

---

---

**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): November 6, 2018

**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.)

50 E. RiverCenter Boulevard  
Covington, Kentucky 41011

Registrant's telephone number, including area code (859) 815-3333

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

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.

---

---

**Item 2.02. Results of Operations and Financial Condition**

On November 6, 2018, Ashland Global Holdings Inc. (“Ashland”) announced preliminary fourth 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 8.01. Other Events**

On November 6, 2018, Ashland will make available the News Release and a slide presentation on the “Investor Center” section of Ashland’s website located at <http://investor.ashland.com>. A copy of the slide presentation is attached to this Form 8-K as Exhibit 99.2, which is incorporated herein by reference into this Item 8.01.

**Item 9.01. Financial Statements and Exhibits**

- |      |   |
|------|---|
| (d)  | Exhibits  |
| 99.1 | <a href="#">Earnings News Release dated November 6, 2018.</a> |
| 99.2 | <a href="#">Slide Presentation dated November 6, 2018.</a>    |

**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)

November 6, 2018

/s/ J. Kevin Willis

J. Kevin Willis

Senior Vice President and

Chief Financial Officer



## News Release

### **Ashland reports preliminary financial results for fourth quarter of fiscal 2018 at upper end of previous guidance; Provides fiscal 2019 financial outlook**

- *Specialty Ingredients sales, margins, adjusted earnings and cost discipline drove strong results in the quarter*
- *Company captures targeted \$20 million in annualized run-rate<sup>1</sup> savings by end of September quarter as part of EBITDA margin acceleration plan*

COVINGTON, KENTUCKY, November 6, 2018 – Ashland Global Holdings Inc. (NYSE: ASH), a premier global specialty chemicals company serving customers in a wide range of consumer and industrial markets, today announced preliminary<sup>2</sup> financial results for the fourth quarter of fiscal 2018:

- Sales grew 9 percent year-over-year to \$956 million;
- Reported net income was \$9 million, or \$0.15 per diluted share, compared to a loss of \$58 million, or \$0.92 per diluted share, last year;
- Reported income from continuing operations was \$11 million, or \$0.17 per diluted share, compared to a loss from continuing operations of \$53 million, or \$0.84 per diluted share, a year ago;
- Adjusted income from continuing operations was \$62 million, or \$0.97 per diluted share, compared to \$50 million, or \$0.78 per diluted share, last year; and
- Adjusted EBITDA was \$179 million, up 11 percent from the year-ago period.

“The Ashland team finished fiscal 2018 on a high note as we delivered strong overall sales and earnings growth and demonstrated great progress on our path toward becoming a premier specialty chemicals company,” said William A. Wulfsohn, Ashland chairman and chief executive officer.

“Our Specialty Ingredients team produced another quarter of strong organic growth, as sales rose 6 percent, driven by strong customer demand and differentiated product mix. In addition, the actions we have taken to improve asset utilization and increase production volume resulted in favorable absorption. The Specialty Ingredients team also demonstrated good cost discipline, with SG&A expenses as a percentage of sales declining nearly 230 basis points compared to prior year. Together this led to a 51 percent increase in Specialty Ingredients’ operating income, and a 24 percent increase in Specialty Ingredients’ adjusted operating income. Adjusted EBITDA climbed 13 percent, to \$160 million. Adjusted EBITDA margin rose 160 basis points year over year, to 25.2 percent, the highest level in six years. Meanwhile, the Composites and Intermediates and Solvents (I&S) teams capped strong years for sales and earnings with solid results in the fourth quarter.”

---

He continued: “Ashland has a clear strategy to drive strong sales and earnings growth, and our performance in fiscal 2018 shows that we are delivering on the financial commitments we outlined to investors 18 months ago. For the full year, Ashland generated 15 percent sales growth, with double-digit increases across all three operating segments. This growth is being driven by specific actions we have taken to sustain and grow Ashland’s premium mix while also improving our competitiveness. Adjusted earnings per share climbed 47 percent. Operating income margin within Specialty Ingredients was 12.7 percent, up 220 basis points from the previous year. Adjusted EBITDA margin within Specialty Ingredients was 23.2 percent, up 100 basis points from the previous year. We expect continued improvement in fiscal 2019 and beyond as we realize the benefits from the EBITDA margin acceleration program and become a pure-play specialty chemicals company following an anticipated divestiture of our Composites business and butanediol (BDO) manufacturing facility in Marl, Germany.”

#### **Update on EBITDA Margin Acceleration Plan**

In early May, Ashland announced a program to accelerate EBITDA margin growth by creating a leaner, more cost competitive company with improved operating efficiency, faster decision making and a stronger customer focus. Under this program, Ashland intends to eliminate a total of \$120 million of existing allocated costs, direct expenses within Specialty Ingredients SG&A, and facility-related costs as follows:

- Approximately \$70 million of costs allocated to the Composites business and to the Marl BDO facility are expected to be offset or eliminated through transfers and reductions.
- Approximately \$50 million of costs are expected to be eliminated to drive improved profitability in Specialty Ingredients and accelerate achievement of its adjusted EBITDA margin target of 25-27 percent.

“Our teams have made good progress in executing on the initial phase of actions, as we met our expectation for capturing \$20 million in annualized run-rate savings by the end of September,” Wulfsohn said. “We have now completed the redesign plan and are on track to achieve our target of \$50 million in total run-rate savings by the end of the current quarter, and \$120 million in total run-rate savings by end of calendar 2019.”

#### **Reportable Segment Performance and Outlook**

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, or adjusted EBITDA, is reconciled to operating income in Table 5 of this news release. In addition, free cash flow and adjusted operating income are reconciled in Table 7 and adjusted diluted earnings per share is reconciled in Table 8 of this news release. (For a more detailed review of the segment results, please refer to the Investor Relations section of ashland.com to review the slides filed with the Securities and Exchange Commission in conjunction with this earnings 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 on page 5 of this news release.

#### **Specialty Ingredients**

---

- Sales increased 6 percent, to \$636 million, driven by strong customer demand and improved product mix. Currency reduced sales by 1 percentage point in the period.
- Pharma continued its double-digit growth, up 11 percent, driven by recently added excipient capacity and new products. In Personal Care, while sales were flat compared to the prior year, gross profit margin and profitability improved. Construction/Energy/Performance Specialties gained 16 percent, helping drive better absorption. Nutrition sales rose 9 percent, Adhesives climbed 7 percent and Pharmachem rose 6 percent.
- The team maintained good cost discipline while driving sales growth. SG&A, as a percentage of sales, declined nearly 230 basis points compared to the prior year.
- Adjusted EBITDA rose 13 percent, to \$160 million, and adjusted EBITDA margin grew 160 basis points, to 25.2 percent.

#### **Composites**

- Sales climbed 8 percent, to \$237 million, with growth led by a strong quarter in North America.
- The team succeeded in capturing price over raw-material cost inflation.
- Adjusted EBITDA was \$20 million.

#### **Intermediates & Solvents**

- Sales increased 32 percent, to \$83 million, driven by strong operational performance and the ninth consecutive quarter of price increases amid healthy global demand for butanediol and derivatives.
- Adjusted EBITDA in the quarter was \$15 million, versus \$10 million a year ago.

#### **Balance Sheet and Cash Flow**

- Total debt was \$2.5 billion.
- Net debt was \$2.2 billion.
- During the quarter, cash provided by operating activities from continuing operations totaled \$214 million compared to \$142 million in the prior-year period. For the full year, cash provided by operating activities from continuing operations totaled \$344 million, compared to \$273 million in fiscal 2017.
- Free cash flow was \$131 million compared to \$69 million in the prior-year quarter. These figures include \$2 million in restructuring payments in the fourth quarter of fiscal 2018, and \$3 million in the year-ago period. For the full year, free cash flow was \$159 million, including \$39 million in restructuring payments.

#### **Outlook**

Although Ashland provides forward-looking guidance for adjusted EBITDA, free cash flow and adjusted diluted earnings per share, 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. Such reconciliations have not been included because Ashland is unable, without unreasonable efforts, to estimate and quantify the most directly comparable U.S. GAAP components, largely because predicting future operating results is subject to many factors not in Ashland's control and not readily predictable

---

and that are not part of Ashland's routine operating activities, including various domestic and international economic, political, legislative, regulatory and legal factors.

The company issued its financial outlook for fiscal 2019 as shown in the table below. This outlook is provided on a current-operations basis, and an update will be provided following a Composites/Marl divestiture announcement.

|  | FY2019 Outlook        |
|--|-----------------------|
| Adjusted EBITDA                            |                       |
| -Specialty Ingredients                     | \$610 - \$635 million |
| -Composites                                | \$95 - \$105 million  |
| -Intermediates & Solvents                  | \$55 - \$65 million   |
| -Unallocated and other                     | (\$40 - \$50 million) |
| Key Operating Metrics                      |                       |
| -Adjusted diluted earnings per share (EPS) | \$4.20 - \$4.40*      |
| -Free cash flow                            | ~\$230 million**      |
| Corporate Items                            |                       |
| -Depreciation & amortization               | ~\$285 million        |
| -Interest expense                          | \$115 - \$125 million |
| -Effective tax rate                        | 15 - 17%              |
| -Capital expenditures                      | ~\$200 million        |
| -Diluted share count                       | ~64 million           |

\*For fiscal 2018, earnings from continuing operations was \$1.66 per diluted share and adjusted earnings from continuing operations was \$3.58 per diluted share.

\*\* Includes estimated \$40 million in restructuring payments

For the first quarter of fiscal 2019, Ashland expects adjusted earnings in the range of \$0.55-\$0.65 per diluted share, compared to \$0.42 in the prior-year period. This outlook assumes an effective tax rate of 16 percent in the first quarter of fiscal 2019, versus 18 percent in the prior-year period.

"In summary, our outlook for fiscal 2019 reflects continued progress toward the long-term financial targets shared at our Investor Day last year. This includes mid-single-digit growth in Specialty Ingredients' adjusted EBITDA plus \$20 million of savings from the ongoing cost reduction program. Together, the actions we have taken to improve our business are driving strong earnings growth while also positioning Ashland to fulfill our vision of becoming the premier specialty chemicals company," Wulfsohn said.

For additional information on Ashland's fourth-quarter financial results, please see the slide presentation accompanying this news release.

#### Conference Call Webcast

Ashland will host a live webcast of its fourth-quarter conference call with securities analysts at 9 a.m. EST Wednesday, November 7, 2018. The webcast will be accessible through Ashland's website at <http://investor.ashland.com>. Following the live event, an archived version of the webcast and supporting materials will be available 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, 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 8 and page 17 of the slide presentation 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.

Tax-specific key items, which are set forth on Table 8 and page 17 of the slide presentation accompanying 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.

## About Ashland

Ashland Global Holdings Inc. (NYSE: ASH) is a premier global specialty chemicals company serving 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. At Ashland, we are approximately 6,000 passionate, tenacious solvers – from renowned scientists and research chemists to talented engineers and plant operators – who thrive on developing practical, innovative and elegant solutions to complex problems for customers in more than 100 countries. Visit [ashland.com](http://ashland.com) to learn more.

C-ASH

## 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 and financial condition, as well as the economy and other future events or circumstances. These statements include, but may not be limited to, the statements under “Update on EBITDA Margin Acceleration Plan,” “Reportable Segment Performance and Outlook,” “Outlook,” Ashland’s assessment on its progress towards becoming a premier specialty chemicals company and its expectations regarding its ability to drive sales and earnings growth, realize further cost reductions and complete the anticipated divestiture of its Composites business and Marl BDO facility.

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 program to eliminate certain existing corporate and Specialty Ingredients expenses (including the possibility that such cost eliminations may not occur or may take longer to implement than anticipated), the expected divestiture of its Composites segment and the Marl BDO facility, and related merchant I&S products (including, in each case, the possibility that a transaction may not occur or that, if a transaction does occur, Ashland may not realize the anticipated benefits from such transaction), the impact of acquisitions and/or divestitures Ashland has made or may make, including the acquisition of Pharmachem (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); Ashland’s ability to generate sufficient cash to finance its stock repurchase plans; severe weather, natural disasters, cyber events and legal proceedings and claims (including product recalls, environmental and asbestos matters); 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. 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.

### **Important Information**

In connection with the forthcoming solicitation of proxies from stockholders in respect of Ashland's 2019 Annual Meeting of Stockholders, Ashland will file with the Securities and Exchange Commission ("SEC") a proxy statement on Schedule 14A (the "proxy statement"), containing a form of [white] proxy card. BEFORE MAKING ANY VOTING DECISION, INVESTORS AND SECURITY HOLDERS ARE URGED TO READ ALL RELEVANT DOCUMENTS, INCLUDING ASHLAND'S PROXY STATEMENT AND ANY AMENDMENTS THERETO AND ACCOMPANYING WHITE PROXY CARD, FILED WITH OR FURNISHED TO THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN, OR WILL CONTAIN, IMPORTANT INFORMATION ABOUT ASHLAND.

### **Certain Information Regarding Participants**

Ashland, its directors and certain of its executive officers, including William A. Wulfsohn, Brendan Cummins, William G. Dempsey, Jay V. Ihlenfeld, Susan L. Main, Jerome A. Peribere, Barry W. Perry, Mark C. Rohr, Janice J. Teal, Michael J. Ward and Kathleen Wilson-Thompson, will be participants in the solicitation of proxies from stockholders in respect of the 2019 Annual Meeting of Stockholders. Information regarding the ownership of the Company's directors and executive officers in the company by security holdings or otherwise is included in Ashland's Annual Report on Form 10-K for the year ended September 30, 2017, which was filed with the SEC on November 20, 2017, and its proxy statement for the 2018 Annual Meeting of Stockholders, which was filed with the SEC on December 6, 2017. To the extent holdings of Ashland securities have changed since the amounts printed in the proxy statement for the 2018 Annual Meeting, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. Details concerning the nominees of Ashland's Board of Directors for election at the 2019 Annual Meeting will be included in the proxy statement when it is filed by Ashland with the SEC. Stockholders may obtain free copies of the proxy statement and other relevant documents that Ashland files with the SEC on Ashland's website at <http://investor.ashland.com> or from the SEC's website at [www.sec.gov](http://www.sec.gov).

*<sup>1</sup>Run-rate savings are cost savings that have been achieved and will be realized in future periods*

*<sup>2</sup>Financial results are preliminary until Ashland's Form 10-K is filed with the SEC*

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

### **FOR FURTHER INFORMATION:**

|  |  |
|--|--|
| Investor Relations:  | Media Relations:   |
| Seth A. Mrozek   | Gary Rhodes  |
| +1 (859) 815-3527  | +1 (859) 815-3047  |
| <a href="mailto:samrozek@ashland.com">samrozek@ashland.com</a> | <a href="mailto:glrhodes@ashland.com">glrhodes@ashland.com</a> |

|   | Three months ended<br>September 30 |                  | Year ended<br>September 30 |                 |
|---|------------------------------------|------------------|----------------------------|-----------------|
|   | 2018                               | 2017             | 2018                       | 2017            |
| Sales   | \$ 956                             | \$ 880           | \$ 3,743                   | \$ 3,260        |
| Cost of sales   | 675                                | 635              | 2,668                      | 2,363           |
| <b>GROSS PROFIT</b>   | <b>281</b>                         | <b>245</b>       | <b>1,075</b>               | <b>897</b>      |
| Selling, general and administrative expense                             | 235                                | 180              | 771                        | 675             |
| Research and development expense  | 21                                 | 22               | 85                         | 83              |
| Equity and other income (loss)  | 2                                  | (1)              | 8                          | 7               |
| <b>OPERATING INCOME</b>   | <b>27</b>                          | <b>42</b>        | <b>227</b>                 | <b>146</b>      |
| Net interest and other financing expense                                | 29                                 | 31               | 122                        | 234             |
| Other net periodic benefit income (costs)                               | 12                                 | (8)              | 13                         | (4)             |
| Net loss on acquisitions and divestitures                               | -                                  | -                | (4)                        | (6)             |
| <b>INCOME (LOSS) FROM CONTINUING OPERATIONS<br/>BEFORE INCOME TAXES</b> | <b>10</b>                          | <b>3</b>         | <b>114</b>                 | <b>(98)</b>     |
| Income tax expense (benefit)  | (1)                                | 56               | 9                          | 7               |
| <b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b>                         | <b>11</b>                          | <b>(53)</b>      | <b>105</b>                 | <b>(105)</b>    |
| Income (loss) from discontinued operations (net of taxes)               | (2)                                | (5)              | 9                          | 133             |
| <b>NET INCOME (LOSS)</b>  | <b>9</b>                           | <b>(58)</b>      | <b>114</b>                 | <b>28</b>       |
| Net income attributable to noncontrolling interest                      | -                                  | -                | -                          | 27              |
| <b>NET INCOME (LOSS) ATTRIBUTABLE TO ASHLAND</b>                        | <b>\$ 9</b>                        | <b>\$ (58)</b>   | <b>\$ 114</b>              | <b>\$ 1</b>     |
| <b>DILUTED EARNINGS PER SHARE</b>                                       |                                    |                  |                            |                 |
| Income (loss) from continuing operations                                | \$ 0.17                            | \$ (0.84)        | \$ 1.66                    | \$ (1.69)       |
| Income (loss) from discontinued operations attributable to Ashland      | (0.02)                             | (0.08)           | 0.13                       | 1.70            |
| Net income (loss) attributable to Ashland                               | <u>\$ 0.15</u>                     | <u>\$ (0.92)</u> | <u>\$ 1.79</u>             | <u>\$ 0.01</u>  |
| <b>AVERAGE DILUTED COMMON SHARES OUTSTANDING</b> (a)                    | 64                                 | 63               | 64                         | 62              |
| <b>SALES</b>  |                                    |                  |                            |                 |
| Specialty Ingredients   | \$ 636                             | \$ 598           | \$ 2,470                   | \$ 2,216        |
| Composites  | 237                                | 219              | 942                        | 779             |
| Intermediates and Solvents  | 83                                 | 63               | 331                        | 265             |
|   | <u>\$ 956</u>                      | <u>\$ 880</u>    | <u>\$ 3,743</u>            | <u>\$ 3,260</u> |
| <b>OPERATING INCOME (LOSS)</b>  |                                    |                  |                            |                 |
| Specialty Ingredients   | \$ 92                              | \$ 61            | \$ 314                     | \$ 233          |
| Composites  | 14                                 | 17               | 73                         | 67              |
| Intermediates and Solvents  | 9                                  | (4)              | 31                         | (12)            |
| Unallocated and other   | (88)                               | (32)             | (191)                      | (142)           |
|   | <u>\$ 27</u>                       | <u>\$ 42</u>     | <u>\$ 227</u>              | <u>\$ 146</u>   |

(a) As a result of the loss from continuing operations, the effect of the share-based awards convertible to common shares would be anti-dilutive. In accordance with U.S. GAAP, they have been excluded from the diluted earnings per share calculation for the applicable periods.

|  | September 30<br><u>2018</u> | September 30<br><u>2017</u> |
|--|-----------------------------|-----------------------------|
| <b>ASSETS</b>                              |                             |                             |
| Current assets                             |                             |                             |
| Cash and cash equivalents                  | \$ 294                      | \$ 566                      |
| Accounts receivable                        | 681                         | 612                         |
| Inventories                                | 663                         | 634                         |
| Other assets                               | <u>74</u>                   | <u>91</u>                   |
| Total current assets                       | 1,712                       | 1,903                       |
| Noncurrent assets                          |                             |                             |
| Property, plant and equipment              |                             |                             |
| Cost                                       | 3,847                       | 3,762                       |
| Accumulated depreciation                   | <u>1,948</u>                | <u>1,792</u>                |
| Net property, plant and equipment          | 1,899                       | 1,970                       |
| Goodwill                                   | 2,449                       | 2,465                       |
| Intangibles                                | 1,225                       | 1,319                       |
| Restricted investments                     | 312                         | 302                         |
| Asbestos insurance receivable              | 179                         | 209                         |
| Deferred income taxes                      | 28                          | 28                          |
| Other assets                               | <u>448</u>                  | <u>422</u>                  |
| Total noncurrent assets                    | <u>6,540</u>                | <u>6,715</u>                |
| Total assets                               | <u>\$ 8,252</u>             | <u>\$ 8,618</u>             |
| <b>LIABILITIES AND EQUITY</b>              |                             |                             |
| Current liabilities                        |                             |                             |
| Short-term debt                            | \$ 254                      | \$ 235                      |
| Trade and other payables                   | 483                         | 409                         |
| Accrued expenses and other liabilities     | <u>338</u>                  | <u>324</u>                  |
| Total current liabilities                  | 1,075                       | 968                         |
| Noncurrent liabilities                     |                             |                             |
| Long-term debt                             | 2,275                       | 2,584                       |
| Asbestos litigation reserve                | 612                         | 694                         |
| Deferred income taxes                      | 279                         | 375                         |
| Employee benefit obligations               | 179                         | 191                         |
| Other liabilities                          | <u>426</u>                  | <u>400</u>                  |
| Total noncurrent liabilities               | 3,771                       | 4,244                       |
| Stockholders' equity                       | <u>3,406</u>                | <u>3,406</u>                |
| Total liabilities and stockholders' equity | <u>\$ 8,252</u>             | <u>\$ 8,618</u>             |

|  | Three months ended<br>September 30 |               | Year ended<br>September 30 |               |
|--|------------------------------------|---------------|----------------------------|---------------|
|  | 2018                               | 2017          | 2018                       | 2017          |
| <b>CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES FROM CONTINUING OPERATIONS</b>               |                                    |               |                            |               |
| Net income (loss)  | \$ 9                               | \$ (58)       | \$ 114                     | \$ 28         |
| Loss (income) from discontinued operations (net of taxes)  | 2                                  | 5             | (9)                        | (133)         |
| Adjustments to reconcile income from continuing operations to cash flows from operating activities |                                    |               |                            |               |
| Depreciation and amortization  | 76                                 | 83            | 312                        | 301           |
| Original issue discount and debt issuance cost amortization  | 2                                  | 2             | 9                          | 109           |
| Deferred income taxes  | (103)                              | (25)          | (106)                      | (30)          |
| Equity income from affiliates  | (1)                                | -             | (1)                        | -             |
| Distributions from equity affiliates   | -                                  | -             | 1                          | 1             |
| Stock based compensation expense   | 7                                  | 6             | 28                         | 20            |
| Excess tax benefit on stock based compensation   | -                                  | -             | 4                          | 3             |
| Loss on early retirement of debt   | -                                  | -             | -                          | 9             |
| Realized gains and investment income on available-for-sale securities                              | (4)                                | (2)           | (14)                       | (11)          |
| Net loss on acquisitions and divestitures  | -                                  | -             | 1                          | 4             |
| Impairments  | 16                                 | -             | 16                         | -             |
| Pension contributions  | (1)                                | (1)           | (9)                        | (7)           |
| Loss (gain) on pension and other postretirement plan remeasurements                                | (12)                               | 8             | (12)                       | 6             |
| Change in operating assets and liabilities (a)   | 223                                | 124           | 10                         | (27)          |
| Total cash provided by operating activities from continuing operations                             | 214                                | 142           | 344                        | 273           |
| <b>CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES FROM CONTINUING OPERATIONS</b>               |                                    |               |                            |               |
| Additions to property, plant and equipment   | (83)                               | (73)          | (185)                      | (199)         |
| Proceeds from disposal of property, plant and equipment  | 3                                  | -             | 4                          | 5             |
| Purchase of operations - net of cash acquired  | -                                  | -             | (11)                       | (680)         |
| Proceeds from sale of operations or equity investments   | 5                                  | 14            | 6                          | 18            |
| Life insurance payments  | -                                  | -             | (37)                       | -             |
| Net purchase of funds restricted for specific transactions   | -                                  | -             | (10)                       | (2)           |
| Reimbursements from restricted investments   | 8                                  | 8             | 33                         | 27            |
| Proceeds from sales of available-for-sale securities   | 8                                  | -             | 26                         | 19            |
| Purchases of available-for-sale securities   | (8)                                | -             | (26)                       | (19)          |
| Proceeds from the settlement of derivative instruments   | -                                  | -             | 1                          | 5             |
| Payments for the settlement of derivative instruments  | -                                  | -             | (3)                        | (3)           |
| Total cash used by investing activities from continuing operations                                 | (67)                               | (51)          | (202)                      | (829)         |
| <b>CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES FROM CONTINUING OPERATIONS</b>               |                                    |               |                            |               |
| Proceeds from issuance of long-term debt   | -                                  | -             | -                          | 1,100         |
| Repayment of long-term debt  | (176)                              | (1)           | (311)                      | (915)         |
| Premium on long-term debt repayment  | -                                  | -             | -                          | (17)          |
| Proceeds from short-term debt  | 172                                | 6             | 15                         | 75            |
| Debt issuance costs  | -                                  | -             | (2)                        | (15)          |
| Cash dividends paid  | (16)                               | (14)          | (60)                       | (77)          |
| Stock based compensation employee withholding taxes paid in cash                                   | (1)                                | (2)           | (10)                       | (15)          |
| Total cash provided (used) by financing activities from continuing operations                      | (21)                               | (11)          | (368)                      | 136           |
| <b>CASH PROVIDED (USED) BY CONTINUING OPERATIONS</b>   | 126                                | 80            | (226)                      | (420)         |
| Cash provided (used) by discontinued operations  |                                    |               |                            |               |
| Operating cash flows   | (12)                               | (13)          | (47)                       | 110           |
| Investing cash flows   | -                                  | 3             | -                          | (290)         |
| Financing cash flows   | -                                  | -             | -                          | (17)          |
| Effect of currency exchange rate changes on cash and cash equivalents                              | (2)                                | 4             | 1                          | (5)           |
| <b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>  | 112                                | 74            | (272)                      | (622)         |
| <b>CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD</b>   | 182                                | 492           | 566                        | 1,017         |
| Change in cash and cash equivalents held by Valvoline  | -                                  | -             | -                          | 171           |
| <b>CASH AND CASH EQUIVALENTS - END OF PERIOD</b>   | <u>\$ 294</u>                      | <u>\$ 566</u> | <u>\$ 294</u>              | <u>\$ 566</u> |
| <b>DEPRECIATION AND AMORTIZATION</b>   |                                    |               |                            |               |
| Specialty Ingredients  | \$ 64                              | \$ 66         | \$ 252                     | \$ 243        |
| Composites   | 6                                  | 6             | 22                         | 22            |
| Intermediates and Solvents   | 6                                  | 7             | 30                         | 31            |
| Unallocated and other  | -                                  | 4             | 8                          | 5             |
|  | <u>\$ 76</u>                       | <u>\$ 83</u>  | <u>\$ 312</u>              | <u>\$ 301</u> |
| <b>ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT</b>  |                                    |               |                            |               |
| Specialty Ingredients  | \$ 62                              | \$ 53         | \$ 138                     | \$ 148        |
| Composites   | 12                                 | 9             | 24                         | 26            |
| Intermediates and Solvents   | 4                                  | 3             | 9                          | 10            |
| Unallocated and other  | 5                                  | 8             | 14                         | 15            |
|  | <u>\$ 83</u>                       | <u>\$ 73</u>  | <u>\$ 185</u>              | <u>\$ 199</u> |

(a) Excludes changes resulting from operations acquired or sold.

|  | Three months ended<br>September 30 |        | Year ended<br>September 30 |        |
|--|------------------------------------|--------|----------------------------|--------|
|  | 2018                               | 2017   | 2018                       | 2017   |
| <b>SPECIALTY INGREDIENTS</b>           |                                    |        |                            |        |
| Sales per shipping day                 | \$ 10.1                            | \$ 9.5 | \$ 9.8                     | \$ 8.8 |
| Metric tons sold (thousands)           | 84.6                               | 80.5   | 324.7                      | 317.2  |
| Gross profit as a percent of sales (a) | 35.1%                              | 33.5%  | 33.8%                      | 32.7%  |
| <b>COMPOSITES</b>                      |                                    |        |                            |        |
| Sales per shipping day                 | \$ 3.8                             | \$ 3.5 | \$ 3.7                     | \$ 3.1 |
| Metric tons sold (thousands)           | 94.7                               | 94.8   | 382.2                      | 346.4  |
| Gross profit as a percent of sales (a) | 17.5%                              | 18.8%  | 18.8%                      | 19.8%  |
| <b>INTERMEDIATES AND SOLVENTS</b>      |                                    |        |                            |        |
| Sales per shipping day                 | \$ 1.3                             | \$ 1.0 | \$ 1.3                     | \$ 1.1 |
| Metric tons sold (thousands)           | 35.1                               | 27.2   | 140.6                      | 137.0  |
| Gross profit as a percent of sales (a) | 19.6%                              | 5.5%   | 18.6%                      | 6.5%   |

(a) Gross profit as a percent of sales is defined as sales, less cost of sales divided by sales.

|   | Three months ended<br>September 30 |               |
|---|------------------------------------|---------------|
|   | 2018                               | 2017          |
| <b>Adjusted EBITDA - Ashland Global Holdings Inc.</b>               |                                    |               |
| Net income (loss)   | \$ 9                               | \$ (58)       |
| Income tax expense (benefit)  | (1)                                | 56            |
| Net interest and other financing expense                            | 29                                 | 31            |
| Depreciation and amortization (a)                                   | 75                                 | 77            |
| <b>EBITDA</b>   | <b>112</b>                         | <b>106</b>    |
| Loss from discontinued operations (net of taxes)                    | 2                                  | 5             |
| Loss (gain) on pension and other postretirement plan remeasurements | (12)                               | 8             |
| Operating key items (see Table 6)                                   | 77                                 | 42            |
| <b>Adjusted EBITDA</b>  | <b>\$ 179</b>                      | <b>\$ 161</b> |
| <b>Adjusted EBITDA - Specialty Ingredients</b>                      |                                    |               |
| Operating income  | \$ 92                              | \$ 61         |
| Add:  |                                    |               |
| Depreciation and amortization (a)                                   | 63                                 | 63            |
| Operating key items (see Table 6)                                   | 5                                  | 17            |
| <b>Adjusted EBITDA</b>  | <b>\$ 160</b>                      | <b>\$ 141</b> |
| <b>Adjusted EBITDA - Composites</b>                                 |                                    |               |
| Operating income  | \$ 14                              | \$ 17         |
| Add:  |                                    |               |
| Depreciation and amortization                                       | 6                                  | 6             |
| Operating key items (see Table 6)                                   | -                                  | -             |
| <b>Adjusted EBITDA</b>  | <b>\$ 20</b>                       | <b>\$ 23</b>  |
| <b>Adjusted EBITDA - Intermediates and Solvents</b>                 |                                    |               |
| Operating income (loss)   | \$ 9                               | \$ (4)        |
| Add:  |                                    |               |
| Depreciation and amortization                                       | 6                                  | 7             |
| Operating key items (see Table 6)                                   | -                                  | 7             |
| <b>Adjusted EBITDA</b>  | <b>\$ 15</b>                       | <b>\$ 10</b>  |

(a) Depreciation and amortization excludes accelerated depreciation of \$1 million and \$3 million for Specialty Ingredients for the three months ended September 30, 2018 and 2017, respectively, and \$3 million for Unallocated and other for the three months ended September 30, 2017, which are included as key items within this table.

|   | <b>Three Months Ended September 30, 2018</b> |              |                               |                        |              |
|---|--|--------------|-------------------------------|------------------------|--------------|
|   | Specialty<br>Ingredients                     | Composites   | Intermediates<br>and Solvents | Unallocated<br>& Other | Total        |
| <b>OPERATING INCOME (LOSS)</b>                  |  |              |                               |                        |              |
| Operating key items:                            |  |              |                               |                        |              |
| Restructuring, separation and other costs       | \$ (3)                                       | \$ -         | \$ -                          | \$ (53)                | \$ (56)      |
| Asset impairments                               | (2)  | -            | -                             | (14)                   | (16)         |
| Tax indemnity expense                           | -  | -            | -                             | (5)                    | (5)          |
| All other operating income (loss)               | 97   | 14           | 9                             | (16)                   | 104          |
| Operating income (loss)                         | <u>92</u>                                    | <u>14</u>    | <u>9</u>                      | <u>(88)</u>            | <u>27</u>    |
| <b>NET INTEREST AND OTHER FINANCING EXPENSE</b> |  |              |                               | 29                     | 29           |
| <b>OTHER NET PERIODIC BENEFIT INCOME</b>        |  |              |                               |                        |              |
| Key items                                       |  |              |                               | (12)                   | (12)         |
| All other net periodic benefit income           |  |              |                               | -                      | -            |
| <b>INCOME TAX EXPENSE (BENEFIT)</b>             |  |              |                               |                        |              |
| Tax effect of key items (a)                     |  |              |                               | (11)                   | (11)         |
| Tax specific key items (b)                      |  |              |                               | (3)                    | (3)          |
| All other income tax expense                    |  |              |                               | 13                     | 13           |
|   |  |              |                               | <u>(1)</u>             | <u>(1)</u>   |
| <b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b> | <u>\$ 92</u>                                 | <u>\$ 14</u> | <u>\$ 9</u>                   | <u>\$ (104)</u>        | <u>\$ 11</u> |

|   | <b>Three Months Ended September 30, 2017</b> |              |                               |                        |                |
|---|--|--------------|-------------------------------|------------------------|----------------|
|   | Specialty<br>Ingredients                     | Composites   | Intermediates<br>and Solvents | Unallocated<br>& Other | Total          |
| <b>OPERATING INCOME (LOSS)</b>                  |  |              |                               |                        |                |
| Operating key items:                            |  |              |                               |                        |                |
| Restructuring, separation and other costs       | \$ (5)                                       | \$ -         | \$ -                          | \$ (18)                | \$ (23)        |
| Unplanned plant shutdowns                       | (6)  | -            | (7)                           | -                      | (13)           |
| Inventory fair value adjustment                 | (6)  | -            | -                             | -                      | (6)            |
| All other operating income (loss)               | 78   | 17           | 3                             | (14)                   | 84             |
| Operating income (loss)                         | <u>61</u>                                    | <u>17</u>    | <u>(4)</u>                    | <u>(32)</u>            | <u>42</u>      |
| <b>NET INTEREST AND OTHER FINANCING EXPENSE</b> |  |              |                               | 31                     | 31             |
| <b>OTHER NET PERIODIC BENEFIT COSTS</b>         |  |              |                               |                        |                |
| Key items                                       |  |              |                               | 8                      | 8              |
| All other net periodic benefit costs            |  |              |                               | -                      | -              |
| <b>INCOME TAX EXPENSE (BENEFIT)</b>             |  |              |                               |                        |                |
| Tax effect of key items (a)                     |  |              |                               | (18)                   | (18)           |
| Tax specific key items (b)                      |  |              |                               | 71                     | 71             |
| All other income tax expense                    |  |              |                               | 3                      | 3              |
|   |  |              |                               | <u>56</u>              | <u>56</u>      |
| <b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b> | <u>\$ 61</u>                                 | <u>\$ 17</u> | <u>\$ (4)</u>                 | <u>\$ (127)</u>        | <u>\$ (53)</u> |

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

(b) 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 Table 8 for additional information.



|  | Three months ended<br>September 30 |              | Year ended<br>September 30 |              |
|--|------------------------------------|--------------|----------------------------|--------------|
|  | 2018                               | 2017         | 2018                       | 2017         |
| <b>Free cash flows (a)</b>   |                                    |              |                            |              |
| Total cash flows provided by operating activities from continuing operations | \$ 214                             | \$ 142       | \$ 344                     | \$ 273       |
| Adjustments:   |                                    |              |                            |              |
| Additions to property, plant and equipment                                   | (83)                               | (73)         | (185)                      | (199)        |
| Free cash flows  | <u>\$ 131</u>                      | <u>\$ 69</u> | <u>\$ 159</u>              | <u>\$ 74</u> |

(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).

|   | Three months ended<br>September 30 |              | Year ended<br>September 30 |               |
|---|------------------------------------|--------------|----------------------------|---------------|
|   | 2018                               | 2017         | 2018                       | 2017          |
| <b>Adjusted operating income</b>            |                                    |              |                            |               |
| <b>Operating income (as reported)</b>       | \$ 27                              | \$ 42        | \$ 227                     | \$ 146        |
| Key items, before tax:                      |                                    |              |                            |               |
| Restructuring, separation and other costs   | 56                                 | 23           | 99                         | 106           |
| Asset impairments                           | 16                                 | -            | 16                         | -             |
| Tax indemnity expense                       | 5                                  | -            | 5                          | -             |
| Environmental reserve adjustments           | -                                  | -            | 44                         | 9             |
| Legal settlement/reserve                    | -                                  | -            | (5)                        | 5             |
| Unplanned plant shutdowns                   | -                                  | 13           | -                          | 13            |
| Inventory fair value adjustment             | -                                  | 6            | -                          | 7             |
| <b>Adjusted operating income (non-GAAP)</b> | <u>\$ 104</u>                      | <u>\$ 84</u> | <u>\$ 386</u>              | <u>\$ 286</u> |

|   | Three months ended |              | Year ended    |               |
|---|--------------------|--------------|---------------|---------------|
|   | September 30       |              | September 30  |               |
|   | 2018               | 2017         | 2018          | 2017          |
| <b>Income (loss) from continuing operations (as reported)</b>       | \$ 11              | \$ (53)      | \$ 105        | \$ (105)      |
| Key items, before tax:  |                    |              |               |               |
| Restructuring, separation and other costs                           | 56                 | 23           | 99            | 106           |
| Asset impairments   | 16                 | -            | 16            | -             |
| Tax indemnity expense   | 5                  | -            | 5             | -             |
| Loss (gain) on pension and other postretirement plan remeasurements | (12)               | 8            | (12)          | 6             |
| Environmental reserve adjustments                                   | -                  | -            | 44            | 9             |
| Legal settlement/reserve  | -                  | -            | (5)           | 5             |
| Unplanned plant shutdowns   | -                  | 13           | -             | 13            |
| Inventory fair value adjustment                                     | -                  | 6            | -             | 7             |
| Debt refinancing costs  | -                  | -            | 1             | 112           |
| Net loss on acquisitions and divestitures                           | -                  | -            | 2             | 6             |
| Key items, before tax   | 65                 | 50           | 150           | 264           |
| Tax effect of key items (a)   | (11)               | (18)         | (33)          | (88)          |
| Key items, after tax  | 54                 | 32           | 117           | 176           |
| Tax specific key items:   |                    |              |               |               |
| Deferred tax rate changes   | (9)                | -            | (139)         | -             |
| One-time transition tax   | (15)               | -            | 128           | -             |
| Uncertain tax positions   | (26)               | -            | (26)          | -             |
| Restructuring and separation activity                               | 36                 | 5            | 36            | 17            |
| Other tax reform  | 11                 | -            | 11            | -             |
| Valuation allowances  | -                  | (21)         | (4)           | (21)          |
| Foreign dividends   | -                  | 87           | -             | 87            |
| Tax specific key items (b)  | (3)                | 71           | 6             | 83            |
| Total key items   | 51                 | 103          | 123           | 259           |
| <b>Adjusted income from continuing operations (non-GAAP)</b>        | <b>\$ 62</b>       | <b>\$ 50</b> | <b>\$ 228</b> | <b>\$ 154</b> |

|   | Three months ended |                | Year ended     |                |
|---|--------------------|----------------|----------------|----------------|
|   | September 30       |                | September 30   |                |
|   | 2018               | 2017           | 2018           | 2017           |
| <b>Diluted EPS from continuing operations (as reported)</b>         | \$ 0.17            | \$ (0.84)      | \$ 1.66        | \$ (1.69)      |
| Key items, before tax:  |                    |                |                |                |
| Restructuring, separation and other costs                           | 0.88               | 0.35           | 1.56           | 1.70           |
| Asset impairments   | 0.25               | -              | 0.25           | -              |
| Tax indemnity expense   | 0.08               | -              | 0.08           | -              |
| Loss (gain) on pension and other postretirement plan remeasurements | (0.20)             | 0.13           | (0.20)         | 0.09           |
| Environmental reserve adjustments                                   | -                  | -              | 0.68           | 0.15           |
| Legal settlement/reserve  | -                  | -              | (0.07)         | 0.07           |
| Unplanned plant shutdowns   | -                  | 0.21           | -              | 0.21           |
| Inventory fair value adjustment                                     | -                  | 0.09           | -              | 0.11           |
| Debt refinancing costs  | -                  | -              | 0.02           | 1.78           |
| Net loss on acquisitions and divestitures                           | -                  | -              | 0.04           | 0.09           |
| Key items, before tax   | 1.01               | 0.78           | 2.36           | 4.20           |
| Tax effect of key items (a)   | (0.18)             | (0.29)         | (0.52)         | (1.40)         |
| Key items, after tax  | 0.83               | 0.49           | 1.84           | 2.80           |
| Tax specific key items:   |                    |                |                |                |
| Deferred tax rate changes   | (0.22)             | -              | (2.19)         | -              |
| One-time transition tax   | (0.14)             | -              | 2.00           | -              |
| Uncertain tax positions   | (0.40)             | -              | (0.40)         | -              |
| Restructuring and separation activity                               | 0.56               | 0.08           | 0.56           | 0.28           |
| Other tax reform  | 0.17               | -              | 0.17           | -              |
| Valuation allowances  | -                  | (0.32)         | (0.06)         | (0.33)         |
| Foreign dividends   | -                  | 1.37           | -              | 1.38           |
| Tax specific key items (b)  | (0.03)             | 1.13           | 0.08           | 1.33           |
| Total key items   | 0.80               | 1.62           | 1.92           | 4.13           |
| <b>Adjusted diluted EPS from continuing operations (non-GAAP)</b>   | <b>\$ 0.97</b>     | <b>\$ 0.78</b> | <b>\$ 3.58</b> | <b>\$ 2.44</b> |

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

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

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions enacted during 2018.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act during 2018.

- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities during 2018.
- Restructuring and separation activity: Includes the impact from company-wide restructuring activities during 2018 and the separation of Valvoline during 2017. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2018. These adjustments include the impact from the deductibility of compensation items and miscellaneous state tax items.
- Valuation allowances: Includes the impact from net operating loss and foreign tax credit valuation allowances during 2018 and 2017.
- Foreign dividends: Includes the impact from a significant deemed dividend inclusion in the U.S. during 2017. This deemed dividend transaction allowed Ashland to utilize foreign tax credit carryforwards which may have otherwise expired. This transaction was driven in part by projected changes to Ashland's business and tax profile as a result of the Valvoline separation.

# Fourth-Quarter Fiscal 2018 Earnings

November 6, 2018

 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 and financial condition, as well as the economy and other future events or circumstances. These statements include, but may not be limited to, the statements under "Fiscal Year 2019 Outlook" on page 13 of the presentation, "Cost Reduction Targets" on page 14 of the presentation, "First-Quarter Fiscal 2019 Outlook" on page 15 of the presentation, Ashland's assessment on its progress towards becoming a premier specialty chemicals company and its expectations regarding its ability to drive sales and earnings growth, realize future cost reductions and complete the anticipated divestiture of its Composites business and Marl BDO facility. 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 program to eliminate certain existing corporate and Specialty Ingredients expenses (including the possibility that such cost eliminations may not occur or may take longer to implement than anticipated), the expected divestiture of its Composites segment and the Marl BDO facility, and related merchant I&S products (including, in each case, the possibility that a transaction may not occur or that, if a transaction does occur, Ashland may not realize the anticipated benefits from such transaction), the impact of acquisitions and/or divestitures Ashland has made or may make, including the acquisition of Pharmachem (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); Ashland's ability to generate sufficient cash to finance its stock repurchase plans; severe weather, natural disasters, cyber events and legal proceedings and claims (including product recalls, environmental and asbestos matters); 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. 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. Although Ashland provides forward-looking guidance for adjusted EBITDA, free cash flow and adjusted diluted earnings per share, 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. Such reconciliations have not been included because Ashland is unable, without unreasonable efforts, to estimate and quantify the most directly comparable U.S. GAAP components, largely because predicting future operating results is subject to many factors not in Ashland's control and not readily predictable and that are not part of Ashland's routine operating activities, including various domestic and international economic, political, legislative, regulatory and legal factors.



## Important Information

In connection with the forthcoming solicitation of proxies from stockholders in respect of Ashland's 2019 Annual Meeting of Stockholders, Ashland will file with the Securities and Exchange Commission ("SEC") a proxy statement on Schedule 14A (the "proxy statement"), containing a form of white proxy card. BEFORE MAKING ANY VOTING DECISION, INVESTORS AND SECURITY HOLDERS ARE URGED TO READ ALL RELEVANT DOCUMENTS, INCLUDING ASHLAND'S PROXY STATEMENT AND ANY AMENDMENTS THERETO AND ACCOMPANYING WHITE PROXY CARD, FILED WITH OR FURNISHED TO THE SEC WHEN THEY BECOME AVAILABLE BECAUSE THEY CONTAIN, OR WILL CONTAIN, IMPORTANT INFORMATION ABOUT ASHLAND.

## Certain Information Regarding Participants

Ashland, its directors and certain of its executive officers, including William A. Wulfsohn, Brendan Cummins, William G. Dempsey, Jay V. Ihlenfeld, Susan L. Main, Jerome A. Peribere, Barry W. Perry, Mark C. Rohr, Janice J. Teal, Michael J. Ward and Kathleen Wilson-Thompson, will be participants in the solicitation of proxies from stockholders in respect of the 2019 Annual Meeting of Stockholders. Information regarding the ownership of the Company's directors and executive officers in the company by security holdings or otherwise is included in Ashland's Annual Report on Form 10-K for the year ended September 30, 2017, which was filed with the SEC on November 20, 2017, and its proxy statement for the 2018 Annual Meeting of Stockholders, which was filed with the SEC on December 6, 2017. To the extent holdings of Ashland securities have changed since the amounts printed in the proxy statement for the 2018 Annual Meeting, such changes have been or will be reflected on Statements of Change in Ownership on Form 4 filed with the SEC. Details concerning the nominees of Ashland's Board of Directors for election at the 2019 Annual Meeting will be included in the proxy statement when it is filed by Ashland with the SEC. Stockholders may obtain free copies of the proxy statement and other relevant documents that Ashland files with the SEC on Ashland's website at <http://investor.ashland.com> or from the SEC's website at <http://www.sec.gov>.



# Fourth Quarter Summary



Adjusted Results Summary<sup>1</sup>

| (\$ in millions)<br>Preliminary   | Fiscal Fourth Quarter        |         |          |
|---|------------------------------|---------|----------|
|   | Three months ended Sept. 30, |         |          |
|   | 2018                         | 2017    | Change   |
| Sales   | \$ 956                       | \$ 880  | 9 %      |
| Gross profit  | \$ 283                       | \$ 266  | 6 %      |
| Gross profit as a percent of sales                                      | 29.6 %                       | 30.2 %  | (60) bp  |
| Selling, general and admin./R&D costs                                   | \$ 181                       | \$ 184  | (2) %    |
| Operating income  | \$ 104                       | \$ 84   | 24 %     |
| Operating income as a percent of sales                                  | 10.9 %                       | 9.5 %   | 140 bp   |
| Depreciation and amortization   | \$ 75                        | \$ 77   | (3) %    |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | \$ 179                       | \$ 161  | 11 %     |
| EBITDA as a percent of sales  | 18.7 %                       | 18.3 %  | 40 bp    |
| Net interest expense  | \$ 29                        | \$ 31   | (6) %    |
| Effective tax rate  | 16 %                         | 6 %     | 1,000 bp |
| Income from continuing operations                                       | \$ 62                        | \$ 50   | 24 %     |
| Diluted share count (million shares)                                    | 64                           | 64      | - %      |
| Earnings per share (EPS)  | \$ 0.97                      | \$ 0.78 | 24 %     |

## Highlights

- Sales up 9% with no acquisitions/divestitures impact and including a -1 percentage point (ppt) impact from currency
- Reported net income was \$9 million, compared to a loss of \$58 million last year; income from continuing operations was \$11 million or \$0.17 per diluted share<sup>2</sup>
- EBITDA increased to \$179 million vs. \$161 million prior year
- EPS increased to \$0.97 vs. \$0.78 prior year
- Excluding intangible amortization, EPS would have been \$0.28 greater

## Key Drivers

- Strong sales growth for all three operating segments
- Selling, general & administrative (SG&A) expense as % of sales decreased by 210 basis points (bps)
- 16% effective tax rate

1 All figures are presented on an adjusted basis except Sales, Net interest expense and Diluted share count (million shares). Appendix C 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 (loss) from continuing operations to adjusted income from continuing operations and diluted earnings per share to adjusted diluted earnings per share.

5

2 Unless otherwise noted, earnings are reported on a diluted share basis.





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

| (\$ in millions)<br>Preliminary  | Fiscal Fourth Quarter        |        |         |
|--|------------------------------|--------|---------|
|  | Three months ended Sept. 30, |        |         |
|  | 2018                         | 2017   | Change  |
| Sales  | \$ 636                       | \$ 598 | 6 %     |
| Gross profit   | \$ 225                       | \$ 214 | 5 %     |
| Gross profit as a percent of sales   | 35.4 %                       | 35.8 % | (40) bp |
| Selling, general and admin./R&D costs                                      | \$ 129                       | \$ 136 | (5) %   |
| Operating income   | \$ 97                        | \$ 78  | 24 %    |
| Operating income as a percent of sales                                     | 15.3 %                       | 13.0 % | 230 bp  |
| Depreciation and amortization  | \$ 63                        | \$ 63  | - %     |
| Earnings before interest, taxes, depreciation<br>and amortization (EBITDA) | \$ 160                       | \$ 141 | 13 %    |
| EBITDA as a percent of sales   | 25.2 %                       | 23.6 % | 160 bp  |

## Highlights

- Sales up 6% with no acquisitions / divestitures impact and including a -1 ppt impact from currency
- EBITDA increased to \$160 million, a 13% increase versus prior year
- EBITDA margin increased 160 bps to 25.2%

## Key Drivers

- Strong customer demand and focus on enhanced mix of our innovative, differentiated products
- Asset utilization initiatives and production volumes leading to favorable cost absorption
- Price vs. cost – improved pricing more than offset by higher raw material costs
- SG&A down \$7 million and nearly 250 bps as % of sales due to continued cost discipline

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



# Specialty Ingredients Sales Trends by End Market<sup>1</sup>

| (\$ in millions)<br>Preliminary       | Fiscal Fourth Quarter        |              |            |             |
|---------------------------------------|------------------------------|--------------|------------|-------------|
|                                       | Three months ended Sept. 30, |              |            | YTD         |
|                                       | 2018                         | 2017         | Change     | Change      |
| Personal care                         | \$146                        | \$146        | - %        | 4 %         |
| Pharma                                | 98                           | 88           | 11 %       | 11 %        |
| Adhesives                             | 91                           | 85           | 7 %        | 5 %         |
| Coatings                              | 85                           | 84           | 1 %        | 5 %         |
| Construction, Energy, PS <sup>1</sup> | 95                           | 82           | 16 %       | 9 %         |
| Nutrition & Other                     | 49                           | 45           | 9 %        | 8 %         |
| Pharmachem                            | 72                           | 68           | 6 %        | NM %        |
| <b>Total sales</b>                    | <b>\$636</b>                 | <b>\$598</b> | <b>6 %</b> | <b>11 %</b> |

## End Market Commentary

- Strong overall organic sales growth of 6%
- Within Personal care, robust biofunctional ingredients growth offset by lower oral care sales
- Recently added cellulosic excipient capacity and new products contributing to double-digit growth in Pharma
- Healthy Adhesives pricing and product mix improvements
- Soft Coatings demand in China was more than offset by growth in other regions
- Asset utilization leading to targeted commercial wins in Construction, Energy and Performance Specialties
- Mid-single digit sales growth within Pharmachem; EBITDA margins before corporate allocations of 33%
- Currency negatively impacted sales growth by 1 ppt during the fourth quarter<sup>2</sup>

7 <sup>1</sup> Performance Specialties  
<sup>2</sup> Average USD/EUR of \$1.16 in current quarter compared to \$1.17 in prior-year period.



Adjusted Results Summary<sup>1</sup>

| (\$ in millions)<br>Preliminary  | Fiscal Fourth Quarter        |        |          |
|--|------------------------------|--------|----------|
|  | Three months ended Sept. 30, |        |          |
|  | 2018                         | 2017   | Change   |
| Sales  | \$ 237                       | \$ 219 | 8 %      |
| Gross profit   | \$ 42                        | \$ 41  | 2 %      |
| Gross profit as a percent of sales   | 17.5 %                       | 18.8 % | (130) bp |
| Selling, general and admin./R&D costs                                      | \$ 27                        | \$ 25  | 8 %      |
| Operating income   | \$ 14                        | \$ 17  | (18) %   |
| Operating income as a percent of sales                                     | 5.9 %                        | 7.8 %  | (190) bp |
| Depreciation and amortization  | \$ 6                         | \$ 6   | - %      |
| Earnings before interest, taxes, depreciation<br>and amortization (EBITDA) | \$ 20                        | \$ 23  | (13) %   |
| EBITDA as a percent of sales   | 8.4 %                        | 10.5 % | (210) bp |

## Highlights

- Sales up 8% including a -2 ppts impact from currency
- EBITDA of \$20 million

## Key Drivers

- Sales growth led by a strong quarter in North America
- Pricing in excess of raw-material cost inflation
- SG&A as a % of sales consistent with the prior-year period

8

<sup>1</sup> All figures are presented on a GAAP basis except EBITDA and EBITDA as a percent of sales. Appendix C reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of operating income to adjusted EBITDA and operating income to adjusted operating income.



Adjusted Results Summary<sup>1</sup>

| (\$ in millions)<br>Preliminary   | Fiscal Fourth Quarter        |        |        |
|---|------------------------------|--------|--------|
|   | Three months ended Sept. 30, |        |        |
|   | 2018                         | 2017   | Change |
| Sales   | \$ 83                        | \$ 63  | 32 %   |
| Gross profit  | \$ 16                        | \$ 11  | 45 %   |
| Gross profit as a percent of sales                                      | 19.6 %                       | 17.0 % | 260 bp |
| Selling, general and admin./R&D costs                                   | \$ 8                         | \$ 8   | - %    |
| Operating income  | \$ 9                         | \$ 3   | 200 %  |
| Operating income as a percent of sales                                  | 10.8 %                       | 4.8 %  | 600 bp |
| Depreciation and amortization   | \$ 6                         | \$ 7   | (14) % |
| Earnings before interest, taxes, depreciation and amortization (EBITDA) | \$ 15                        | \$ 10  | 50 %   |
| EBITDA as a percent of sales  | 18.1 %                       | 15.9 % | 220 bp |

## Highlights

- Sales up 32%
- EBITDA increased to \$15 million
- EBITDA margin increased 220 bps to 18.1%

## Key Drivers

- Strong operational performance
- Execution of price increases for the 9<sup>th</sup> consecutive quarter drove expanded margins versus prior year
- Global demand for butanediol (BDO) and derivatives remains healthy

9

<sup>1</sup> All figures are presented on an adjusted basis except Sales and Selling, general and admin./R&D costs. Appendix C reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of operating income to adjusted EBITDA and operating income to adjusted operating income.



# Fiscal Year Summary



Fiscal Year 2018 Summary<sup>1</sup>

| (\$ in millions)<br>Preliminary | Fiscal Year                   |                 |             |
|---------------------------------|-------------------------------|-----------------|-------------|
|                                 | Twelve months ended Sept. 30, |                 |             |
|                                 | 2018                          | 2017            | Change      |
| <b>Sales</b>                    |                               |                 |             |
| Specially Ingredients           | \$ 2,470                      | \$ 2,216        | 11 %        |
| Composites                      | 942                           | 779             | 21 %        |
| Intermediates & Solvents        | 331                           | 265             | 25 %        |
| <b>Total</b>                    | <b>\$ 3,743</b>               | <b>\$ 3,260</b> | <b>15 %</b> |
| <b>Adjusted EBITDA</b>          |                               |                 |             |
| Specially Ingredients           | \$ 574                        | \$ 493          | 16 %        |
| Composites                      | 95                            | 89              | 7 %         |
| Intermediates & Solvents        | 61                            | 26              | 135 %       |
| Unallocated                     | (47)                          | (38)            | - %         |
| <b>Total</b>                    | <b>\$ 683</b>                 | <b>\$ 570</b>   | <b>20 %</b> |
| <b>Adjusted EPS</b>             | <b>\$ 3.58</b>                | <b>\$ 2.44</b>  | <b>47 %</b> |

**Full Year Highlights**

- Sales up 15% to \$3.7 billion
- Double-digit sales growth in all three segments
- Adjusted EBITDA up 20% to \$683 million
- All three segments generated Adjusted EBITDA within or above the outlook ranges presented at the beginning of the fiscal year
- Adjusted EPS up 47% to \$3.58
- Operating cash flow of \$344 million
- Capital expenditures of \$185 million
- Free cash flow<sup>2</sup> (FCF) of \$159 million, inclusive of \$39 million of separation and restructuring-related costs
- Announced planned divestiture of Composites and BDO facility in Marl, Germany
- Announced \$120 million cost reduction program

1 Appendix C reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA and diluted earnings per share to adjusted diluted earnings per share.

2 Non-GAAP measure. Definition of free cash flow: operating cash flow less capital expenditures and other items Ashland has deemed non-operational (if applicable).

# Outlook Summary



# Ashland Global Holdings Inc.

## Fiscal Year 2019 Outlook

### Highlights

- Outlook provided on a current-operations basis
  - Update to be provided following a Composites/Marl divestiture announcement
- Growth driven by:
  - ~2 - 3% Specialty Ingredients sales growth
  - Mid-single-digit growth in Specialty Ingredients' Adjusted EBITDA plus \$20 million of savings from the ongoing cost reduction program
  - Assumes USD/EUR of \$1.15 for the full year<sup>1</sup>
  - Based on an effective tax rate in the range of 15 - 17% for the year
- Cash tax rate in the range of 15 - 17%
- Expected free cash flow of ~\$230 million, inclusive of an estimated \$40 million of separation and restructuring-related costs

| Outlook                         |                       |
|---------------------------------|-----------------------|
| <b>Adjusted EBITDA</b>          |                       |
| - Specialty Ingredients         | \$610 - \$635 million |
| - Composites                    | \$95 - \$105 million  |
| - Intermediates & Solvents      | \$55 - \$65 million   |
| - Unallocated and Other         | (\$40 - \$50 million) |
| <b>Key Operating Metrics</b>    |                       |
| - Adj. earnings per share (EPS) | \$4.20 - \$4.40       |
| - Free cash flow                | ~\$230 million        |
| <b>Corporate Items</b>          |                       |
| - Depreciation & amortization   | ~\$285 million        |
| - Interest expense              | \$115 - \$125 million |
| - Effective tax rate            | 15 - 17%              |
| - Capital expenditures          | ~\$200 million        |
| - Diluted share count           | ~64 million           |

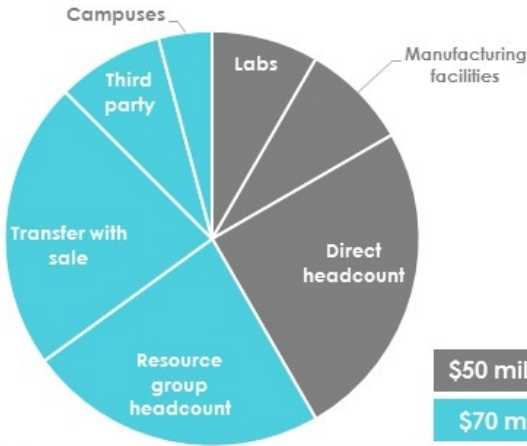
1. Estimated currency sensitivity, primarily driven by the Euro, of approximately \$1.5 million of annual adjusted EBITDA or YOY Euro cent change.



# Cost Reduction Targets

As presented on July 31, 2018

**\$120 million cost savings components<sup>1</sup>**



**Expected Timing**

- ~\$20 million run rate<sup>2</sup> by 9/30/18
- ~\$50 million run rate<sup>2</sup> by 12/31/18
- ~\$60 - \$70 million realized savings in FY2019
- ~\$20 million realized savings in Specialty Ingredients in FY2019
- ~\$120 million run rate<sup>2</sup> by 12/31/19

On track to achieve all cost reduction targets

<sup>1</sup> Manufacturing facilities cost reductions will appear as a reduction to cost of goods sold.  
<sup>2</sup> Run-rate savings are cost savings that have been achieved and will be realized in future periods.

# First-Quarter Fiscal 2019 Outlook

## Highlights

- Expect Q1 adjusted EPS in the range of \$0.55 - \$0.65 vs. \$0.42 prior year<sup>1</sup>
- Outlook assumes effective tax rate of 16% vs. 18% prior year
- Outlook provided on a current-operations basis
  - Update to be provided following a Composites/Marl divestiture announcement

## Key Drivers

- Continued strong year-over-year EBITDA growth in Specialty Ingredients
  - Inclusive of normal December-quarter seasonality patterns
- Composites and I&S contribution consistent with recent results
- Expected divestiture of Composites and Marl BDO facility remains on track

# Appendix A: Key Items and Balance Sheet



## Fourth Fiscal Quarter – Continuing Operations

# Key Items Affecting Income

| (\$ in millions, except EPS)<br>Preliminary | Operating Income         |            |               |                             | Total          |                 |                                    |
|---|--------------------------|------------|---------------|-----------------------------|----------------|-----------------|------------------------------------|
|   | Specialty<br>Ingredients | Composites | I&S           | Unallocated<br>and<br>Other | Pre-tax        | After-tax       | After-tax<br>earnings<br>per Share |
| <b>2018</b>                                 |                          |            |               |                             |                |                 |                                    |
| Restructuring, separation and other costs   | \$ (3)                   |            |               | \$ (53)                     | \$ (56)        | \$ (49)         | \$ (0.77)                          |
| Asset impairments                           | (2)                      |            |               | (14)                        | (16)           | (11)            | (0.17)                             |
| Tax indemnity expense                       |                          |            |               | (5)                         | (5)            | (4)             | (0.05)                             |
| Gain on pension and OPEB                    |                          |            |               | 12                          | 12             | 10              | 0.16                               |
| Tax specific key items                      |                          |            |               |                             | -              | 3               | 0.03                               |
| <b>Total</b>                                | <b>\$ (5)</b>            |            |               | <b>\$ (60)</b>              | <b>\$ (65)</b> | <b>\$ (51)</b>  | <b>\$ (0.80)</b>                   |
| <b>2017</b>                                 |                          |            |               |                             |                |                 |                                    |
| Restructuring, separation and other costs   | \$ (5)                   |            |               | \$ (18)                     | \$ (23)        | \$ (10)         | \$ (0.16)                          |
| Unplanned plant shutdowns                   | (6)                      |            | \$ (7)        |                             | (13)           | (12)            | (0.18)                             |
| Inventory fair value adjustment             | (6)                      |            |               |                             | (6)            | (4)             | (0.06)                             |
| Loss on pension and OPEB                    |                          |            |               | (8)                         | (8)            | (6)             | (0.09)                             |
| Tax specific key items                      |                          |            |               |                             | -              | (71)            | (1.13)                             |
| <b>Total</b>                                | <b>\$ (17)</b>           |            | <b>\$ (7)</b> | <b>\$ (26)</b>              | <b>\$ (50)</b> | <b>\$ (103)</b> | <b>\$ (1.62)</b>                   |

# Liquidity and Net Debt

(\$ in millions)

| Liquidity                              |                 |
|--|-----------------|
| Cash                                   | \$ 294          |
| Revolver and A/R facility availability | 754             |
| <b>Liquidity</b>                       | <b>\$ 1,048</b> |

| Debt                                     | Expiration | Interest   |  | Moody's                 | S&P                    |                 |
|--|------------|------------|--|-------------------------|------------------------|-----------------|
|  |            | Rate       |  |                         |                        |                 |
| 4.750% senior notes, par \$1,086         | 08/2022    | 4.750%     |  | Ba3                     | BB-                    | \$ 1,083        |
| Term Loan B <sup>1</sup>                 | 05/2024    | L+175      |  | Ba1                     | BB+                    | 593             |
| 6.875% senior notes, par \$375           | 05/2043    | 6.875%     |  | Ba3                     | BB-                    | 376             |
| Term Loan A-2 <sup>2</sup>               | 05/2022    | L+175      |  | Ba1                     | BB+                    | 195             |
| European A/R facility drawn <sup>3</sup> | 07/2020    | CP+70      |  |                         |                        | 109             |
| U.S. A/R facility drawn <sup>4</sup>     | 03/2020    | L+75/CP+60 |  |                         |                        | 86              |
| 6.5% debentures, par \$100               | 06/2029    | 6.500%     |  | B2                      | BB                     | 52              |
| Revolver drawn <sup>5</sup>              | 05/2022    | L + 175    |  | Ba1                     | BB+                    | 25              |
| Other debt                               |            |            |  |                         |                        | 10              |
| <b>Total debt</b>                        |            |            |  | <b>Ba2 /<br/>Stable</b> | <b>BB /<br/>Stable</b> | <b>\$ 2,529</b> |
| Cash                                     |            |            |  |                         |                        | \$ 294          |
| <b>Net debt (cash)</b>                   |            |            |  |                         |                        | <b>\$ 2,235</b> |

<sup>1</sup> The Term Loan B has an amortizing principal, with complete repayment in 2024.

<sup>2</sup> The Term Loan A-2 has an amortizing principal, with complete repayment in 2022.

<sup>3</sup> Ashland has a multi-currency European A/R securitization facility with maximum borrowing capacity of €115 million; September 30 capacity of €0 million.

<sup>4</sup> Ashland has a U.S. A/R securitization facility with maximum borrowing capacity of \$115 million; September 30 capacity of \$29 million.

<sup>5</sup> Ashland's \$800 million revolving facility, including \$50 million used for letters of credit; September 30 capacity of \$725 million.

# Appendix B: Business Profiles

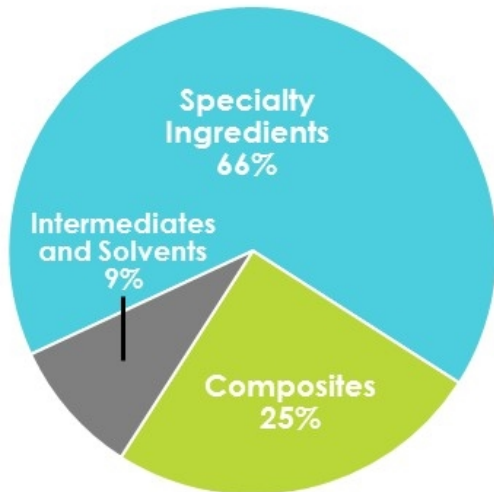
12 Months Ended September 30, 2018



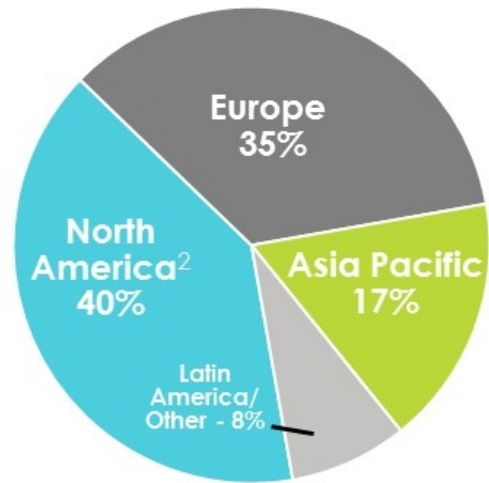
# Corporate Profile

Sales<sup>1</sup> - \$3.7 Billion

By business unit



By geography

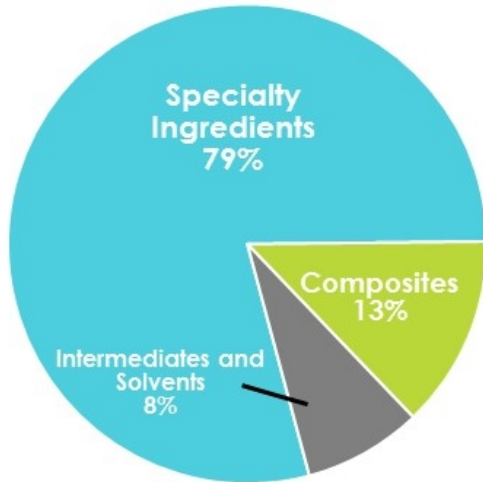


<sup>1</sup> For 12 months ended September 30, 2018.  
<sup>2</sup> Ashland includes only U.S. and Canada in its North America designation.

# Corporate Profile

---

Adjusted EBITDA<sup>1</sup> - \$683 Million



NYSE Ticker Symbol: ASH

Total Employees: ~6,000

Outside North America ~45%

Number of Countries in Which Ashland Has Sales: More than 100

<sup>1</sup> For 12 months ended September 30, 2018. Non-GAAP measure. Appendix C reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of operating income to adjusted EBITDA.

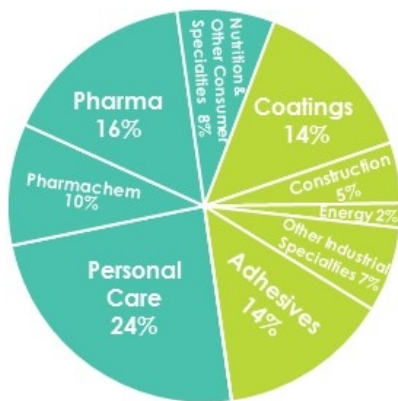




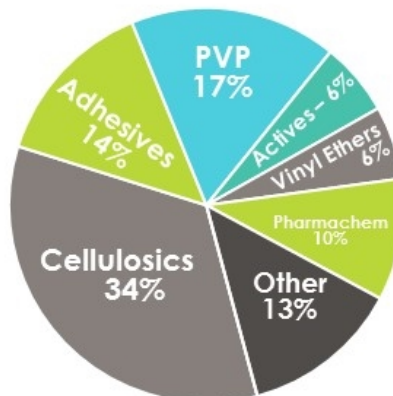
# Specialty Ingredients

A global leader of cellulose ethers, vinyl pyrrolidones and biofunctionals

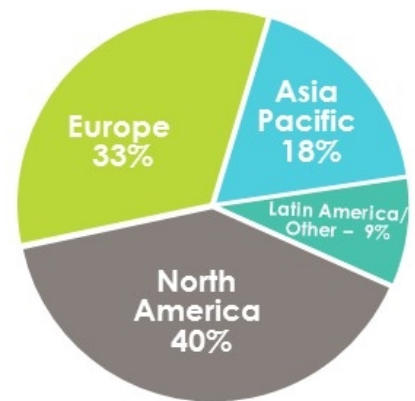
**Sales by Market<sup>2</sup>**



**Sales by Product**



**Sales by Geography**



**For 12 Months Ended September 30, 2018**

**Sales: \$2.5 billion**

**Adjusted EBITDA: \$574 million<sup>1</sup>**

**Adjusted EBITDA Margin: 23.2%<sup>1</sup>**

22

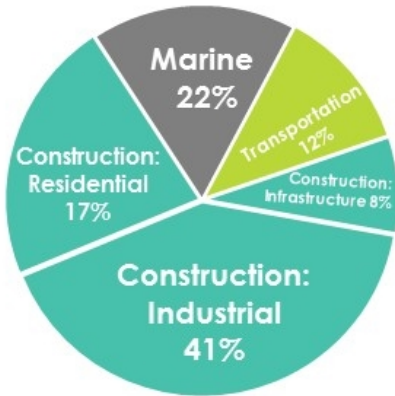
- 1 Non-GAAP measure. Appendix C reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of operating income to adjusted EBITDA.
- 2 Within the Sales by Market chart above, Industrial Specialties are presented in green and Consumer Specialties are presented in blue.



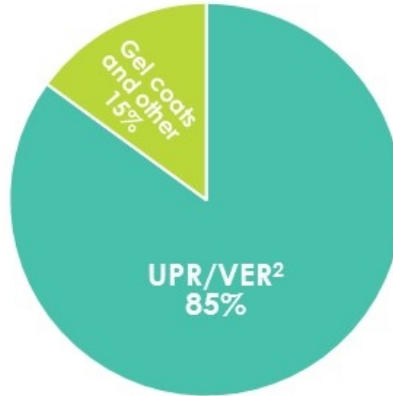
# Composites

A global leader in unsaturated polyester resins, vinyl ester resins and gel coats

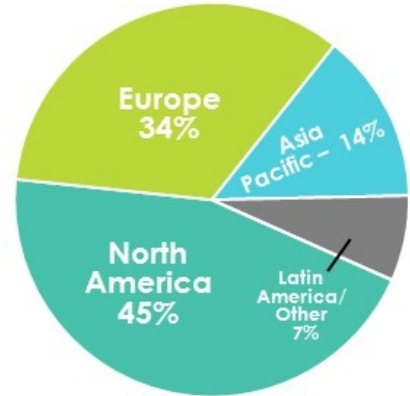
**Sales by Market**



**Sales by Product**



**Sales by Geography**



**For 12 Months Ended September 30, 2018**

**Sales: \$942 million**

**Adjusted EBITDA: \$95 million<sup>1</sup>**

**Adjusted EBITDA Margin: 10.1%<sup>1</sup>**

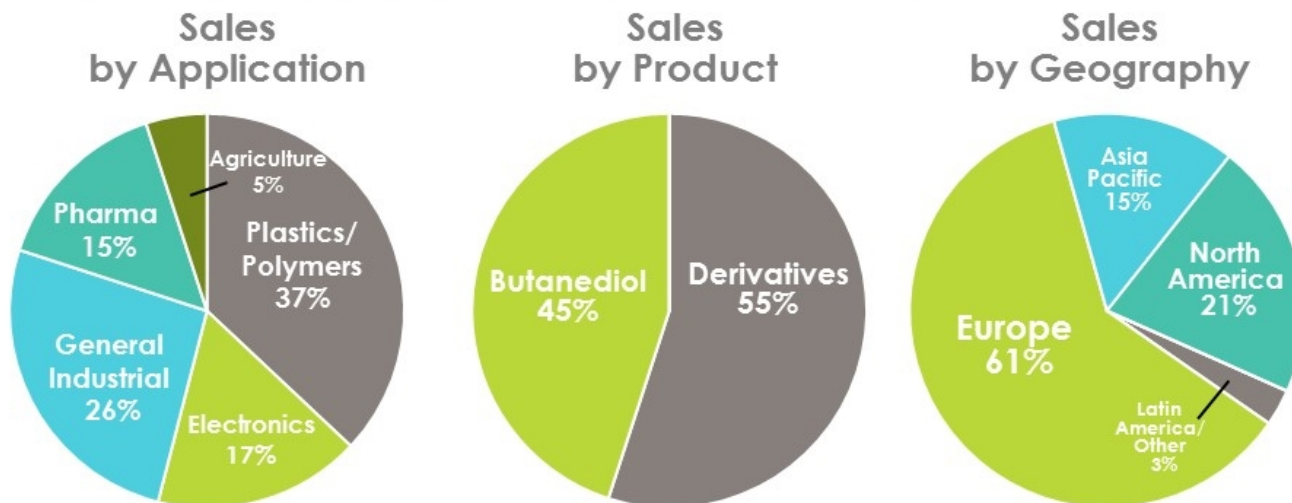
23

<sup>1</sup> Non-GAAP measure. Appendix C reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of operating income to adjusted EBITDA.  
<sup>2</sup> UPR stands for unsaturated polyester resins and VER stands for vinyl ester resins.



# Intermediates and Solvents

A global leader in butanediol and related derivatives



**For 12 Months Ended September 30, 2018**

**Sales: \$331 million**

**Adjusted EBITDA: \$61 million<sup>1</sup>**

**Adjusted EBITDA Margin: 18.4%<sup>1</sup>**

# Appendix C: Non-GAAP Reconciliation<sup>1</sup>

- <sup>1</sup> Although Ashland provides forward looking guidance for adjusted EBITDA in this presentation, Ashland is not reaffirming or providing forward-looking guidance for U.S. GAAP reported financial measures or a reconciliation of forward-looking non-GAAP financial measures to the most directly comparable U.S. GAAP measure because it is unable to predict with reasonable certainty the ultimate outcome of certain significant items without unreasonable effort.



Ashland Global Holdings Inc. and Consolidated Subsidiaries  
**Reconciliation of Non-GAAP Data**  
 for 12 Months Ended September 30, 2018

(\$ millions, except percentages)

| <b>Sales<sup>1</sup></b>   | <b>Q4 18</b> | <b>Q3 18</b> | <b>Q2 18</b> | <b>Q1 18</b> | <b>Total</b> |  |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--|
| Specialty Ingredients      | 636          | 638          | 646          | 550          | 2,470        |  |
| Composites                 | 237          | 250          | 238          | 218          | 942          |  |
| Intermediates and Solvents | 83           | 83           | 90           | 74           | 331          |  |
| <b>Total</b>               | <b>956</b>   | <b>971</b>   | <b>974</b>   | <b>842</b>   | <b>3,743</b> |  |

| <b>Adjusted EBITDA<sup>1</sup></b> | <b>Q4 18</b> | <b>Q3 18</b> | <b>Q2 18</b> | <b>Q1 18</b> | <b>Total</b> | <b>Adjusted EBITDA Margin</b> |
|------------------------------------|--------------|--------------|--------------|--------------|--------------|-------------------------------|
| Specialty Ingredients              | 160          | 155          | 153          | 105          | 574          | 23.2%                         |
| Composites                         | 20           | 28           | 25           | 23           | 95           | 10.1%                         |
| Intermediates and Solvents         | 15           | 17           | 12           | 16           | 61           | 18.4%                         |
| Unallocated                        | (16)         | (11)         | (11)         | (8)          | (47)         |                               |
| <b>Total</b>                       | <b>179</b>   | <b>189</b>   | <b>179</b>   | <b>136</b>   | <b>683</b>   |                               |

<sup>1</sup> Quarterly totals may not sum to actual results due to quarterly rounding conventions. Calculation of adjusted EBITDA for each quarter has been reconciled within certain financial filings with the SEC and posted on Ashland's website for each reportable segment.

Ashland Global Holdings Inc. and Consolidated Subsidiaries  
**Segment Components of Key Items for Applicable  
Income Statement Captions**  
for 3 Months Ended September 30, 2018

(\$ millions)

|   | Specialty<br>Ingredients | Composites   | Intermediates<br>and Solvents | Unallocated<br>& Other | Total        |
|---|--------------------------|--------------|-------------------------------|------------------------|--------------|
| <b>OPERATING INCOME (LOSS)</b>                  |                          |              |                               |                        |              |
| Operating key items:                            |                          |              |                               |                        |              |
| Restructuring, separation and other costs       | \$ (3)                   | \$ -         | \$ -                          | \$ (53)                | \$ (56)      |
| Asset impairments                               | (2)                      | -            | -                             | (14)                   | (16)         |
| Tax indemnity expense                           | -                        | -            | -                             | (5)                    | (5)          |
| All other operating income (loss)               | 97                       | 14           | 9                             | (16)                   | 104          |
| Operating income (loss)                         | 92                       | 14           | 9                             | (88)                   | 27           |
| <b>NET INTEREST AND OTHER FINANCING EXPENSE</b> |                          |              |                               |                        |              |
|   |                          |              |                               | 29                     | 29           |
| <b>OTHER NET PERIODIC BENEFIT INCOME</b>        |                          |              |                               |                        |              |
| Key items                                       |                          |              |                               | (12)                   | (12)         |
| All other net periodic benefit income           |                          |              |                               | -                      | -            |
| <b>INCOME TAX EXPENSE (BENEFIT)</b>             |                          |              |                               |                        |              |
| Tax effect of key items <sup>1</sup>            |                          |              |                               | (11)                   | (11)         |
| Tax specific key items <sup>2</sup>             |                          |              |                               | (3)                    | (3)          |
| All other income tax expense                    |                          |              |                               | 13                     | 13           |
|   |                          |              |                               | (1)                    | (1)          |
| <b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b> | <u>\$ 92</u>             | <u>\$ 14</u> | <u>\$ 9</u>                   | <u>\$ (104)</u>        | <u>\$ 11</u> |

<sup>1</sup> Represents the tax effect of the key items that are previously identified above.

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

Ashland Global Holdings Inc. and Consolidated Subsidiaries  
**Segment Components of Key Items for Applicable  
Income Statement Captions**  
for 3 Months Ended September 30, 2017

(\$ millions)

|   | Specialty<br>Ingredients | Composites   | Intermediates<br>and Solvents | Unallocated<br>& Other | Total          |
|---|--------------------------|--------------|-------------------------------|------------------------|----------------|
| <b>OPERATING INCOME (LOSS)</b>                  |                          |              |                               |                        |                |
| Operating key items:                            |                          |              |                               |                        |                |
| Restructuring, separation and other costs       | \$ (5)                   | \$ -         | \$ -                          | \$ (18)                | \$ (23)        |
| Unplanned plant shutdowns                       | (6)                      | -            | (7)                           | -                      | (13)           |
| Inventory fair value adjustment                 | (6)                      | -            | -                             | -                      | (6)            |
| All other operating income (loss)               | 78                       | 17           | 3                             | (14)                   | 84             |
| Operating income (loss)                         | 61                       | 17           | (4)                           | (32)                   | 42             |
| <b>NET INTEREST AND OTHER FINANCING EXPENSE</b> |                          |              |                               | 31                     | 31             |
| <b>OTHER NET PERIODIC BENEFIT COSTS</b>         |                          |              |                               |                        |                |
| Key items                                       |                          |              |                               | 8                      | 8              |
| All other net periodic benefit costs            |                          |              |                               | -                      | -              |
| <b>INCOME TAX EXPENSE (BENEFIT)</b>             |                          |              |                               |                        |                |
| Tax effect of key items <sup>1</sup>            |                          |              |                               | (18)                   | (18)           |
| Tax specific key items <sup>2</sup>             |                          |              |                               | 71                     | 71             |
| All other income tax expense                    |                          |              |                               | 3                      | 3              |
|   |                          |              |                               | 56                     | 56             |
| <b>INCOME (LOSS) FROM CONTINUING OPERATIONS</b> | <u>\$ 61</u>             | <u>\$ 17</u> | <u>\$ (4)</u>                 | <u>\$ (127)</u>        | <u>\$ (53)</u> |

<sup>1</sup> Represents the tax effect of the key items that are previously identified above.

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

Ashland Global Holdings Inc. and Consolidated Subsidiaries  
**Reconciliation of Non-GAAP Data – Free Cash Flow and  
Adjusted Operating Income**  
for 3 Months Ended September 30, 2018 and 2017

(\$ millions)

|   | Three months ended<br>September 30 |              |
|---|------------------------------------|--------------|
|   | 2018                               | 2017         |
| <u>Free cash flows<sup>1</sup></u>  |                                    |              |
| Total cash flows provided by operating activities<br>from continuing operations | \$ 214                             | \$ 142       |
| Adjustments:  |                                    |              |
| Additions to property, plant and equipment                                      | (83)                               | (73)         |
| Free cash flows   | <u>\$ 131</u>                      | <u>\$ 69</u> |
|   |                                    |              |
|   | Three months ended<br>September 30 |              |
|   | 2018                               | 2017         |
| <u>Adjusted operating income</u>  |                                    |              |
| Operating income (as reported)  | \$ 27                              | \$ 42        |
| Key items, before tax:  |                                    |              |
| Restructuring, separation and other costs                                       | 56                                 | 23           |
| Asset impairments   | 16                                 | -            |
| Tax indemnity expense   | 5                                  | -            |
| Unplanned plant shutdowns   | -                                  | 13           |
| Inventory fair value adjustment   | -                                  | 6            |
| Adjusted operating income (non-GAAP)  | <u>\$ 104</u>                      | <u>\$ 84</u> |

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



## Reconciliation of Non-GAAP Data – Adjusted EBITDA for 3 Months Ended September 30, 2018 and 2017

(\$ millions)

|   | Three months ended<br>September 30 |               |
|---|------------------------------------|---------------|
|   | 2018                               | 2017          |
| <u>Adjusted EBITDA - Ashland Global Holdings Inc.</u>               |                                    |               |
| Net income (loss)   | \$ 9                               | \$ (58)       |
| Income tax expense (benefit)  | (1)                                | 56            |
| Net interest and other financing expense                            | 29                                 | 31            |
| Depreciation and amortization <sup>1</sup>                          | 75                                 | 77            |
| EBITDA  | 112                                | 106           |
| Loss from discontinued operations (net of taxes)                    | 2                                  | 5             |
| Loss (gain) on pension and other postretirement plan remeasurements | (12)                               | 8             |
| Operating key items   | 77                                 | 42            |
| Adjusted EBITDA   | <u>\$ 179</u>                      | <u>\$ 161</u> |

<sup>1</sup> Depreciation and amortization excludes accelerated depreciation of \$1 million and \$6 million for the three months ended September 30, 2018 and 2017, respectively.

Specialty Ingredients, Composites, Intermediates and Solvents  
**Reconciliation of Non-GAAP Data – Adjusted EBITDA**  
 for 3 Months Ended September 30, 2018 and 2017

(\$ millions)

|   | Three months ended<br>September 30 |               |
|---|------------------------------------|---------------|
|   | 2018                               | 2017          |
| <u>Adjusted EBITDA - Specialty Ingredients</u>          |                                    |               |
| Operating income  | \$ 92                              | \$ 61         |
| Add:  |                                    |               |
| Depreciation and amortization <sup>1</sup>              | 63                                 | 63            |
| Operating key items                                     | 5                                  | 17            |
| Adjusted EBITDA   | <u>\$ 160</u>                      | <u>\$ 141</u> |
| <br><u>Adjusted EBITDA - Composites</u>                 |                                    |               |
| Operating income  | \$ 14                              | \$ 17         |
| Add:  |                                    |               |
| Depreciation and amortization                           | 6                                  | 6             |
| Operating key items                                     | -                                  | -             |
| Adjusted EBITDA   | <u>\$ 20</u>                       | <u>\$ 23</u>  |
| <br><u>Adjusted EBITDA - Intermediates and Solvents</u> |                                    |               |
| Operating income (loss)                                 | \$ 9                               | \$ (4)        |
| Add:  |                                    |               |
| Depreciation and amortization                           | 6                                  | 7             |
| Operating key items                                     | -                                  | 7             |
| Adjusted EBITDA   | <u>\$ 15</u>                       | <u>\$ 10</u>  |

<sup>1</sup> Depreciation and amortization excludes accelerated depreciation of \$1 million and \$3 million for Specialty Ingredients for the three months ended September 30, 2018 and 2017, respectively.

# Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

### for 3 Months Ended September 30, 2018 and 2017

| (\$ millions)   | Three months ended<br>September 30 |              |
|---|------------------------------------|--------------|
|   | 2018                               | 2017         |
| <b>Income (loss) from continuing operations (as reported)</b>       | \$ 11                              | \$ (53)      |
| Key items, before tax   |                                    |              |
| Restructuring, separation and other costs                           | 56                                 | 23           |
| Asset impairments   | 16                                 | -            |
| Tax indemnity expense   | 5                                  | -            |
| Loss (gain) on pension and other postretirement plan remeasurements | (12)                               | 8            |
| Unplanned plant shutdowns   | -                                  | 13           |
| Inventory fair value adjustment                                     | -                                  | 6            |
| Key items, before tax   | 65                                 | 50           |
| Tax effect of key items <sup>1</sup>                                | (11)                               | (18)         |
| Key items, after tax  | 54                                 | 32           |
| Tax specific key items:   |                                    |              |
| Deferred tax rate changes   | (9)                                | -            |
| One-time transition tax   | (15)                               | -            |
| Uncertain tax positions   | (26)                               | -            |
| Restructuring and separation activity                               | 36                                 | 5            |
| Other tax reform  | 11                                 | -            |
| Valuation allowances  | -                                  | (21)         |
| Foreign dividends   | -                                  | 87           |
| Tax specific key items <sup>2</sup>                                 | (3)                                | 71           |
| Total key items   | 51                                 | 103          |
| <b>Adjusted income from continuing operations (non-GAAP)</b>        | <b>\$ 62</b>                       | <b>\$ 50</b> |

<sup>1</sup> Represents the tax effect of the key items that are previously identified above.

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

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions enacted during 2018.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act during 2018.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities during 2018.
- Restructuring and separation activity: Includes the impact from company-wide restructuring activities during 2018 and the separation of Valvoline during 2017. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2018. These adjustments include the impact from the deductibility of compensation items and miscellaneous state tax items.
- Valuation allowances: Includes the impact from net operating loss and foreign tax credit valuation allowances during 2018 and 2017.
- Foreign dividends: Includes the impact from a significant deemed dividend inclusion in the U.S. during 2017. This deemed dividend transaction allowed Ashland to utilize foreign tax credit carryforwards which may have otherwise expired. This transaction was driven in part by projected changes to Ashland's business and tax profile as a result of the Valvoline separation.

# Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

### for 3 Months Ended September 30, 2018 and 2017

|   | Three months ended |                |
|---|--------------------|----------------|
|   | September 30       |                |
|   | 2018               | 2017           |
| <b>Diluted EPS from continuing operations (as reported)</b>         | \$ 0.17            | \$ (0.84)      |
| Key items, before tax:  |                    |                |
| Restructuring, separation and other costs                           | 0.88               | 0.35           |
| Asset impairments   | 0.25               | -              |
| Tax indemnity expense   | 0.08               | -              |
| Loss (gain) on pension and other postretirement plan remeasurements | (0.20)             | 0.13           |
| Unplanned plant shutdowns   | -                  | 0.21           |
| Inventory fair value adjustment                                     | -                  | 0.09           |
| Key items, before tax   | 1.01               | 0.78           |
| Tax effect of key items <sup>1</sup>                                | (0.18)             | (0.29)         |
| Key items, after tax  | 0.83               | 0.49           |
| Tax specific key items:   |                    |                |
| Deferred tax rate changes   | (0.22)             | -              |
| One-time transition tax   | (0.14)             | -              |
| Uncertain tax positions   | (0.40)             | -              |
| Restructuring and separation activity                               | 0.56               | 0.08           |
| Other tax reform  | 0.17               | -              |
| Valuation allowances  | -                  | (0.32)         |
| Foreign dividends   | -                  | 1.37           |
| Tax specific key items <sup>2</sup>                                 | (0.03)             | 1.13           |
| Total key items   | 0.80               | 1.62           |
| <b>Adjusted diluted EPS from continuing operations (non-GAAP)</b>   | <b>\$ 0.97</b>     | <b>\$ 0.78</b> |

<sup>1</sup> Represents the tax effect of the key items that are previously identified above.

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

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions enacted during 2018.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act during 2018.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities during 2018.
- Restructuring and separation activity: Includes the impact from company-wide restructuring activities during 2018 and the separation of Valvoline during 2017. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2018. These adjustments include the impact from the deductibility of compensation items and miscellaneous state tax items.
- Valuation allowances: Includes the impact from net operating loss and foreign tax credit valuation allowances during 2018 and 2017.
- Foreign dividends: Includes the impact from a significant deemed dividend inclusion in the U.S. during 2017. This deemed dividend transaction allowed Ashland to utilize foreign tax credit carryforwards which may have otherwise expired. This transaction was driven in part by projected changes to Ashland's business and tax profile as a result of the Valvoline separation.

Ashland Global Holdings Inc. and Consolidated Subsidiaries  
**Reconciliation of Non-GAAP Data – Free Cash Flow and  
Adjusted Operating Income**  
for Years Ended September 30, 2018 and 2017

(\$ millions)

|   | Year ended<br>September 30 |              |
|---|----------------------------|--------------|
|   | 2018                       | 2017         |
| <u>Free cash flow<sup>1</sup></u>   |                            |              |
| Total cash flows provided by operating activities<br>from continuing operations | \$ 344                     | \$ 273       |
| Adjustments:  |                            |              |
| Additions to property, plant and equipment                                      | (185)                      | (199)        |
| Free cash flows   | <u>\$ 159</u>              | <u>\$ 74</u> |

|   | Year ended<br>September 30 |               |
|---|----------------------------|---------------|
|   | 2018                       | 2017          |
| <u>Adjusted operating income</u>            |                            |               |
| <b>Operating income (as reported)</b>       | \$ 227                     | \$ 146        |
| Key items, before tax:                      |                            |               |
| Restructuring, separation and other costs   | 99                         | 106           |
| Asset impairments                           | 16                         | -             |
| Tax indemnity expense                       | 5                          | -             |
| Environmental reserve adjustments           | 44                         | 9             |
| Legal settlement/reserve                    | (5)                        | 5             |
| Unplanned plant shutdowns                   | -                          | 13            |
| Inventory fair value adjustment             | -                          | 7             |
| <b>Adjusted operating income (non-GAAP)</b> | <u>\$ 386</u>              | <u>\$ 286</u> |

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

## Reconciliation of Non-GAAP Data – Adjusted EBITDA for Years Ended September 30, 2018 and 2017

(\$ millions)

|   | Year ended<br>September 30 |               |
|---|----------------------------|---------------|
|   | 2018                       | 2017          |
| <u>Adjusted EBITDA - Ashland Global Holdings Inc.</u>               |                            |               |
| Net income (loss)   | \$ 114                     | \$ 28         |
| Income tax expense (benefit)  | 9                          | 7             |
| Net interest and other financing expense                            | 122                        | 234           |
| Depreciation and amortization <sup>1</sup>                          | 298                        | 282           |
| EBITDA  | 543                        | 551           |
| Income from discontinued operations (net of taxes)                  | (9)                        | (133)         |
| Loss (gain) on pension and other postretirement plan remeasurements | (12)                       | 6             |
| Net loss on acquisitions and divestitures                           | 2                          | 6             |
| Operating key items   | 159                        | 140           |
| Adjusted EBITDA   | <u>\$ 683</u>              | <u>\$ 570</u> |

<sup>1</sup> Depreciation and amortization excludes accelerated depreciation of \$14 million and \$19 million for 2018 and 2017, respectively.

Specialty Ingredients, Composites, Intermediates and Solvents  
**Reconciliation of Non-GAAP Data – Adjusted EBITDA**  
 for Years Ended September 30, 2018 and 2017

(\$ millions)

|   | Years ended<br>September 30 |               |
|---|-----------------------------|---------------|
|   | 2018                        | 2017          |
| <b>Adjusted EBITDA - Specialty Ingredients</b>      |                             |               |
| Operating income                                    | \$ 314                      | \$ 233        |
| Add:  |                             |               |
| Depreciation and amortization <sup>1</sup>          | 246                         | 229           |
| Operating key items                                 | 14                          | 31            |
| Adjusted EBITDA                                     | <u>\$ 574</u>               | <u>\$ 493</u> |
| <b>Adjusted EBITDA - Composites</b>                 |                             |               |
| Operating income                                    | \$ 73                       | \$ 67         |
| Add:  |                             |               |
| Depreciation and amortization                       | 22                          | 22            |
| Operating key items                                 | -                           | -             |
| Adjusted EBITDA                                     | <u>\$ 95</u>                | <u>\$ 89</u>  |
| <b>Adjusted EBITDA - Intermediates and Solvents</b> |                             |               |
| Operating income (loss)                             | \$ 31                       | \$ (12)       |
| Add:  |                             |               |
| Depreciation and amortization                       | 30                          | 31            |
| Operating key items                                 | -                           | 7             |
| Adjusted EBITDA                                     | <u>\$ 61</u>                | <u>\$ 26</u>  |

<sup>1</sup> Depreciation and amortization excludes accelerated depreciation of \$6 million and \$14 million for Specialty Ingredients for the years ended September 30, 2018 and 2017, respectively.

# Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

### for Years Ended September 30, 2018 and 2017

| (\$ millions)   | Year ended   |          |
|---|--------------|----------|
|   | September 30 |          |
|   | 2018         | 2017     |
| Income (loss) from continuing operations (as reported)              | \$ 105       | \$ (105) |
| Key items, before tax:  |              |          |
| Restructuring, separation and other costs                           | 99           | 106      |
| Asset impairments   | 16           | -        |
| Tax indemnity expense   | 5            | -        |
| Loss (gain) on pension and other postretirement plan remeasurements | (12)         | 6        |
| Environmental reserve adjustments                                   | 44           | 9        |
| Legal settlement/reserve  | (5)          | 5        |
| Unplanned plant shutdowns   | -            | 13       |
| Inventory fair value adjustment                                     | -            | 7        |
| Debt refinancing costs  | 1            | 112      |
| Net loss on acquisitions and divestitures                           | 2            | 6        |
| Key items, before tax   | 150          | 264      |
| Tax effect of key items <sup>1</sup>                                | (33)         | (88)     |
| Key items, after tax  | 117          | 176      |
| Tax specific key items:   |              |          |
| Deferred tax rate changes   | (139)        | -        |
| One-time transition tax   | 128          | -        |
| Uncertain tax positions   | (26)         | -        |
| Restructuring and separation activity                               | 36           | 17       |
| Other tax reform  | 11           | -        |
| Valuation allowances  | (4)          | (21)     |
| Foreign dividends   | -            | 87       |
| Tax specific key items <sup>2</sup>                                 | 6            | 83       |
| Total key items   | 123          | 259      |
| Adjusted income from continuing operations (non-GAAP)               | \$ 228       | \$ 154   |

<sup>1</sup> Represents the tax effect of the key items that are previously identified above.

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

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions enacted during 2018.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act during 2018.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities during 2018.
- Restructuring and separation activity: Includes the impact from company-wide restructuring activities during 2018 and the separation of Valvoline during 2017. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2018. These adjustments include the impact from the deductibility of compensation items and miscellaneous state tax items.
- Valuation allowances: Includes the impact from net operating loss and foreign tax credit valuation allowances during 2018 and 2017.
- Foreign dividends: Includes the impact from a significant deemed dividend inclusion in the U.S. during 2017. This deemed dividend transaction allowed Ashland to utilize foreign tax credit carryforwards which may have otherwise expired. This transaction was driven in part by projected changes to Ashland's business and tax profile as a result of the Valvoline separation.



# Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

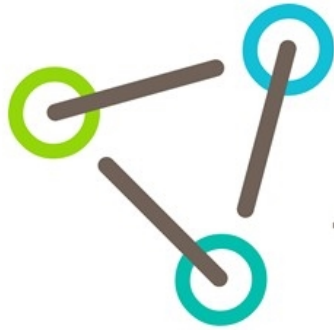
### for Years Ended September 30, 2018 and 2017

|   | Year ended   |           |
|---|--------------|-----------|
|   | September 30 |           |
|   | 2018         | 2017      |
| Diluted EPS from continuing operations (as reported)                | \$ 1.66      | \$ (1.69) |
| Key items, before tax:  |              |           |
| Restructuring, separation and other costs                           | 1.56         | 1.70      |
| Asset impairments   | 0.25         | -         |
| Tax indemnity expense   | 0.08         | -         |
| Loss (gain) on pension and other postretirement plan remeasurements | (0.20)       | 0.09      |
| Environmental reserve adjustments                                   | 0.68         | 0.15      |
| Legal settlement/reserve  | (0.07)       | 0.07      |
| Unplanned plant shutdowns   | -            | 0.21      |
| Inventory fair value adjustment                                     | -            | 0.11      |
| Debt refinancing costs  | 0.02         | 1.78      |
| Net loss on acquisitions and divestitures                           | 0.04         | 0.09      |
| Key items, before tax   | 2.36         | 4.20      |
| Tax effect of key items <sup>1</sup>                                | (0.52)       | (1.40)    |
| Key items, after tax  | 1.84         | 2.80      |
| Tax-specific key items:   |              |           |
| Deferred tax rate changes   | (2.19)       | -         |
| One-time transition tax   | 2.00         | -         |
| Uncertain tax positions   | (0.40)       | -         |
| Restructuring and separation activity                               | 0.56         | 0.28      |
| Other tax reform  | 0.17         | -         |
| Valuation allowances  | (0.06)       | (0.33)    |
| Foreign dividends <sup>2</sup>                                      | -            | 1.38      |
| Tax-specific key items <sup>2</sup>                                 | 0.08         | 1.33      |
| Total key items   | 1.92         | 4.13      |
| Adjusted diluted EPS from continuing operations (non-GAAP)          | \$ 3.58      | \$ 2.44   |

<sup>1</sup> Represents the tax effect of the key items that are previously identified above.

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

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions enacted during 2018.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act during 2018.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities during 2018.
- Restructuring and separation activity: Includes the impact from company-wide restructuring activities during 2018 and the separation of Valvoline during 2017. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2018. These adjustments include the impact from the deductibility of compensation items and miscellaneous state tax items.
- Valuation allowances: Includes the impact from net operating loss and foreign tax credit valuation allowances during 2018 and 2017.
- Foreign dividends: Includes the impact from a significant deemed dividend inclusion in the U.S. during 2017. This deemed dividend transaction allowed Ashland to utilize foreign tax credit carryforwards which may have otherwise expired. This transaction was driven in part by projected changes to Ashland's business and tax profile as a result of the Valvoline separation.



Ashland<sup>TM</sup>  
always solving

© Registered trademark, Ashland or its subsidiaries, registered in various countries  
™ Trademark, Ashland or its subsidiaries, registered in various countries

---

