 year-over-year Sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

10 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.



adjusted results summary¹



specialty additives

(\$US in millions, except percentages)	Q4 FY21	Q4 FY20	change
sales	\$181	\$160	+13 %
gross profit	\$47	\$47	-
gross profit margin	26.0 %	29.4 %	(350) bps
operating income	\$25	\$23	+9 %
EBITDA	\$47	\$44	+7 %
EBITDA margin	26.0 %	27.5 %	(150) bps

- strong coatings demand; contractor growth outpaced DIY; price increases implemented broadly; global capacity constraints continue
- Performance Specialties growth driven by improving demand within growth platforms
- cost inflation plus inventory-reduction actions in prior-year period impacted margins



Q4 FY21 year-over-year Sales (HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %)

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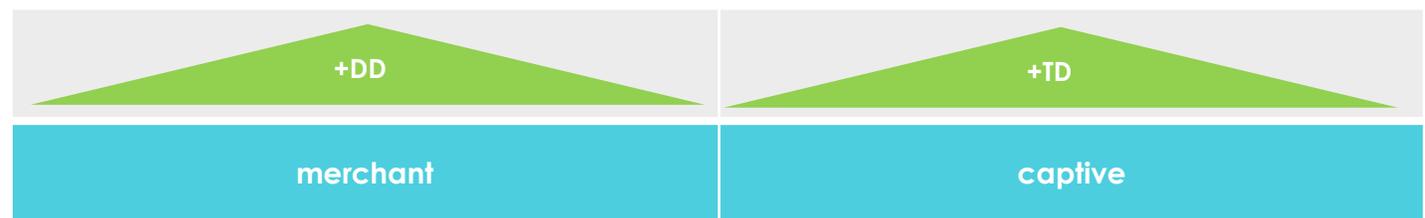
adjusted results summary¹



intermediates and solvents

(\$US in millions, except percentages)	Q4 FY21	Q4 FY20	change
sales	\$60	\$28	+114 %
gross profit	\$30	\$5	+300 %
gross profit margin	33.3 %	17.9 %	+1,540 bps
operating income	\$18	\$3	+500 %
EBITDA	\$21	\$6	+250 %
EBITDA margin	35.0 %	21.4 %	+1,360 bps

- merchant sales growth driven by stronger pricing reflecting strong demand and outages at competitor facilities
- intercompany sales increased dramatically due to higher transfer pricing and volumes
- margin improvement from higher pricing partially offset by higher raw-material cost



Q4 FY21 year-over-year sales
(HSD/MSD/LSD = high, mid or low single-digit %. DD = double-digit %. TD = triple-digit %.)

12 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.



free cash flow¹

- generated free cash flow of \$120 million compared to \$89 million in prior-year Q4
- free cash flow in fiscal 2021 of \$361 million compared to \$94 million in fiscal year 2020
- improvement primarily driven by higher earnings, lower capital expenditures and lower cash interest expense

¹ Restructuring outflows totaled \$44 and \$30 million in fiscal years 2021 and 2020, respectively. Fiscal year 2021 includes a \$92 million cash inflow associated with the U.S. Accounts Receivable Sales Program.

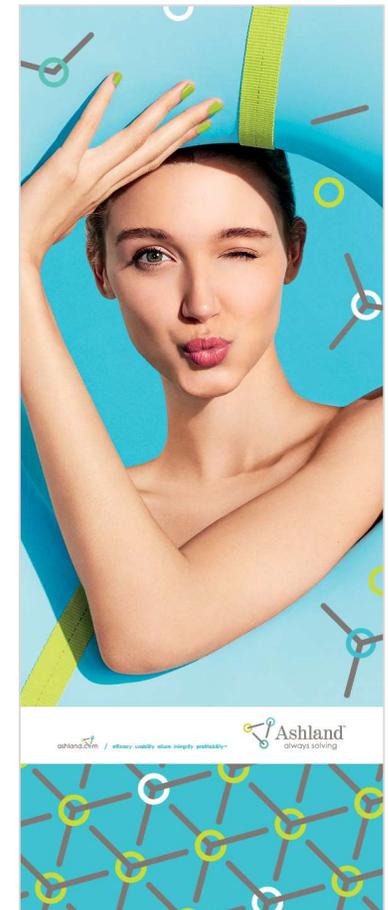


fiscal year financial results

fiscal year 2021 summary

(\$US in millions, except percentages and per share data)	FY21	FY20	Change
sales:			
Life Sciences	\$737	\$708	+4 %
Personal Care & Household	\$592	\$615	(4) %
Specialty Additives	\$655	\$589	+11 %
Intermediates & Solvents	\$178	\$129	+38 %
Intersegment Sales	(\$51)	(\$25)	NM
sales	\$2,111	\$2,016	+5 %

- demand recovery across core end markets within pharma, personal care and coatings
- Life Sciences growth reflecting robust demand partially offset by supply-chain and logistics challenges
- Personal Care & Household sales include Schülke & Mayr acquisition, low-margin business exits and reduced hand-sanitizer additive sales
- Specialty Additives growth reflects continued recovery in architectural coatings globally
- strong pricing for within I&S driving growth for both merchant and captive (internal BDO transfer pricing)
- currency favorably impacted sales by two percentage points



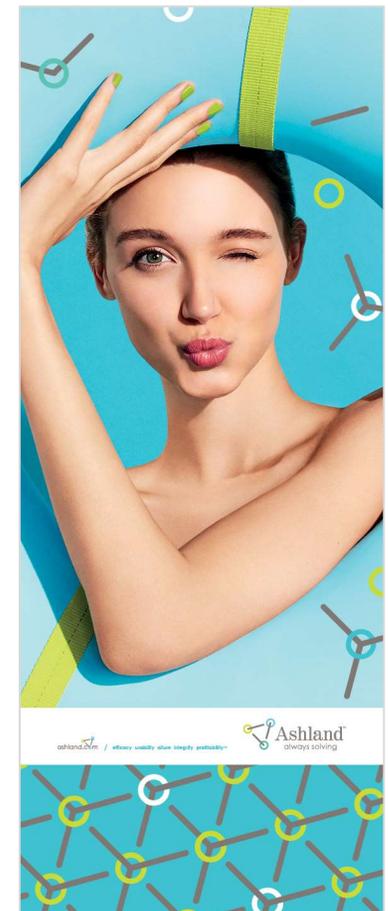
fiscal year 2021 summary¹ (cont.)

(\$US in millions, except percentages and per share data)	FY21	FY20	Change
EBITDA:			
Life Sciences	\$195	\$195	-
Personal Care & Household	\$161	\$150	+7 %
Specialty Additives	\$158	\$143	+10 %
Intermediates & Solvents	\$48	\$13	+269 %
Unallocated & Other	(\$67)	(\$52)	NM
EBITDA	\$495	\$449	+10 %
EBITDA margin	23.4 %	22.3 %	+110 bps
EPS (excl. intangible amortization)	\$3.75	\$2.93	+28 %
Free cash flow (incl. restructuring outflows)²	\$361	\$94	+284 %

- strong earnings growth and margin improvement given a challenging macro environment
- solid execution despite continued supply-chain and logistics challenges
- robust free cash flow generation

1 All figures are presented on an adjusted basis. 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 \$44 and \$30 million in fiscal years 2021 and 2020, respectively. Fiscal year 2021 includes a \$92 million cash inflow associated with the U.S. Accounts Receivable Sales Program.



new financials and bridge to FY “reset”

income statement updates¹

(\$US in millions, except percentages)	FY21 (old reporting)	disc ops – Perf. Adhesives	stranded costs	environmental adjustment	FY21 (new reporting)
sales	\$2,483	\$372	-	-	\$2,111
EBITDA	\$571	(\$84)	(\$14)	\$22	\$495
EBITDA margin	23.0 %	22.6 %	-	-	23.4 %

- Performance Adhesives results now reported as discontinued operations (“disc ops”)
 - \$372 million of sales and \$84 million of EBITDA moved to disc ops for fiscal year 2021
- stranded costs of \$14 million for fiscal year 2021
- all environmental costs net of asset returns in environmental trust now reported as “key items” for adjusted results reporting
 - \$22 million positive impact to EBITDA in fiscal year 2021

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bridge to underlying performance

(\$US in millions)	adjusted EBITDA
FY2021 reported	\$495
+ impact of one-time items	~\$18
+ 7 add'l months Schülke & Mayr	~\$15
- completion of TSA income (Composites)	~(\$8)
FY2021 baseline	~\$520

key bridging items for FY2021 baseline

one-time items in FY2021 include impact of Belgium-plant strike and winter storm Uri

incremental earnings from Schülke & Mayr (7 months of operations)

end of transition service agreement ("TSA") with INEOS (Composites divestiture)

priorities and outlook

current macro trends

tailwinds

- improving demand trend across end markets
- consumer strength
- normalization of COVID impact on demand (pharma funding, consumer behavior)
- tight HEC industry capacity favorable to pricing

headwinds

- continued supply-chain, freight and logistics challenges
- expected cost inflation
 - cellulose, butane and general raw-material costs
 - logistics, freight and energy
- risk of China energy-usage restrictions impact on Nanjing operations and demand
- tight HEC industry capacity limits volume growth



investing in future growth

plans for growth investment

- core product capacity expansion
 - HEC
 - Klucel™
 - Beneceel™
- enhanced pharma and personal care formulation capabilities
- growth in Asia

planned
growth capital
investments in
FY2022 of
~\$60 million

outlook

FY2022 full-year guidance

forward-looking insights

- strengthening demand
 - stable life sciences demand growth
 - improving demand recovery in core, global personal care end markets
 - continued strength in coatings and performance specialties
- no changes to underlying operating performance
- expect continued inflation in raw-material (primarily cellulose and butane), energy, freight and logistics costs
- continue pricing actions to offset raw-material and general cost inflation
- investing to expand capacity to meet future demand
- difficult to forecast “key risks” given high levels of uncertainty

stay focused on what we can control

sales:
\$2.25 – \$2.35 billion

adjusted EBITDA:
\$550 – \$570 million

key risks

- reliability / cost of ocean freight
- China energy-usage restrictions
- availability of raw materials
- rising global energy costs
- general cost inflation

our priorities

establishing clear priorities for profitable growth into the future

operational resilience

- business unit focus
- operational excellence
- profitability improvement
- enable empowerment, ownership and accountability

strategic focus

- maintain portfolio focus & coherence
- focus on core businesses
- leverage integration
- Asia growth
- biotechnology

innovation

- increase speed and impact
- build on strong sustainability platform
- leverage integration
- active portfolio management

capital allocation

- increase free cash flow generation
- organic growth investments
- strategic bolt-on M&A
- reward shareholders

closing comments

upcoming virtual investor day

- Ashland today
 - resetting who we are
 - portfolio of businesses
 - improving performance
 - financial profile
- business unit reviews
 - life sciences
 - personal care and household
 - specialty additives
- Ashland future
 - strategy and priorities
 - financial outlook
 - closing comments



Ashland's virtual investor day will begin at 9am ET on Friday, November 12, 2021

- Q&A session with analysts and investors (11am – 12pm ET)
- innovations tradeshow with interactive Q&A sessions with Ashland leaders (12 – 2pm ET)

Ashland

focused additives and specialty ingredients company



- o consistent execution
- o solid growth
- o high margins
- o strong free cash flow



- ✓ leadership positions in high-quality markets and with exciting profitable growth opportunities
- ✓ strong technology, commercial and operations capabilities
- ✓ global infrastructure
- ✓ compelling growth platforms with scale and sustainable competitive advantage
- ✓ strong financial performance and cash flow generation
- ✓ experienced management team with proven track record and execution discipline



thank you and Q&A



appendix A: adjusted results summary and balance sheet

adjusted results summary¹

(\$US in millions, except percentages and per share data)	Q4 FY21	Q4 FY20	change
sales	\$591	\$529	+12 %
gross profit	\$196	\$180	+9 %
gross profit margin	33.2 %	34.0 %	(80) bps
SG&A / R&D costs / intangible amort.	\$113	\$109	+4 %
operating income	\$85	\$71	+20 %
depreciation & amortization	\$64	\$60	+7 %
EBITDA	\$149	\$131	+14 %
EBITDA margin	25.2 %	24.8 %	+40 bps
net interest and other expense	\$16	\$17	(6) %
effective tax rate	22 %	15 %	+700 bps
income from continuing operations	\$54	\$46	+17 %
income from continuing operations (excluding acquisition amortization)	\$73	\$63	+16 %
diluted share count (million shares)	61	61	-
EPS (excluding acquisition amortization)	\$1.22	\$1.03	+18 %

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.

Q4 business unit consolidation¹

(\$US in millions, except percentages)	Life Sciences	Personal Care & Household	Specialty Additives	Inter-mediate & Solvents	interco. eliminations	unallocated and other	Ashland
sales	\$189	\$183	\$181	\$60	(\$22)	-	\$591
gross profit	\$61	\$68	\$47	\$20	-	-	\$196
gross profit margin	32.3 %	37.2 %	26.0 %	33.3 %	-	-	33.2 %
EBITDA	\$48	\$51	\$47	\$21	-	(\$18)	\$149
EBITDA margin	25.4 %	27.9 %	26.0 %	35.0 %	-	-	25.2 %

- Performance Adhesives results now included in discontinued operations
- Intermediates 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.

liquidity and net debt

(\$US in millions)	expiration	interest rate	Moody's rating	S&P rating	9/30/21 balance
cash					\$210
revolver and A/R facilities availability					356
cash, A/R and revolver availability¹					\$566
US A/R sales program¹					\$12
debt					
2.00% notes (EUR)	Jan. 2028	2.000%	Ba1	BB+	\$580
3.375% notes	Aug. 2031	3.375%	Ba1	BB+	450
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	-	-	117
revolving credit facility	Jan. 2025	L+137.5	-	-	225
6.50% junior subordinated notes	Jun. 2029	6.500%	B1	BB+	57
other ²		-	-	-	9
total debt			Ba1/stable	BB+/stable	\$1,970
cash					(210)
net debt					\$1,760

1 Total liquidity of \$578 million from all sources.

2 Includes \$17 million of debt issuance cost discounts as of September 30, 2021. Additionally, as of September 30, 2021, 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, 2021

(\$ millions, except percentages)

Sales¹	Q4 21	Q3 21	Q2 21	Q1 21	Total		Q4 20
Life Sciences	\$ 189	\$ 193	\$ 185	\$ 170	\$ 737		\$ 180
Personal Care & Household	183	147	137	125	592		164
Specialty Additives	181	169	158	147	655		160
Intermediates & Solvents	60	49	37	32	178		28
Less: Intercompany Eliminations	(22)	(15)	(7)	(7)	(51)		(3)
Total	\$ 591	\$ 543	\$ 510	\$ 467	\$ 2,111		\$ 529

Adjusted EBITDA¹	Q4 21	Q3 21	Q2 21	Q1 21	Total	Adjusted EBITDA Margin	Q4 20
Life Sciences	\$ 48	\$ 52	\$ 50	\$ 45	\$ 195	26.5%	\$ 51
Personal Care & Household	51	39	38	33	161	27.2%	46
Specialty Additives	47	39	40	32	158	24.1%	44
Intermediates & Solvents	21	15	7	5	48	27.0%	6
<i>Unallocated</i>	(18)	(14)	(21)	(14)	(67)		(16)
Total	\$ 149	\$ 131	\$ 114	\$ 101	\$ 495	23.4%	\$ 131

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, 2021

(\$ millions)

	Three Months Ended September 30, 2021					
	Life Sciences	Personal Care and Household	Specialty Additives	Intermediates and Solvents	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Inventory adjustment	\$ -	\$ (2)	\$ -	\$ -	\$ -	\$ (2)
Environmental reserve adjustments	(1)	-	-	-	(9)	(10)
Asset impairments	-	(3)	-	-	-	(3)
All other operating income (loss)	31	29	25	18	(18)	85
Operating income (loss)	30	24	25	18	(27)	70
NET INTEREST AND OTHER EXPENSE (INCOME)						
Key items					22	22
All other net interest and other expense (income)					16	16
					38	38
OTHER NET PERIODIC BENEFIT INCOME (COSTS)						
Key items					(1)	(1)
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items ⁽¹⁾					(9)	(9)
Tax specific key items ⁽²⁾					(8)	(8)
All other income tax expense (benefit)					15	15
					(2)	(2)
INCOME (LOSS) FROM CONTINUING OPERATIONS	\$ 30	\$ 24	\$ 25	\$ 18	\$ (64)	\$ 33

⁽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 Slides 39 and 40 for additional information.

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	Specialty Additives	Intermediates and Solvents	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Inventory adjustment	\$ (10)	\$ (13)	\$ (18)	\$ (6)	\$ -	\$ (47)
Environmental reserve adjustments	-	-	-	-	(8)	(8)
Restructuring, separation and other costs	-	-	-	-	(22)	(22)
All other operating income (loss)	36	26	23	3	(17)	71
Operating income (loss)	26	13	5	(3)	(47)	(6)
NET INTEREST AND OTHER EXPENSE (INCOME)						
Key items					(11)	(11)
All other net interest and other expense					17	17
					6	6
OTHER NET PERIODIC BENEFIT INCOME (COSTS)						
Key items					1	1
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)					8	8
					3	3
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>\$ 26</u>	<u>\$ 13</u>	<u>\$ 5</u>	<u>\$ (3)</u>	<u>\$ (55)</u>	<u>\$ (14)</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 Slides 39 and 40 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 and Fiscal Years Ended September 30, 2021 and 2020

(\$ millions)

	Three months ended September 30		Year ended September 30	
	2021	2020	2021	2020
Free cash flows ⁽¹⁾				
Total cash flows provided by operating activities from continuing operations	\$ 151	\$ 132	\$ 466	\$ 227
Adjustments:				
Additions to property, plant and equipment	(31)	(43)	(105)	(133)
Free cash flows ^{(1) (2) (3)}	<u>\$ 120</u>	<u>\$ 89</u>	<u>\$ 361</u>	<u>\$ 94</u>

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).

Includes \$9 million and \$7 million of restructuring payments for the three months ended September 30, 2021 and 2020, respectively, and \$44 million and \$30 million of restructuring payments for the twelve months ended September 30, 2021 and 2020, respectively.

Includes \$16 million of cash inflows for the three months and \$92 million for the twelve months ended September 30, 2021 associated with the U.S. Accounts Receivable Sales Program.

	Three months ended September 30		Year ended September 30	
	2021	2020	2021	2020
Adjusted operating income				
Operating income (loss) (as reported)	\$ 70	\$ (6)	\$ 181	\$ (463)
Key items, before tax:				
Inventory adjustments	2	47	4	51
Restructuring, separation and other costs	-	22	10	58
Environmental reserve adjustments	10	8	43	34
Goodwill impairment	-	-	-	530
Impairments	3	-	13	-
Adjusted operating income (non-GAAP)	<u>\$ 85</u>	<u>\$ 71</u>	<u>\$ 251</u>	<u>\$ 210</u>

Ashland Global Holdings Inc.

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended September 30, 2021 and 2020

(\$ millions)

	Three months ended September 30	
	2021	2020
Adjusted EBITDA - Ashland Global Holdings Inc.		
Net income	\$ 43	\$ 5
Income tax expense (benefit)	(2)	3
Net interest and other expense	38	6
Depreciation and amortization	64	60
EBITDA	143	74
Income from discontinued operations (net of taxes)	(10)	(19)
(Income) loss on pension and other postretirement plan remeasurements	1	(1)
Operating key items (see Slides 33 and 34)	15	77
Adjusted EBITDA	\$ 149	\$ 131

Consumer Specialties

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended September 30, 2021 and 2020

(\$ millions)

Adjusted EBITDA - Life Sciences

Operating income	\$	30	\$	26
Add:				
Depreciation and amortization		17		15
Operating key items (see Slides 33 & 34)		1		10
Adjusted EBITDA	\$	<u>48</u>	\$	<u>51</u>

Adjusted EBITDA - Personal Care and Household

Operating income	\$	24	\$	13
Add:				
Depreciation and amortization		22		20
Operating key items (see Slides 33 & 34)		5		13
Adjusted EBITDA	\$	<u>51</u>	\$	<u>46</u>

Industrial Specialties, Intermediates and Solvents

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended September 30, 2021 and 2020

(\$ millions)

Adjusted EBITDA - Specialty Additives

Operating income	\$	25	\$	5
Add:				
Depreciation and amortization		22		21
Operating key items (see Slides 33 & 34)		-		18
Adjusted EBITDA	\$	<u>47</u>	\$	<u>44</u>

Adjusted EBITDA - Intermediates and Solvents

Operating income (loss)	\$	18	\$	(3)
Add:				
Depreciation and amortization		3		3
Operating key items (see Slides 33 and 34)		-		6
Adjusted EBITDA	\$	<u>21</u>	\$	<u>6</u>

Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for 3 Months and Fiscal Years Ended September 30, 2021 and 2020

(\$ millions)

	Three months ended		Year ended	
	September 30		September 30	
	2021	2020	2021	2020
Income (loss) from continuing operations (as reported)	\$ 33	\$ (14)	\$ 173	\$ (555)
Key items, before tax:				
Restructuring, separation and other costs	-	22	10	58
Unrealized loss (gain) on securities	5	(11)	(21)	(20)
Goodwill impairment	-	-	-	530
Inventory adjustments	2	47	4	51
Environmental reserve adjustments	10	8	43	34
Accelerated amortization of debt issuance costs	1	-	1	8
Loss on early retirement of debt	16	-	16	59
(Gain) loss on pension and other postretirement plan remeasurements	1	(1)	1	(1)
Net loss (gain) on acquisitions and divestitures	-	-	(11)	-
Impairments	3	-	13	-
Key items, before tax	38	65	56	719
Tax effect of key items ⁽¹⁾	(9)	(13)	(11)	(35)
Key items, after tax	29	52	45	684
Tax specific key items:				
Restructuring and separation activity	-	-	(13)	-
Uncertain tax positions	(14)	3	(53)	3
Other tax reform related activity	6	5	6	(20)
Tax specific key items ⁽²⁾	(8)	8	(60)	(17)
Total key items	21	60	(15)	667
Adjusted income from continuing operations (non-GAAP)	\$ 54	\$ 46	\$ 158	\$ 112
Amortization expense adjustment (net of tax) ⁽³⁾	19	17	72	67
Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense	\$ 73	\$ 63	\$ 230	\$ 179

⁽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.
- Uncertain tax positions: includes the impact from settlement of uncertain tax positions with various tax authorities.
- 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 20% for the three and twelve months ended September 30, 2021 and 24% and 21% for the three and twelve months ended September 30, 2020.

Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for 3 Months and Fiscal Years Ended September 30, 2021 and 2020

(\$ millions)

	Three months ended		Year ended	
	September 30		September 30	
	2021	2020	2021	2020
Diluted EPS from continuing operations (as reported)	\$ 0.55	\$ (0.22)	\$ 2.82	\$ (9.16)
Key items, before tax:				
Restructuring, separation and other costs	-	0.36	0.16	0.95
Unrealized loss (gain) on securities	0.08	(0.18)	(0.34)	(0.33)
Goodwill impairment	-	-	-	8.75
Inventory adjustments	0.03	0.77	0.07	0.83
Environmental reserve adjustments	0.16	0.13	0.70	0.58
Accelerated amortization of debt issuance costs	0.02	-	0.02	0.13
Loss on early retirement of debt	0.26	-	0.26	0.97
(Gain) loss on pension and other postretirement plan remeasurements	0.02	(0.02)	0.02	(0.01)
Net loss (gain) on acquisitions and divestitures	-	-	(0.18)	-
Impairments	0.05	-	0.21	-
Key items, before tax	0.62	1.06	0.92	11.87
Tax effect of key items ⁽¹⁾	(0.14)	(0.22)	(0.18)	(0.58)
Key items, after tax	0.48	0.84	0.74	11.29
Tax specific key items:				
Restructuring and separation activity	-	-	(0.21)	-
Uncertain tax positions	(0.23)	0.05	(0.87)	0.05
Other tax reform related activity	0.10	0.08	0.10	(0.33)
Tax specific key items ⁽²⁾	(0.13)	0.13	(0.98)	(0.28)
Total key items	0.35	0.97	(0.24)	11.01
Adjusted diluted EPS from continuing operations (non-GAAP)	\$ 0.90	\$ 0.75	\$ 2.58	\$ 1.85
Amortization expense adjustment (net of tax) ⁽³⁾	0.32	0.28	1.17	1.08
Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense	\$ 1.22	\$ 1.03	\$ 3.75	\$ 2.93

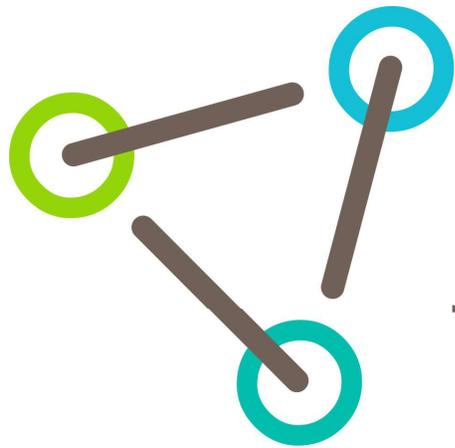
⁽¹⁾ Represents the tax effect of the key items that are previously identified above.

⁽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.
- Uncertain tax positions: includes the impact from settlement of uncertain tax positions with various tax authorities.
- 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 20% for the three and twelve months ended September 30, 2021 and 24% and 21% for the three and twelve months ended September 30, 2020.





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