Ashland provides update on fiscal 2022 second-quarter earnings and affirms its financial outlook for fiscal year 2022

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Company announces completion of $200 million share repurchase program and sets date for fiscal 2022 second-quarter earnings release

WILMINGTON, Del., April 12, 2022 (GLOBE NEWSWIRE) -- Ashland Global Holdings Inc. (NYSE: ASH) today provided an update for preliminary fiscal 2022 second-quarter financial results[1] and affirmed its outlook for fiscal year 2022 results. Additional information regarding second-quarter fiscal 2022 earnings and full-year outlook will be shared during a conference call webcast with securities analysts on Wednesday, April 27, 2022.

Preliminary fiscal 2022 second-quarter financial results
Ashland's financial results during the quarter reflected previously communicated key drivers:

- Continued strong end-market demand;
- Disciplined pricing and product mix actions more than offset additional inflation in raw-material, freight and energy costs;
- Persistent supply-chain and labor-availability challenges impacting shipments and on-time order delivery.

Sales were approximately $604 million, up approximately 19 percent versus the prior-year period. Each of the company's reportable segments reported double-digit sales growth compared to the prior year, driven by strong end-market demand, enhanced pricing and improved product mix.

Ashland expects income from continuing operations during the second fiscal quarter of approximately $38 million, or approximately $0.66 per diluted share. Adjusted earnings from continuing operations excluding intangibles amortization are expected to be approximately $86 million, or $1.50 per diluted share. Net income (including discontinued operations) is expected to be approximately $786 million.

Ashland's Adjusted EBITDA is expected to be approximately $163 million, up approximately 41 percent versus prior year driven primarily by higher sales and expanded operating margins. Each of the company's reportable segments delivered strong growth in Adjusted EBITDA compared to the prior-year period.

The company also expects that free cash flow generation will be below prior year during the second fiscal quarter due primarily to an increase in working capital levels globally in both volume and cost as previously communicated.

Fiscal year 2022 outlook
Based on current expectations and considering external uncertainties, the company's financial outlook for sales remains unchanged in the range of $2.25 billion to $2.35 billion and Adjusted EBITDA remains in the range of $550 million to $570 million.

Ashland is focused on the visibility it has and the things it can control. The company expects continued end-market demand recovery, partially offset by the potential economic impact resulting from the war in Ukraine as well as new government-mandated lockdowns in China related to the pandemic. The company's expectations regarding logistics and transportation remain pragmatic with little to no improvement expected during the fiscal year. Production levels across all of Ashland's global manufacturing facilities remain strong as the company works to meet strong customer demand as well as rebuild global inventories.

The war in Ukraine and its potential impact to the global economy, additional pandemic-related lockdowns, energy cost and availability in Europe impacting customer and supplier operations and continued cost-inflation pressures are the greatest areas of uncertainty currently.

Finally, the previously communicated turnaround at the company's Intermediates facility in Lima, Ohio is now expected to occur during the June quarter.

"We are encouraged by the strong demand in each of our segments and the disciplined pricing and mix actions being demonstrated by our commercial teams," said Guillermo Novo, chair and chief executive officer, Ashland. "The Ashland team is executing well on the aspects of the business that are within our control."

"We expect underlying demand to remain strong and continue to take actions to build inventories to mitigate supply-chain and shipping challenges," continued Novo. "Pricing and mix-improvement actions should cover current cost inflation and we are ready to take further action to recover any additional cost inflation. Due to the resilient nature of our portfolio and the end markets we serve and despite the continued impact of the global pandemic, geopolitical conflict and persistent cost inflation, our outlook for sales and Adjusted EBITDA in this fiscal year remains unchanged. I look forward to discussing our fiscal-second quarter financial results and outlook on our upcoming earnings call and webcast," concluded Novo.

Completion of $200 million share repurchase program
On April 8, 2022, Ashland completed a $200 million open-market share repurchase program under rule 10b-18, repurchasing 2.15 million shares. Combined with the $450 million accelerated share repurchase program completed on February 22, 2022, the company has repurchased a total of approximately 6.75 million of its shares since early September 2021. The remaining availability under the company's evergreen share repurchase

authorization is now $150 million.

The information in this release is preliminary, based upon information available at the time of this news release, and actual results may differ.

Conference Call Webcast
Ashland plans to issue its second-quarter earnings release at approximately 5 p.m. ET on Tuesday, April 26, 2022. The company's live webcast with securities analysts will include an executive summary and detailed remarks. The live webcast will take place at 9 a.m. ET on Wednesday, April 27, 2022. Simultaneously, the company will post a slide presentation in the Investor Relations section of its website at http://investor.ashland.com.

Among those participating in the webcast presentation will be:

- Guillermo Novo, chair and chief executive officer;
- Kevin Willis, senior vice president and chief financial officer; and
- Seth Mrozek, director, investor relations.

The webcast and supporting materials will be accessible through the Investor Relations section of Ashland's website at http://investor.ashland.com. Following the live event, an archived version of the webcast and supporting materials will be available on the Ashland website for 12 months.

Use of Non-GAAP Measures
Ashland believes that by removing the impact of depreciation and amortization and excluding certain non-cash charges, amounts spent on interest and taxes and certain other charges that are highly variable from year to year, adjusted EBITDA provides Ashland's investors with performance measures that reflect the impact to operations from trends in changes in sales, margin and operating expenses, providing a perspective not immediately apparent from net income. The adjustments Ashland makes to derive the non-GAAP measure of adjusted EBITDA exclude items which may cause short-term fluctuations in net income and which Ashland does not consider to be the fundamental attributes or primary drivers of its business. Adjusted EBITDA provides disclosure on the same basis as that used by Ashland's management to evaluate financial performance on a consolidated and reportable segment basis and provide consistency in our financial reporting, facilitate internal and external comparisons of Ashland's historical operating performance and its business units, and provide continuity to investors for comparability purposes.

Key items, which are set forth on Table 2 accompanying this release, are defined as financial effects from significant transactions that, either by their nature or amount, have caused short-term fluctuations in net income and/or operating income, which Ashland does not consider to most accurately reflect Ashland's underlying business performance and trends. Further, Ashland believes that providing supplemental information that excludes the financial effects of these items in the financial results will enhance the investor's ability to compare financial performance between reporting periods.

Adjusted diluted earnings per share is a performance measure used by Ashland and is defined by Ashland as earnings (loss) from continuing operations, adjusted for identified key items and divided by the number of outstanding diluted shares of common stock. Ashland believes this measure provides investors additional insights into operational performance by providing earnings and diluted earnings per share metrics that exclude the effect of the identified key items and tax specific key items.

Adjusted diluted earnings per share, excluding intangibles amortization expense metric enables Ashland to demonstrate the impact of non-cash intangibles amortization expense on earnings per share, in addition to key items previously mentioned. Ashland's management believes this presentation is helpful to illustrate how previous acquisitions impact applicable period results.

About Ashland
Ashland (NYSE: ASH) is a global, consumer market-focused additives and specialty ingredients company that is responsibly solving for a better world. Through science and a conscious and proactive mindset for sustainability, we serve customers in pharmaceutical, personal care, architectural coatings, construction, energy, food, beverage, and nutraceuticals. At Ashland, we are approximately 3,800 passionate, tenacious solvers who thrive on developing practical, innovative, and elegant solutions to complex problems for customers in more than 100 countries. Visit ashland.com and ashland.com/sustainability to learn more.

Forward-Looking Statements
This news release 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, operating cash flow and liquidity, as well as the economy and other future events or circumstances. These statements include but may not be limited to 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 sale of the Performance Adhesives business (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, and the ongoing Ukraine and Russia conflict, 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.

[1] Financial results are preliminary until Ashland's Form 10-Q is filed with the SEC.

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Attachment

- Q2 2022 Earnings Update FNL with Tables 20220412