UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

FORM 8-K

CURRENT REPORT Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): July 27, 2021

ASHLAND GLOBAL HOLDINGS INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

333-211719

(Commission File Number)

81-2587835

(I.R.S. Employer Identification No.)

8145 Blazer Drive Wilmington, DE 19808

Registrant's telephone number, including area code (302) 995-3000

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (17 CFR 230.405) or Rule 12b-2 of the Securities Exchange Act of 1934 (17 CFR 240.12b-2).

Emerging growth company \Box

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Securities registered pursuant to Section 12(b) of the Act:

	Trading	
Title of each class	Symbol(s)	Name of each exchange on which registered
Common Stock (par value \$.01)	ASH	NYSE

Item 2.02. Results of Operations and Financial Condition

On July 27, 2021, Ashland Global Holdings Inc. ("Ashland") announced preliminary third quarter results, which are discussed in more detail in the news release (the "News Release") attached to this Current Report on Form 8-K ("Form 8-K") as Exhibit 99.1, which is incorporated herein by reference into this Item 2.02.

Item 7.01. Regulation FD Disclosure

On July 27, 2021, Ashland will make available the News Release on the "Investor Center" section of Ashland's website located at http://investor.ashland.com.

Item 9.01. Financial Statements and Exhibits

- (d) Exhibits
- 99.1 <u>News Release dated July 27, 2021.</u>
- 104 Cover Page Interactive Data File (embedded within the Inline XBRL Document).

In connection with the disclosures set forth in Items 2.02 and 7.01 above, the information in this Form 8-K, including the exhibit attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section. The information in this Form 8-K, including the exhibit, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing. This Form 8-K will not be deemed an admission as to the materiality of any information in this Form 8-K that is required to be disclosed solely by Regulation FD.

²

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

ASHLAND GLOBAL HOLDINGS INC. (Registrant)

/s/ J. Kevin Willis J. Kevin Willis Senior Vice President and Chief Financial Officer

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July 27, 2021



News Release

Ashland reports preliminary financial results¹ for third quarter of fiscal year 2021

- Sales of \$637 million, up eleven percent from the prior-year quarter
- Net income of \$80 million, or \$1.29 per diluted share
- Income from continuing operations of \$87 million, or \$1.40 per diluted share
- Adjusted income from continuing operations excluding intangibles amortization expense of \$75 million, or \$1.22 per diluted share
- Adjusted EBITDA of \$148 million
- Cash flows provided by operating activities of \$233 million; free cash flows of \$210 million

WILMINGTON, Del., July 27, 2021 – Ashland Global Holdings Inc. (NYSE: ASH) today announced preliminary¹ financial results for the third quarter of fiscal year 2021, which ended June 30, 2021. The global specialty materials company serves customers in a wide range of consumer and industrial markets.

Sales were \$637 million, up eleven percent compared to the prior-year period. Strong demand was partially offset by continued weakness in hand-sanitizer ingredients and Avoca. Global supply-chain and logistics disruptions also limited the company's ability to meet all customer demand. Foreign currency favorably impacted sales by three percent.

Net income was \$80 million compared to \$37 million in the prior-year quarter. Income from continuing operations was \$87 million compared to \$50 million in the prior-year quarter, or \$1.40 per diluted share compared to \$0.81 in the prior-year quarter. Adjusted income from continuing operations excluding intangibles amortization expense was \$75 million compared to \$68 million in the prior-year quarter, or \$1.22 per diluted share, up from \$1.12 in the prior-year quarter. Adjusted EBITDA was \$148 million, up from \$143 million in the prior-year quarter. Global supply-chain disruptions and raw-material cost escalation in Performance Adhesives contributed to higher-than-expected costs during the quarter.

Cash flows provided by operating activities totaled \$233 million compared to \$140 million in the prior-year quarter. Free cash flows totaled \$210 million compared to \$112 million in the prior-year quarter. The current-year period included \$90 million of cash inflows from the new U.S. Accounts Receivables Sales Program.

"As we indicated during our earnings update on June 10, overall demand during the quarter was strong, though global supply-chain challenges continued to impact both sales and costs," said Guillermo Novo, chairman and chief executive officer, Ashland. "Sales for our industrial businesses reached pre-pandemic levels and the demand for core consumer products demonstrated continued resilience."

"I am pleased with the progress our team has made executing our strategy, especially in the context of a difficult operating environment," continued Novo. "The persistence of

the global pandemic continues to impact consumer behavior, delaying recovery of some key global markets. In addition, challenges related to raw-material and supply-chain logistics are realities we continued to face during the quarter. We are working to capitalize on the strong demand environment and satisfy incremental demand from our customers. As such, our expectations for Ashland's full-year results have not changed," added Novo.

"Finally, I am pleased that we closed the Schülke & Mayr personal care transaction during the quarter and we welcomed our new colleagues to the Ashland team. Our well-experienced teams are working diligently to integrate the acquisition into our existing portfolio for consumer products. We are establishing a center-of-excellence at the Hamburg, Germany location, and we are excited by the opportunity to reach a broader group of customers with new technology that is crucial to our strategy of growth through sustainable innovation," concluded Novo.

Reportable Segment Performance

To aid in the understanding of Ashland's ongoing business performance, the results of Ashland's reportable segments are described below on an adjusted basis. In addition, EBITDA and adjusted EBITDA are reconciled to operating income in Table 4. Free cash flow and adjusted operating income are reconciled in Table 6 and adjusted income from continuing operations, adjusted diluted earnings per share and adjusted diluted earnings per share excluding intangible amortization expense are reconciled in Table 7 of this news release. These adjusted results are considered non-GAAP financial measures. For a full description of the non-GAAP financial measures used, see the "Use of Non-GAAP Measures" section that further describes these adjustments below.

Consumer Specialties

Sales were \$340 million, down one percent from the prior-year quarter. Pharma sales were softer than the strong prior-year period, and supply-chain challenges constrained our ability to deliver products globally. Nutrition and nutraceuticals sales reflected an improved demand environment. Sales in personal care and household end markets were down primarily due to weakness in hand-sanitizer ingredients and Avoca when compared to the prior year. These impacts were partially offset by the addition of sales from the recently acquired Schülke & Mayr personal care business. Foreign currency favorably impacted sales by three percent.

Operating income was \$53 million, compared to \$56 million in the prior-year quarter. Adjusted EBITDA was \$92 million, up two percent from the prior-year quarter, primarily reflecting favorable foreign currency and improved costs.

Industrial Specialties

Sales were \$263 million, up 28 percent from the prior-year quarter when pandemic-related lockdowns were in effect across much of the globe. Improved demand was realized across all end markets and regions of the world, except for global energy markets, which remain challenged. Foreign currency favorably impacted sales by four percent.

Operating income was \$28 million, consistent with the prior-year quarter. Adjusted EBITDA was \$55 million, up two percent from the prior-year quarter, as strong sales growth was

offset by increased manufacturing and shipping costs in addition to unfavorable price versus raw-material costs within Performance Adhesives.

Intermediates & Solvents

Sales were \$49 million, up 32 percent from the prior-year quarter, driven by higher pricing for both merchant and captive sales.

Operating income was \$11 million, up from \$7 million in the prior-year quarter. Adjusted EBITDA was \$15 million, up from \$11 million in the prior-year quarter, reflecting the higher pricing.

Unallocated & Other

Unallocated and Other expense was \$30 million, compared to \$43 million in the prior-year quarter which included \$14 million of restructuring costs. Adjusted Unallocated and Other expense was \$14 million, compared to \$12 million in the prior-year quarter, primarily due to higher deferred-compensation accruals in the current-year period.

Conference Call Webcast

Ashland will host a live webcast of its third-quarter conference call with securities analysts at 9:00 a.m. ET on Wednesday, July 28, 2021. The webcast will be accessible through Ashland's website at <u>http://investor.ashland.com</u> and will include a slide presentation. Following the live event, an archived version of the webcast and supporting materials will be available for 12 months on <u>http://investor.ashland.com</u>.

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, EBITDA, adjusted EBITDA, EBITDA margin and adjusted EBITDA margin provide 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, operating income, net income margin and operating income margin. The adjustments Ashland makes to derive the non-GAAP measures of EBITDA, adjusted EBITDA, EBITDA margin and adjusted EBITDA margin exclude items which may cause short-term fluctuations in net income and operating income and which Ashland does not consider to be the fundamental attributes or primary drivers of its business. EBITDA, adjusted EBITDA, EBITDA margin and adjusted EBITDA margin provide 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. EBITDA margin and adjusted EBITDA margin are defined as EBITDA and adjusted EBITDA divided by sales for the corresponding period.

Key items, which are set forth on Table 7 of 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.

Tax-specific key items, which are set forth on Table 7 of this release, are defined as financial transactions, tax law changes or other matters that fall within the definition of key items as described above. These items relate solely to tax matters and would only be recorded within the income tax caption of the Statement of Consolidated Income. As with all key items, due to their nature, Ashland does not consider the financial effects of these tax-specific key items on net income to be the most accurate reflection of Ashland's underlying business performance and trends.

The free cash flow metric enables Ashland to provide a better indication of the ongoing cash being generated that is ultimately available for both debt and equity holders as well as other investment opportunities. Unlike cash flow provided by operating activities, free cash flow includes the impact of capital expenditures from continuing operations, providing a more complete picture of cash generation. Free cash flow has certain limitations, including that it does not reflect adjustment for certain non-discretionary cash flows such as mandatory debt repayments. The amount of mandatory versus discretionary expenditures can vary significantly between 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 noncash 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 Global Holdings Inc. (NYSE: ASH) is a premier specialty materials company with a conscious and proactive mindset for sustainability. The company serves customers in a wide range of consumer and industrial markets, including adhesives, architectural coatings, automotive, construction, energy, food and beverage, nutraceuticals, personal care and pharmaceutical. Approximately 4,200 passionate, tenacious solvers – from renowned scientists and research chemists to talented engineers and plant operators – thrive on developing practical, innovative and elegant solutions to complex problems for customers in more than 100 countries. Visit <u>ashland.com</u> and <u>Ashland | Sustainability Overview</u> 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 U.S.

Securities and Exchange Commission (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 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 course 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 a

¹Financial results are preliminary until Ashland's Form 10-Q is filed with the U.S. Securities and Exchange Commission.

™ Trademark, Ashland or its subsidiaries, registered in various countries.

FOR FURTHER INFORMATION:

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Ashland Global Holdings Inc. and Consolidated Subsidiaries **STATEMENTS OF CONSOLIDATED INCOME (LOSS)** (In millions except per share data - preliminary and unaudited)

	Т	hree mor June		nded	١	Nine mont June		nded
		2021	2	2020		2021		2020
Sales	\$	637	\$	574	\$	1,786	\$	1,717
Cost of sales		439		378		1,220		1,171
GROSS PROFIT		198		196		566		546
Selling, general and administrative expense		98		113		289		315
Research and development expense		15		14		44		48
Intangibles amortization expense		24		21		66		63
Equity and other income		1		-		7		7
Goodwill impairment		-		-		-		530
OPERATING INCOME (LOSS)		62		48		174		(403)
Net interest and other expense (income) Other net periodic benefit income		1		(14)		18 1		113 1
Net income on acquisitions and divestitures		2		-		11		3
INCOME (LOSS) FROM CONTINUING OPERATIONS		<u> </u>						
BEFORE INCOME TAXES		63		62		168		(512)
Income tax expense (benefit)		(24)		12		(22)		(21)
INCOME (LOSS) FROM CONTINUING OPERATIONS		87		50		190		(491)
Loss from discontinued operations (net of income taxes)		(7)		(13)		(14)		(22)
NET INCOME (LOSS)	\$	80	\$	37	\$	176	\$	(513)
	<u> </u>		<u> </u>		<u> </u>		<u> </u>	
DILUTED EARNINGS PER SHARE								
Income (loss) from continuing operations	\$	1.40	\$	0.81	\$	3.09	\$	(8.11)
Income (loss) from discontinued operations		(0.11)		(0.20)		(0.22)		(0.36)
Net income (loss)	\$	1.29	\$	0.61	\$	2.87	\$	(8.47)
								······
AVERAGE DILUTED COMMON SHARES OUTSTANDING (a)		62		61		62		61
SALES								
Life Sciences		193		189		548		528
Personal Care and Household		147		155		409		451
Consumer Specialties		340		344		957		979
Specialty Additives		169		135		474		429
Performance Adhesives		94		70		267		229
Industrial Specialties		263		205		741		658
Intermediates & Solvents		49		37		118		102
Intersegment Sales		(15)		(12)		(30)		(22)
	\$	637	\$	574	\$	1,786	\$	1,717
OPERATING INCOME (LOSS)								
Life Sciences		37		40		101		97
Personal Care and Household		16		16		49		(309)
Consumer Specialties		53		56		150		(212)
Specialty Additives		15		15		36		(137)
Performance Adhesives		13		13		52		40
Industrial Specialties		28		28		88		(97)
Intermediates & Solvents		11		7		17		(7)
Unallocated and other		(30)		(43)		(81)		(87)
	\$	62	\$	48	\$	174	\$	(403)

As a result of the loss from continuing operations for the nine months ended June 30, 2021, the effect of the share-based awards convertible to common shares would be anti-dilutive. In accordance with GAAP, these shares have been excluded from the diluted earnings per share calculation for the applicable period. (a)

Ashland Global Holdings Inc. and Consolidated Subsidiaries **CONDENSED CONSOLIDATED BALANCE SHEETS** (In millions - preliminary and unaudited)

	June 20	30)21	September 30 2020
SSETS			
Current assets			
Cash and cash equivalents		262 \$	454
Accounts receivable		384	471
Inventories	Ę	517	529
Other assets		72	87
Held for sale		-	6
Total current assets	1,2	235	1,547
Noncurrent assets			
Property, plant and equipment			
Cost	3,3	343	3,265
Accumulated depreciation	1,8	319	1,700
Net property, plant and equipment	1,5	524	1,565
Goodwill	1,9	901	1,758
Intangibles	1,1	L33	1,013
Operating lease assets, net	-	L34	137
Restricted investments	3	315	301
Asbestos insurance receivable	-	L36	136
Deferred income taxes		26	26
Other assets	3	362	394
Total noncurrent assets	5,5	531	5,330
Total assets	\$ 6,7	<u>766 \$</u>	6,877
ABILITIES AND EQUITY			
Current liabilities			
Short-term debt	\$	95 \$	280
Current portion of long-term debt	Ŧ	6	
Trade and other payables		236	233
Accrued expenses and other liabilities		241	277
Current operating lease obligations		24	23
Total current liabilities	(502	813
Noncurrent liabilities			
Long-term debt	1.5	578	1,573
Asbestos litigation reserve		501	513
Deferred income taxes		243	229
Employee benefit obligations		L58	157
Operating lease obligations		L18	124
Other liabilities		364	432
Total noncurrent liabilities		962	3,028
Stockholders' equity	3,2	202	3,036
Total liabilities and stockholders' equity	<u>\$6,</u> 7	766 \$	6,877
		=	

Ashland Global Holdings Inc. and Consolidated Subsidiaries **STATEMENTS OF CONSOLIDATED CASH FLOWS** (In millions - preliminary and unaudited)

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<u>\$ 65</u> <u>\$ 62</u> <u>\$ 189</u> <u>\$ 183</u>			-		-		-		-
		\$	65	\$	62	\$	189	\$	183
(a) Exolution of a state of a sta	(a) Excludes changes resulting from operations acquired or sold	-				<u> </u>		-	

Ashland Global Holdings Inc. and Consolidated Subsidiaries **RECONCILIATION OF NON-GAAP DATA - ADJUSTED EBITDA** (In millions - preliminary and unaudited)

Adjusted EBITDA - Ashland Global Holdings Inc.20212020Net income (loss)\$ 80\$ 37Income tax expense (benefit) (24) 12Net interest and other expense1 (14) Depreciation and amortization 65 62 EBITDA12297Loss from discontinued operations (net of taxes)713Net gain on acquisitions and divestitures key items (see Table 5) (2) -2 Operating key items (see Table 5) (2) -33 Adjusted EBITDA $\frac{16}{5}$ $\frac{15}{5}$ Operating income $\frac{16}{5}$ $\frac{15}{5}$ Add: $\frac{16}{5}$ $\frac{16}{5}$ Depreciation and amortization $\frac{16}{5}$ $\frac{16}{5}$ Add: $\frac{16}{5}$ $\frac{16}{5}$ $\frac{16}{5}$ Depreciation and amortization $\frac{16}{5}$ $\frac{16}{5}$ Add: $\frac{16}{5}$ $\frac{16}{5}$ $\frac{16}{5}$ Depreciation and amortization $\frac{2}{2}$ $-$ Adjusted EBITDA $\frac{2}{5}$ $\frac{2}{3}$ Add: $\frac{2}{5}$ $\frac{39}{3}$ $\frac{35}{3}$ Adjusted EBITDA $\frac{37}{3}$ $\frac{34}{3}$ Operating key items (see Table 5) $\frac{37}{3}$ $\frac{34}{3}$ Adjusted EBITDA $\frac{37}{34}$ $\frac{34}{3}$ Operating key items (see Table 5) $\frac{2}{2}$ $\frac{-}{3}$ Adjusted EBITDA $\frac{37}{34}$ $\frac{34}{3}$ Operating key items (see Table 5) $\frac{2}{3}$ $\frac{2}{3}$ Adjusted EBITDA $\frac{37}{34}$ $\frac{34}{34}$ Operating key items (see Table		Three	e month June 3	is ended 30
Net income (loss)\$ 80\$ 37Income tax expense (benefit)(24)12Net interest and other expense1(14)Depreciation and amortization 65 62 EBITDA 122 97Loss from discontinued operations (net of taxes)713Net gain on acquisitions and divestitures key items (see Table 5)(2)-Operating key items (see Table 5)(2)-Operating key items (see Table 5)(2)-Operating income\$37\$Adjusted EBITDA\$\$148Life Sciences1615Operating income\$37\$Addi: $=$ $=$ $=$ Operating income\$1615Adjusted EBITDA\$\$55Personal Care and Household 21 19Operating key items (see Table 5) 2 $-$ Adjusted EBITDA - Consumer Specialties Total 37 34Operating income (loss) 37 34Adjusted EBITDA - Consumer Specialties Total 37 34Operating key items (see Table 5) 2 $-$ Adjusted EBITDA - Consumer Specialties Total 37 34Operating key items (see Table 5) 2 $-$ Adjusted EBITDA - Consumer Specialties Total 37 34Operating key items (see Table 5) 2 $-$ Adjusted EBITDA - Consumer Specialties Total 37 34Operating key items (see Table 5) 2 $-$ <th>Adjusted EBITDA - Ashland Global Holdings Inc.</th> <th>2021</th> <th></th> <th>2020</th>	Adjusted EBITDA - Ashland Global Holdings Inc.	2021		2020
Net interest and other expense1(14)Depreciation and amortization6562EBITDA12297Loss from discontinued operations (net of taxes)713Net gain on acquisitions and divestitures key items (see Table 5)(2)-Operating key items (see Table 5)2133Adjusted EBITDA\$148\$Life Sciences2133Operating income\$37\$Add:16615Depreciation and amortization1615Add:\$53\$Depreciation and amortization2119Operating income (loss)2-Add:2-Depreciation and amortization2119Adjusted EBITDA\$16\$Depreciation and amortization2119Operating income (loss)2-Add:2-Depreciation and amortization2119Operating income (loss)\$53\$Adjusted EBITDA - Consumer Specialties Total\$3734Operating income (loss)37342-Adi:37342Operating income (loss)37342-Operating key items (see Table 5)2Adi:33\$56Operating income (loss)3734Operating key items (see Table 5)		\$	80 5	\$ 37
Depreciation and amortization6562EBITDA12297Loss from discontinued operations (net of taxes) Net gain on acquisitions and divestitures key items (see Table 5)713Operating key items (see Table 5)(2)-2133Adjusted EBITDA\$148\$143Life Sciences2133Operating income\$37\$40Add:16615Depreciation and amortization16615Adjusted EBITDA\$53\$55Personal Care and Household2Operating income (loss)2119-Adjusted EBITDA\$363635Addi:2Operating income (loss)2119-Adjusted EBITDA\$53\$56Adjusted EBITDA\$53\$56Adjusted EBITDA\$53\$56Adjusted EBITDA - Consumer Specialties Total3734Operating income (loss)3734-Add:3734Operating income (loss)2Add:3734Operating income (loss)2Add:3734Operating income (loss)2Add:3734-Operating income (loss)2- <td>Income tax expense (benefit)</td> <td></td> <td>(24)</td> <td>12</td>	Income tax expense (benefit)		(24)	12
EBITDA12297Loss from discontinued operations (net of taxes)713Net gain on acquisitions and divestitures key items (see Table 5)(2)-Operating key items (see Table 5)(2)-Adjusted EBITDA\$148\$Life Sciences*148\$Operating income\$37\$Add:**1615Depreciation and amortization1615\$Adjusted EBITDA\$53\$55Personal Care and Household*1616Operating income (loss)21199Add:2Operating key items (see Table 5)2-Add:*33\$Depreciation and amortization2119Operating income (loss)\$33\$Add:*\$33\$Operating income (loss)\$53\$Adjusted EBITDA - Consumer Specialties Total*3734Operating income (loss)\$3734Add:2Operating income (loss)3734Add:2-Operating key items (see Table 5)37\$Add:2-Operating income (loss)3734Operating key items (see Table 5)-2Add:-2-Operating key items (see Table 5)-2Add:<	Net interest and other expense		1	(14)
Loss from discontinued operations (net of taxes)713Net gain on acquisitions and divestitures key items (see Table 5)(2)-Operating key items (see Table 5)2133Adjusted EBITDA\$148\$Life Sciences\$37\$Operating income\$37\$Add:\$553\$555Personal Care and Household\$1615Operating income (loss)21199Operating key items (see Table 5)2-Add:\$39\$35Personal Care and Household\$2119Operating key items (see Table 5)\$2-Adjusted EBITDA\$\$16\$Depreciation and amortization21199\$Operating key items (see Table 5)\$39\$35Adjusted EBITDA\$\$53\$56Adjusted EBITDA - Consumer Specialties Total\$\$3734Operating income (loss)\$\$\$3734Operating key items (see Table 5)2Adi:2-33\$56Adi:2-2Operating income (loss)\$\$\$37\$Adi:2-2Operating income (loss)\$\$\$\$\$Adi:2-2	Depreciation and amortization		65	62
Net gain on acquisitions and divestitures key items (see Table 5) (2) - Operating key items (see Table 5) 31 33 Adjusted EBITDA \$ 148 \$ 143 Life Sciences \$ 37 \$ 40 Operating income \$ 37 \$ 40 Add:	EBITDA	1	22	97
Operating key items (see Table 5)2133Adjusted EBITDA\$ 148\$ 143Life SciencesOperating income\$ 37\$ 40Add:1615Depreciation and amortization1615Adjusted EBITDA\$ 53\$ 55Personal Care and Household2119Operating key items (see Table 5)2119Adjusted EBITDA2119Adjusted EBITDA\$ 33\$ 55Personal Care and Household2119Operating income (loss)2-Adjusted EBITDA\$ 39\$ 35Adjusted EBITDA\$ 39\$ 35Adjusted EBITDA\$ 53\$ 56Adjusted EBITDA\$ 53\$ 56Adjusted EBITDA\$ 39\$ 35Adjusted EBITDA - Consumer Specialties Total\$ 53\$ 56Ade:\$ 53\$ 56Ade:2-Depreciation and amortization3734Operating key items (see Table 5)2-			7	13
Adjusted EBITDA\$148\$143Life Sciences </td <td></td> <td></td> <td>(2)</td> <td>-</td>			(2)	-
Life SciencesOperating income\$ 37 \$ 40Add:16Depreciation and amortization16Adjusted EBITDA\$ 53 \$ 55Personal Care and Household\$ 16 \$ 16Operating income (loss)21Add:21Depreciation and amortization21Operating key items (see Table 5)2Adjusted EBITDA\$ 39 \$ 35Adjusted EBITDA\$ 53 \$ 56Adjusted EBITDA - Consumer Specialties Total\$ 53 \$ 56Operating income (loss)\$ 39 \$ 35Add:\$ 53 \$ 56Operating income (loss)\$ 53 \$ 56Add:\$ 2 -5				
Operating income Add: Depreciation and amortization Adjusted EBITDA\$ 37\$ 40Add: 	Adjusted EBITDA	<u>\$ 1</u>	L48 S	\$ 143
Operating income Add: Depreciation and amortization Adjusted EBITDA\$ 37\$ 40Add: Depreciation and amortization Adjusted EBITDA 16 \$ 53 15 \$ 55Personal Care and Household Operating income (loss) Add: Depreciation and amortization Operating key items (see Table 5) Adjusted EBITDA16\$ 16Adjusted EBITDA 21 \$ 3919Adjusted EBITDA 2 \$ 39 $-$ Adjusted EBITDA 2 \$ 39 $-$ Adjusted EBITDA - Consumer Specialties Total Operating income (loss) Add: Depreciation and amortization Operating key items (see Table 5) 37 \$ 53Adjusted EBITDA - Consumer Specialties Total Operating income (loss) Add: Depreciation and amortization Operating key items (see Table 5) 37 \$ 34 2 2				
Add: Depreciation and amortization1615Adjusted EBITDA\$ 53\$ 55Personal Care and HouseholdOperating income (loss)\$ 16\$ 16Add: Depreciation and amortization2119Operating key items (see Table 5)2-Adjusted EBITDA\$ 39\$ 35Adjusted EBITDA - Consumer Specialties Total\$ 53\$ 56Operating income (loss)\$ 53\$ 56Add: Depreciation and amortization3734Operating key items (see Table 5)3734Operating income (loss)\$ 232Adi: Depreciation and amortization3734Operating key items (see Table 5)2-		<u> </u>	07 /	* 40
Depreciation and amortization1615Adjusted EBITDA\$ 53\$ 55Personal Care and Household\$ 16\$ 16Operating income (loss)\$ 16\$ 16Add: Depreciation and amortization Operating key items (see Table 5)2119Adjusted EBITDA\$ 39\$ 35Adjusted EBITDA - Consumer Specialties Total Operating income (loss)\$ 53\$ 56Add: Depreciation and amortization Operating income (loss)3734Operating income (loss)3734		\$	3/ 3	\$ 40
Adjusted EBITDA\$ 53\$ 55Personal Care and Household\$ 16\$ 16Operating income (loss)\$ 16\$ 16Add: Depreciation and amortization Operating key items (see Table 5)2119Adjusted EBITDA2119Adjusted EBITDA - Consumer Specialties Total Operating income (loss)\$ 53\$ 56Add: Depreciation and amortization Operating income (loss)3734Operating income (loss) Add: Depreciation and amortization Operating key items (see Table 5)3734Operating key items (see Table 5)2-			16	15
Personal Care and HouseholdOperating income (loss)Add:Depreciation and amortizationOperating key items (see Table 5)Adjusted EBITDAAdjusted EBITDA - Consumer Specialties TotalOperating income (loss)Add:Operating income (loss)Add:Operating income (loss)Add:Operating key items (see Table 5)Adjusted EBITDA - Consumer Specialties TotalOperating income (loss)Add:Depreciation and amortizationOperating key items (see Table 5)222<		<u>۴</u>		
Operating income (loss)\$16\$16Add: Depreciation and amortization2119Operating key items (see Table 5)2-Adjusted EBITDA\$39\$Adjusted EBITDA - Consumer Specialties Total\$53Operating income (loss) Add: Depreciation and amortization\$53Add: Depreciation and amortization Operating key items (see Table 5)3734Qperating key items (see Table 5)2-	Adjusted EBITDA	<u> </u>	53 3	<u>⊅ 55</u>
Add: Depreciation and amortization Operating key items (see Table 5)2119Adjusted EBITDA2-\$ 39\$ 35Adjusted EBITDA - Consumer Specialties Total-Operating income (loss) Add: Depreciation and amortization Operating key items (see Table 5)\$ 53\$ 53\$ 56Add: Depreciation and amortization Operating key items (see Table 5)37				
Depreciation and amortization Operating key items (see Table 5)2119Adjusted EBITDA2-Adjusted EBITDA - Consumer Specialties Total*33Operating income (loss) Add: Depreciation and amortization Operating key items (see Table 5)\$53\$53\$56222		\$	16 \$	\$ 16
Operating key items (see Table 5)2-Adjusted EBITDA\$ 39\$ 35Adjusted EBITDA - Consumer Specialties Total\$ 53\$ 56Operating income (loss)\$ 53\$ 56Add: Depreciation and amortization Operating key items (see Table 5)3734				
Adjusted EBITDA\$ 39\$ 35Adjusted EBITDA - Consumer Specialties Total\$ 53\$ 56Operating income (loss) Add: Depreciation and amortization Operating key items (see Table 5)37342				19
Adjusted EBITDA - Consumer Specialties Total Operating income (loss) Add: Depreciation and amortization Operating key items (see Table 5)				-
Operating income (loss)\$ 53\$ 56Add: Depreciation and amortization Operating key items (see Table 5)3734	Adjusted EBITDA	\$	39 3	\$ 35
Operating income (loss)\$ 53\$ 56Add: Depreciation and amortization Operating key items (see Table 5)3734				
Add:3734Depreciation and amortization3734Operating key items (see Table 5)2-		.		• = = = = = =
Depreciation and amortization3734Operating key items (see Table 5)2-		\$	53 5	\$ 56
Operating key items (see Table 5) 2			27	24
				34
Adjusted EBITDA <u>\$ 92</u> <u>\$ 90</u>		<u>~</u>		-
	Aujusieu EBITDA	⇒	92	⊅ <u>90</u>

Ashland Global Holdings Inc. and Consolidated Subsidiaries **RECONCILIATION OF NON-GAAP DATA - ADJUSTED EBITDA** (In millions - preliminary and unaudited)

	TI	nree mor Jun	nths er e 30	Ided
	2	021	2	020
Specialty Additives Operating income (loss)	\$	15	\$	15
Add: Depreciation and amortization Operating key items (see Table 5)		21 3		20
Adjusted EBITDA	\$	39	\$	2 37
Performance Adhesives				
Operating income Add:	\$	13	\$	13
Depreciation and amortization		3		4
Adjusted EBITDA	\$	16	\$	17
Adjusted EBITDA - Industrial Specialties Total				
Operating income (loss) Add:	\$	28	\$	28
Depreciation and amortization		24		24
Operating key items (see Table 5) Adjusted EBITDA	\$	<u>3</u> 55	\$	<u>2</u> 54
Adjusted EBITDA - Intermediates and Solvents			•	7
Operating income (loss) Add:	\$	11	\$	7
Depreciation and amortization	. <u>.</u>	4	. 	4
Adjusted EBITDA	\$	15	\$	11

Ashland Global Holdings Inc. and Consolidated Subsidiaries SEGMENT COMPONENTS OF KEY ITEMS FOR APPLICABLE INCOME STATEMENT CAPTIONS (In millions - preliminary and unaudited)

							Three M	onths Ende	ed Jur	ne 30. 2021					
			Persor Care												
	Life	3	and		Consumer	Sp	ecialty	Performan	ice	Industrial	Intermediates	Una	allocated		
	Scienc	ces	Househ	old	Specialties	Ad	ditives	Adhesive	S	Specialties	and Solvents	&	Other		Total
PERATING INCOME (LOSS) perating key items:															
Inventory adjustment	\$		\$	(2)	\$ (2) \$	-	\$	-	\$ -	\$ -	\$	-	\$	(2
Environmental reserve adjustments	•	-	•	-	÷ (-	, +	(3)	•	-	(3)	-	•	(18)	•	(21
Restructuring, separation and other costs		-					-		-	-	-		2		2
Il other operating income (loss)		37		18	55		18		13	31	11		(14)		8
perating income (loss)		37		16	53		15		13	28	11		(30)		62
ET INTEREST AND OTHER EXPENSE (INCOME)															
Key items													(15)		(1
All other net interest and other expense (income)													16		1
													1		
ET INCOME (LOSS) ON ACQUISITIONS AND															
VESTITURES Key items													2		
,													2		
COME TAX EXPENSE (BENEFIT) Tax effect of key items (a)													(1)		
Tax specific key items (b)													(33)		(3
All other income tax expense (benefit)													10		1
													(24)	_	(2
COME (LOSS) FROM CONTINUING OPERATIONS	\$	37	\$	16	\$ 53	\$	15	\$	13	\$ 28	\$ 11	\$	(5)	\$	8
							Three M	lonths Ende	ed Jur	ne 30, 2020					
			Persor												
	Life		Care and		Consume	S	pecialty	Performa	ince	Industrial	Intermediate	es U	nallocated	1	
	Scienc	es	Househ	old	Specialtie	A A	ditives	Adhesiv	es	Specialties	and Solvent	<u>s</u>	& Other		Total
perating key items:	\$	-	\$	-	\$	- \$	-	\$	-	\$ -	\$	- \$	(14) \$	()
	\$	-	\$	-	\$	- \$.(2)	\$	-	\$-(2)		-	(14 (17	, ·	```
erating key items: Restructuring, separation and other costs Environmental reserve adjustments other operating income (loss)	\$	- - 40	\$	- - 16	- 50		17	\$	- - 13	(2) 30		7	(17 (12)) _	(
berating key items: Restructuring, separation and other costs Environmental reserve adjustments other operating income (loss)	\$	- 40 40	\$	- 16 16	•			\$	- 13 13	(2)		-	(17)) _	(
Environmental reserve adjustments I other operating income (loss) perating income (loss) ET INTEREST AND OTHER EXPENSE (INCOME)	\$		\$		- 50		17	\$		(2) 30		7	(17 (12 (43)))	() }
berating key items: Restructuring, separation and other costs Environmental reserve adjustments I other operating income (loss) berating income (loss) ET INTEREST AND OTHER EXPENSE (INCOME) Key items	\$		\$		- 50		17	\$		(2) 30		7	(17 (12 (43 (31)) _)	() () () ()
perating key items: Restructuring, separation and other costs Environmental reserve adjustments I other operating income (loss) perating income (loss) ET INTEREST AND OTHER EXPENSE (INCOME)	\$		\$		- 50		17	\$		(2) 30		7	(17 (12 (43 (31 17) _) _)	(
berating key items: Restructuring, separation and other costs Environmental reserve adjustments I other operating income (loss) berating income (loss) ET INTEREST AND OTHER EXPENSE (INCOME) Key items All other net interest and other expense	\$		\$		- 50		17	\$		(2) 30		7	(17 (12 (43 (31) _) _)	(
berating key items: Restructuring, separation and other costs Environmental reserve adjustments other operating income (loss) berating income (loss) ET INTEREST AND OTHER EXPENSE (INCOME) Key items All other net interest and other expense COME TAX EXPENSE (BENEFIT) Tax effect of key items (a)	\$		\$		- 50		17	\$		(2) 30		7	(17 (12 (43 (31 17 (14 (1))))	() () () ()
erating key items: Restructuring, separation and other costs Environmental reserve adjustments other operating income (loss) erating income (loss) ET INTEREST AND OTHER EXPENSE (INCOME) Key items All other net interest and other expense COME TAX EXPENSE (BENEFIT)	\$		\$		- 50		17	\$		(2) 30		7	(17 (12 (43 (31 <u>17</u> (14 (1 13)))))	() () () ()
berating key items: Restructuring, separation and other costs Environmental reserve adjustments other operating income (loss) berating income (loss) ET INTEREST AND OTHER EXPENSE (INCOME) Key items All other net interest and other expense COME TAX EXPENSE (BENEFIT) Tax effect of key items (a) All other income tax expense (benefit)	\$		\$		- 50	<u>.</u>	17	\$		(2) 30		7	(17 (12 (43 (31 17 (14 (1))))	;) ;; ;;) ;;) ;;; ;;;;;;;;;;;;;;;;;;;;
perating key items: Restructuring, separation and other costs Environmental reserve adjustments I other operating income (loss) perating income (loss) ET INTEREST AND OTHER EXPENSE (INCOME) Key items All other net interest and other expense ICOME TAX EXPENSE (BENEFIT) Tax effect of key items (a)	\$	40 40	\$	16	\$ <u>51</u>	<u>.</u>	17 15		13	(2) 30 28		77 -	(17) (12) (13) (14) (14) (11) (14) (11) (14) (11) (14) (11) (14) (11) (14) (11) (14) (11) (14) (14))))	

Ashland Global Holdings Inc. and Consolidated Subsidiaries **RECONCILIATION OF CERTAIN NON-GAAP DATA** (In millions - preliminary and unaudited)

	1	Nine months ended June 30						
Free cash flows (a)	2021		2	2020		2021		2020
Total cash flows provided by operating activities from continuing operations Adjustments:	\$	233	\$	140	\$	403	\$	153
Additions to property, plant and equipment Free cash flows (a) (b) (c)	\$	(23) 210	\$	(28) 112	\$	(77) 326	\$	<u>(94</u>) 59

(a) 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).
(b) Includes \$6 million and \$9 million of restructuring payments for the three months ended June 30, 2021 and 2020, respectively, and \$35 million and \$22 million of restructuring payments for the nine months ended June 30, 2021 and 2020, respectively.
(c) Includes \$90 million of cash inflows for the three and nine months ended June 30, 2021 associated with the U.S. Accounts Receivable Sales Program.

	Tł	Three months ended June 30					Nine months ended June 30					
Adjusted operating income	2021)20	2021		2020					
Operating income (loss) (as reported)	\$	62	\$	48	\$	174	\$	(403)				
Key items, before tax:												
Restructuring, separation and other costs		(2)		14		10		36				
Environmental reserve adjustments		21		19		21		19				
Goodwill impairment		-		-		-		530				
Inventory adjustments		2		-		2		4				
Capital project impairment		-		-		9		-				
Adjusted operating income (non-GAAP)	\$	83	\$	81	\$	216	\$	186				

Ashland Global Holdings Inc. and Consolidated Subsidiaries **RECONCILIATION OF CERTAIN NON-GAAP DATA** (In millions except per share data - preliminary and unaudited)

	Tł	ded	Nine months ended June 30					
	20	021	20	020	2021		2	2020
Income (loss) from continuing operations (as reported)	\$	87	\$	50	\$	190	\$	(491)
Key items, before tax:								
Restructuring, separation and other costs		(2)		14		10		36
Unrealized loss (gain) on securities		(15)		(31)		(26)		(9)
Goodwill impairment		-		-		-		530
Inventory adjustments		2		-		2		4
Environmental reserve adjustments		21		19		21		19
Accelerated amortization of debt issuance costs		-		-		-		8
Loss on early retirement of debt		-		-		-		59
Net loss (gain) on acquisitions and divestitures		(2)		-		(11)		-
Capital project impairment		-		-		9		-
Key items, before tax		4		2		5		647
Tax effect of key items (a)		(1)		(1)		1		(20)
Key items, after tax		3		1		6		627
Tax specific key items:								
Restructuring and separation activity		-		-		(13)		-
Uncertain tax positions		(33)		-		(39)		-
Other tax reform related activity		-		<u> </u>		-		(25)

Other tax reform related activity Tax specific key items (b)

Total key items

(b)

Adjusted income from continuing operations (non-GAAP)

Amortization expense adjustment (net of tax) (c)

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

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

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:

(33)

(30)

57

18

75

\$

\$

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.

(c) Amortization expense adjustment (net of tax) tax rates were 21% for the three and nine months ended June 30, 2021 and 20% for the three and nine months ended June 30, 2020.

(25)

602

111

51

162

(52)

(46)

144

53

197

1

\$

\$

51

17

68

Ashland Global Holdings Inc. and Consolidated Subsidiaries **RECONCILIATION OF CERTAIN NON-GAAP DATA** (In millions except per share data - preliminary and unaudited)

	Т	hree mor June	nths ei e 30	nded	Nine months ended June 30					
	2	2021	2	2020	2	021	2	2020		
Diluted EPS from continuing operations (as reported)	\$	1.40	\$	0.81	\$	3.09	\$	(8.11)		
Key items, before tax:										
Restructuring, separation and other costs		(0.04)		0.23		0.16		0.58		
Unrealized loss (gain) on securities		(0.24)		(0.51)		(0.42)		(0.15)		
Goodwill impairment		-		-		-		8.75		
Inventory adjustments		0.03		-		0.03		0.06		
Environmental reserve adjustments		0.33		0.32		0.33		0.32		
Accelerated amortization of debt issuance costs		-		-		-		0.13		
Loss on early retirement of debt		-		-		-		0.97		
Net loss (gain) on acquisitions and divestitures		(0.03)		-		(0.17)		-		
Capital project impairment		-		-		0.16				
Key items, before tax		0.05		0.04		0.09		10.66		
Tax effect of key items (a)		(0.02)		(0.01)		0.02		(0.33)		
Key items, after tax		0.03		0.03		0.11		10.33		
Tax specific key items:										
Restructuring and separation activity		-		-		(0.22)		-		
Uncertain tax positions		(0.52)		-		(0.63)		-		
Other tax reform related activity		-		-		-		(0.41)		
Tax specific key items (b)		(0.52)		-		(0.85)		(0.41)		
Total key items		(0.49)		0.03		(0.74)		9.92		
Adjusted diluted EPS from continuing operations (non-GAAP)	\$	0.91	\$	0.84	\$	2.35	\$	1.81		
Amortization expense adjustment (net of tax) (c)		0.31		0.28		0.86		0.83		
Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense	\$	1.22	\$	1.12	\$	3.21	\$	2.64		

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

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. (b)

Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2020.

(c) Amortization expense adjustment (net of tax) tax rates were 21% for the three and nine months ended June 30, 2021 and 20% for the three and nine months ended June 30, 2020.