

Earnings Conference Call: Fourth-Quarter Fiscal 2019

November 19, 2019 – 9:00am Eastern Time



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Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Ashland has identified some of these forward-looking statements with words such as “anticipates,” “believes,” “expects,” “estimates,” “is likely,” “predicts,” “projects,” “forecasts,” “objectives,” “may,” “will,” “should,” “plans” and “intends” and the negative of these words or other comparable terminology. Ashland may from time to time make forward-looking statements in its annual reports, quarterly reports and other filings with the SEC, news releases and other written and oral communications. These forward-looking statements are based on Ashland’s expectations and assumptions, as of the date such statements are made, regarding Ashland’s future operating performance 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 Cost Reduction Program on page 16 of the presentation, Outlook on page 22 of the presentation, Ashland’s assessment on its progress towards becoming a premier specialty materials company and its expectations regarding its ability to drive sales and earnings growth and realize future cost reductions. Ashland’s expectations and assumptions include, without limitation, internal forecasts and analyses of current and future market conditions and trends, management plans and strategies, operating efficiencies and economic conditions (such as prices, supply and demand, cost of raw materials, and the ability to recover raw-material cost increases through price increases), and risks and uncertainties associated with the following: the 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 impact of acquisitions and/or divestitures Ashland has made or may make (including the possibility that Ashland may not realize the anticipated benefits from such transactions); Ashland’s substantial indebtedness (including the possibility that such indebtedness and related restrictive covenants may adversely affect Ashland’s future cash flows, results of operations, financial condition and its ability to repay debt); severe weather, natural disasters, 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.



Agenda

- Opening Comments: Bill Wulfsohn, Chairman & CEO
- Introduce New CEO: Guillermo Novo, Director and incoming Chairman & CEO
- Review Q4 and FY2019 Results: Kevin Willis, SVP & CFO
- New CEO Priorities and Outlook: Guillermo Novo
- Thank you and Q&A

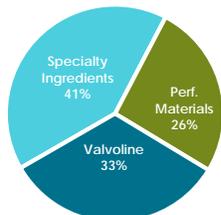
Opening Comments

Ashland Global Holdings Inc.

Perspective on the Last 5 Years

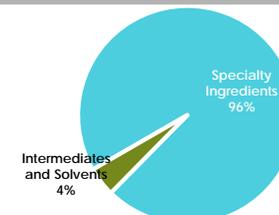
LTM 12/31/2014 Sales¹: \$6.1 Billion

Created pure-play specialty materials company



- Created independent Valvoline
- Acquired Pharmachem & Vornia
- Divested Composites / Marl BDO

FY 2019 Sales: \$2.5 Billion



Focused capital allocation

\$3.3 Bn

Total debt as of 12/31/14

S&P: BB

- Reduced total debt by \$1.6 billion
- Established ~\$300 million asbestos trust
- Transferred majority of pension obligations with Valvoline spin
- Returned \$1.3 billion² to shareholders

\$1.7 Bn

Total debt as of 9/30/19

S&P: BB+

Move from portfolio mgmt to operational foundation

18%

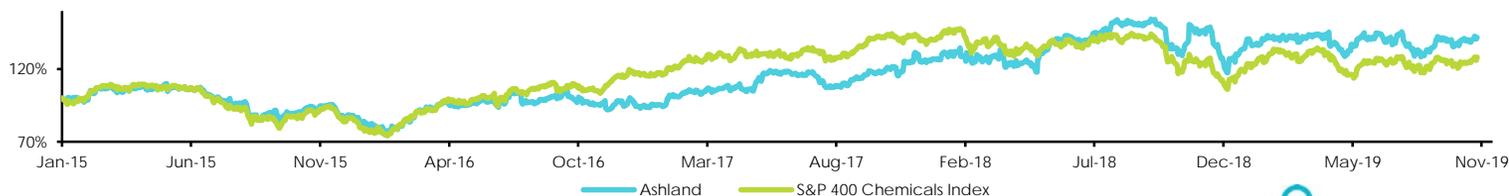
FY 2014 Adjusted EBITDA margin

- Defined new strategic plan
- Implemented new commercial excellence programs
- Revitalized innovation focus and process
- Built new asset-optimization capability
- Created and implemented Ashland Production System
- Completed \$120 million cost-reduction program
- Expanded capacity for key end markets (e.g. Pharma)

21%

FY 2019 Adjusted EBITDA margin

Strong shareholder value creation



¹ Reflects segment reporting as of 12/31/14.

² Dividends and share repurchases.

³ Source: FactSet as of November 12, 2019. Total Shareholder Return represents share price change plus dividends from January 1, 2015 to November 1, 2019.

Perspective on Ashland Today

Strong,
focused
team with
unified
culture



Well
positioned in
highly
attractive
end markets

- Pharma : new capacity, global footprint and new products
- Personal care: greatly expanded biofunctionals and added fragrance fixatives
- Coatings: expanded capacity and product offering
- Adhesives: expanded geographic footprint and product offering
- Nutraceuticals: entered nutraceutical to complement pharma/personal care

Now ~75% of
total Ashland
sales

Time to move from premier portfolio to premier performance

- This is the right time for a change in leadership
- Guillermo Novo is the right leader to drive Ashland to achieve its full potential
- Smooth transition will enable rapid progress



Introduce New CEO

Ashland Global Holdings Inc.

Excited to Join Ashland

- > 30 years in Specialty Materials
- Recently CEO of Versum Materials
- Director at Ashland beginning May 2019
- Excited about the opportunities to create value and the journey ahead

Review Q4 and FY2019 Results

Commentary on Q4 and FY Results

- Strong EH&S and sustainability performance
- Volume loss impact
 - Oral Care
 - Pharmachem
 - Co-producer swaps
- Market weakness & general macroeconomic uncertainty

Ashland Global Holdings Inc.

Results Highlights

- Completed sale of Composites business and Marl facility
- Successful deleveraging of balance sheet
- Q4 and FY Sales down 9% and 4%, respectively
- Q4 and FY Adjusted EBITDA¹ up 6% and 3%, respectively
- Challenged Pharmachem and Personal Care
- Market demand remains soft

Fiscal-Fourth Quarter Adjusted Results¹

(\$US in millions, except percentages)	Q4 FY19	Q4 FY18	Change
Sales	\$609	\$667	(9) %
Gross profit margin	34.4%	34.9%	(50) bps
Selling, general & admin / R&D costs	\$124	\$160	(23) %
EBITDA	\$150	\$142	+6 %
EBITDA margin	24.6%	21.3%	+330 bps
Earnings per share (EPS) ²	\$0.77	\$0.71	+8 %

- Sales down 9% driven by lower sales in Specialty Ingredients
- SG&A expense reduction driven by ongoing cost-reduction program and lower incentive compensation
- EBITDA of \$150 million up 6% driven by improved cost
- Improved EBITDA margin driven by reduced cost
- Effective tax rate of 23% driven by income mix, restructuring activities and US tax reform
- EPS increased to \$0.77 or by 8 percent

1 Reflects discontinued operations. All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income, income from continuing operations to adjusted income from continuing operations and diluted earnings per share to adjusted diluted earnings per share.

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

Specialty Ingredients Adjusted Results Summary¹

(\$US in millions, except percentages)	Q4 FY19	Q4 FY18	Change
Sales	\$579	\$636	(9) %
Gross profit	\$201	\$225	(11) %
Gross profit margin	34.7%	35.4%	(70) bps
Operating income	\$92	\$97	(5) %
EBITDA	\$152	\$160	(5) %
EBITDA margin	26.3%	25.2%	+110 bps

- Sales impacted by challenged results at Pharmachem and Personal Care, plus weak industrial end-market demand
- Gross profit margin impacted by mix; partially offset by lower raw-material costs
- Operating Income and EBITDA declines due to lower sales and gross profit, partially offset by ongoing cost-reduction program and lower incentive compensation
- Increased EBITDA margin reflecting lower SG&A costs
 - Highest quarterly EBITDA margin for Specialty Ingredients in the last seven years

¹ All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income and income from continuing operations to adjusted income from continuing operations.



Adjusted Results Summary¹

(\$US in millions, except percentages)	Q4 FY19	Q4 FY18	Change
Sales	\$30	\$31	(3) %
Gross profit	\$8	\$8	-
Gross profit margin	28.8%	26.3%	+250 bps
Operating income	\$6	\$6	-
EBITDA	\$9	\$9	-
EBITDA margin	30.0%	29.0%	+100 bps

- Sales impacted by lower volumes and pricing reflecting changing market-demand dynamics
- Gross profit margin and EBITDA margin improved due primarily to lower raw-material costs compared to prior year



¹ All figures are presented on an adjusted basis except Sales. Appendix B reconciles adjusted amounts to amounts reported under GAAP, including reconciliations of net income to EBITDA and adjusted EBITDA, operating income to adjusted operating income and income from continuing operations to adjusted income from continuing operations.

Ashland Global Holdings Inc.

Fiscal Year 2019 Summary¹

(\$US in millions, except percentages and per share data)	FY19	FY18	Change
Sales			
Specialty Ingredients	\$2,382	\$2,470	(4) %
Intermediates & Solvents	\$111	\$119	(7) %
Total	\$2,493	\$2,589	(4) %
EBITDA			
Specialty Ingredients	\$558	\$574	(3) %
Intermediates & Solvents	\$28	\$31	(10) %
Unallocated & Other	(\$54)	(\$90)	(40) %
Total	\$532	\$515	+3 %
Earnings per share	\$2.50	\$2.19	+14 %



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

Cost-Reduction Program

- Challenging yet successful
- Program substantially complete
 - Achieved \$115 million run-rate as of 9/30/19
 - Expect to exceed \$120 million run-rate as of 12/31/19
- Expect to achieve ~\$25 million of realized carryover SG&A savings in fiscal year 2020

New CEO Priorities and Outlook

Ashland Global Holdings Inc.

Recognize Our Team

- Undergone significant and prolonged change
- Stayed focused on creating value for our customers
- Most businesses well positioned

Thank you!

Early Observations

- Core businesses maintain leadership positions
- Have specific business-unit issues to address
- Experienced teams with deep industry knowledge
- Strong innovation capabilities
- Multiple improvement opportunities
 - Improve business strategic focus, operating discipline and ownership accountability
 - Increase innovation impact
 - Business models & structure
 - Productivity

Key Objectives

- Maintain industry-leading EH&S and sustainability performance
- Organic sales and EBITDA growth
- Margin expansion
- Free cash flow generation

CEO Priorities

- Develop & articulate our strategy
- Improve operating performance
- Align & rightsize our cost structure
- Disciplined capital allocation

Build visible Improvement Momentum

Outlook

Not providing guidance for FY2020 or Q1

Forward-Looking Insights:

- Weaker and uncertain market outlook
 - Expect Q1 demand dynamics to be similar to Q4
- Limited near-term improvement in Oral Care and Pharmachem
 - Sales & cost-absorption impact
- Pricing and raw-material changes stay balanced
- \$25 million SG&A carryover improvement
- Nanjing impact
- Lima catalyst change in Q1 (Intermediates & Solvents)
- Expected effective tax rate of 15 – 17% in FY2020

A Premier Specialty Materials Company

- Focused on high-quality markets and businesses with exciting profitable growth opportunities
- Franchise businesses have leadership positions
 - #1 or #2
 - Strong teams with deep industry expertise
 - Excellent customer relationships and industry knowledge
 - Leaders in innovation with leading technology capabilities
- Profitable, high-margin portfolio
- Businesses generate strong free cash flow

Thank you and Q&A



Appendix A: Adjusted Results Summary

Adjusted Results Summary¹

(\$US in millions, except percentages and per share data)	Q4 FY19	Q4 FY18	Change
Sales	\$609	\$667	(9) %
Gross profit	\$210	\$233	(10) %
Gross profit margin	34.4%	34.9%	(50) bps
Selling, general & admin / R&D costs	\$124	\$160	(23) %
Operating income	\$85	\$75	+13 %
Depreciation & amortization	\$64	\$67	(4) %
EBITDA	\$150	\$142	+6 %
EBITDA margin	24.6%	21.3%	+330 bps
Net interest expense	\$25	\$25	-
Effective tax rate	23 %	10 %	1,300 bps
Income from continuing operations	\$47	\$45	+4 %
Diluted share count (million shares)	61	64	(5) %
Earnings per share	\$0.77	\$0.71	+8 %



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

Appendix B: Non-GAAP Reconciliation¹

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



Ashland Global Holdings Inc. and Consolidated Subsidiaries

Reconciliation of Non-GAAP Data

for 12 Months Ended September 30, 2019

(\$ millions, except percentages)

Sales¹	Q4 19	Q3 19	Q2 19	Q1 19	Total	
Specialty Ingredients	579	613	637	553	2,382	
Intermediates and Solvents	30	28	30	23	111	
Total	609	641	667	576	2,493	
						Adjusted EBITDA Margin
Adjusted EBITDA¹	Q4 19	Q3 19	Q2 19	Q1 19	Total	
Specialty Ingredients	152	146	148	112	558	23.4%
Intermediates and Solvents	9	8	8	3	28	25.2%
Unallocated	(11)	(14)	(14)	(15)	(54)	
Total	150	140	142	100	532	

¹ Quarterly totals may not add to annual amounts due to rounding. Calculation of adjusted EBITDA for each period presented have been reconciled within certain financial filings with the SEC and posted on Ashland's website for each reportable segment.

Ashland Global Holdings Inc. and Consolidated Subsidiaries

Segment Components of Key Items for Applicable Income Statement Captions

for 3 Months Ended September 30, 2019

(\$ millions)

	<u>Specialty Ingredients</u>	<u>Intermediates and Solvents</u>	<u>Unallocated & Other</u>	<u>Total</u>
OPERATING INCOME (LOSS)				
Operating key items:				
Restructuring, separation and other costs	\$ -	\$ -	\$ (1)	\$ (1)
Proxy costs	-	-	1	1
All other operating income (loss)	<u>92</u>	<u>6</u>	<u>(13)</u>	<u>85</u>
Operating income (loss)	92	6	(13)	85
NET INTEREST AND OTHER EXPENSE				
Key items			1	1
All other net interest and other expense			<u>25</u>	<u>25</u>
			26	26
NET INCOME (LOSS) ON DIVESTITURES			1	1
OTHER NET PERIODIC BENEFIT INCOME (COSTS)				
Key items			(11)	(11)
All other net periodic benefit income			<u>-</u>	<u>-</u>
			(11)	(11)
INCOME TAX EXPENSE (BENEFIT)				
Tax effect of key items ¹			(3)	(3)
Tax specific key items ²			11	11
All other income tax expense (benefit)			<u>14</u>	<u>14</u>
			22	22
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>\$ 92</u>	<u>\$ 6</u>	<u>\$ (71)</u>	<u>\$ 27</u>

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

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

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)

	<u>Specialty Ingredients</u>	<u>Intermediates and Solvents</u>	<u>Unallocated & Other</u>	<u>Total</u>
OPERATING INCOME (LOSS)				
Operating key items:				
Restructuring, separation and other costs	\$ (3)	\$ -	\$ (47)	\$ (50)
Asset impairments	(2)	-	(14)	(16)
Tax indemnity expense	-	-	(5)	(5)
All other operating income (loss)	<u>97</u>	<u>6</u>	<u>(28)</u>	<u>75</u>
Operating income (loss)	92	6	(94)	4
NET INTEREST AND OTHER EXPENSE			25	25
NET INCOME (LOSS) ON DIVESTITURES			-	-
OTHER NET PERIODIC BENEFIT INCOME (COSTS)				
Key items			14	14
All other net periodic benefit costs			-	-
			<u>14</u>	<u>14</u>
INCOME TAX EXPENSE (BENEFIT)				
Tax effect of key items ¹			(9)	(9)
Tax specific key items ²			(1)	(1)
All other income tax expense (benefit)			5	5
			<u>(5)</u>	<u>(5)</u>
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>\$ 92</u>	<u>\$ 6</u>	<u>\$ (100)</u>	<u>\$ (2)</u>

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

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

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, 2019 and 2018

(\$ millions)

	Three months ended September 30	
	2019	2018
Free cash flows¹		
Total cash flows used by operating activities from continuing operations	\$ 135	\$ 148
Adjustments:		
Additions to property, plant and equipment	(52)	(69)
Free cash flows ¹	<u>\$ 83</u>	<u>\$ 79</u>

	Three months ended September 30	
	2019	2018
Adjusted operating income (loss)		
Operating income (loss) (as reported)	\$ 85	\$ 4
Key items, before tax:		
Restructuring, separation and other costs	1	50
Proxy costs	(1)	-
Asset impairments	-	16
Tax indemnity expense	-	5
Adjusted operating income (non-GAAP)	<u>\$ 85</u>	<u>\$ 75</u>

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

Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for Year Ended September 30, 2019 and 2018

(\$ millions)

Free cash flows¹

Total cash flows used by operating activities
from continuing operations

Adjustments:

Additions to property, plant and equipment

Free cash flows¹

Year ended
September 30

	2019	2018
Total cash flows used by operating activities from continuing operations	\$ 228	\$ 241
Additions to property, plant and equipment	(154)	(157)
Free cash flows¹	\$ 74	\$ 84

Year ended
September 30

Adjusted operating income (loss)

Operating income (loss) (as reported)

Key items, before tax:

Restructuring, separation and other costs

Proxy costs

Asset impairments

Tax indemnity expense

Environmental reserve adjustments

Legal settlement/reserve

Unplanned plant shutdowns

Adjusted operating income (non-GAAP)

	2019	2018
Operating income (loss) (as reported)	\$ 166	\$ 102
Restructuring, separation and other costs	90	91
Proxy costs	4	-
Asset impairments	-	16
Tax indemnity expense	6	5
Environmental reserve adjustments	15	43
Legal settlement/reserve	-	(5)
Unplanned plant shutdowns	2	-
Adjusted operating income (non-GAAP)	\$ 283	\$ 252

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

Ashland Global Holdings Inc.

Reconciliation of Non-GAAP Data – Adjusted EBITDA for 3 Months Ended September 30, 2019 and 2018

(\$ millions)

	Three months ended September 30	
	2019	2018
<u>Adjusted EBITDA - Ashland Global Holdings Inc.</u>		
Net income	\$ 411	\$ 9
Income tax expense	22	(5)
Net interest and other expense (income)	26	25
Depreciation and amortization ¹	64	67
EBITDA	523	96
Income from discontinued operations (net of taxes)	(384)	(11)
Loss (gain) on pension and other postretirement plan remeasurements	11	(14)
Net (income) loss on divestitures key items	-	-
Operating key items	-	71
Adjusted EBITDA	<u>\$ 150</u>	<u>\$ 142</u>

¹ Depreciation and amortization excludes accelerated depreciation of \$1 million for Specialty Ingredients for the three months ended September 30, 2018 which is included as a key item within this table.

Specialty Ingredients, Intermediates and Solvents

Reconciliation of Non-GAAP Data – Adjusted EBITDA

for 3 Months Ended September 30, 2019 and 2018

(\$ millions)

	Three months ended September 30	
	2019	2018
<u>Adjusted EBITDA - Specialty Ingredients</u>		
Operating income	\$ 92	\$ 92
Add:		
Depreciation and amortization ¹	60	63
Operating key items	-	5
Adjusted EBITDA	<u>\$ 152</u>	<u>\$ 160</u>
 <u>Adjusted EBITDA - Intermediates and Solvents</u>		
Operating income	\$ 6	\$ 6
Add:		
Depreciation and amortization	3	3
Operating key items	-	-
Adjusted EBITDA	<u>\$ 9</u>	<u>\$ 9</u>

¹ Depreciation and amortization excludes accelerated depreciation of \$1 million for Specialty Ingredients for the three months ended September 30, 2018 which is included as a key item within this table.

Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for 3 Months Ended September 30, 2019 and 2018

(\$ millions)	Three months ended September 30	
	2019	2018
Income (loss) from continuing operations (as reported)	\$ 27	\$ (2)
Key items, before tax:		
Restructuring, separation and other costs	1	50
Proxy costs	(1)	-
Tax indemnity expense	-	5
Loss (gain) on pension and other postretirement plan remeasurements	11	(14)
Unrealized (gain) loss on securities	(5)	-
Asset impairments	-	16
Debt refinancing costs	6	-
Key items, before tax	12	57
Tax effect of key items ¹	(3)	(9)
Key items, after tax	9	48
Tax specific key items:		
Deferred tax rate changes	-	(9)
One-time transition tax	-	(15)
Uncertain tax positions	2	(24)
Restructuring and separation activity	13	36
Other tax reform related activity	(1)	11
Other	(3)	-
Tax specific key items ²	11	(1)
Total key items	20	47
Adjusted income from continuing operations (non-GAAP)	\$ 47	\$ 45

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

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

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities.
- Restructuring and separation activity: Includes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2018 and 2019.

Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for Year Ended September 30, 2019 and 2018

(\$ millions)

	Year ended September 30	
	2019	2018
Income (loss) from continuing operations (as reported)	\$ 24	\$ 19
Key items, before tax:		
Restructuring, separation and other costs	90	91
Proxy costs	4	-
Tax indemnity expense	6	5
Loss (gain) on pension and other postretirement plan remeasurements	(7)	(14)
Environmental reserve adjustments	15	44
Legal settlement	-	(5)
Unplanned plant shutdowns	2	-
Unrealized (gain) loss on securities	(7)	-
Asset impairments	-	16
Debt refinancing costs	6	1
Net loss on acquisitions and divestitures	3	2
Key items, before tax	112	140
Tax effect of key items ¹	(14)	(30)
Key items, after tax	98	110
Tax specific key items:		
Deferred tax rate changes	2	(139)
One-time transition tax	28	128
Uncertain tax positions	(6)	(26)
Restructuring and separation activity	12	36
Other tax reform related activity	(1)	11
Tax specific key items ²	35	10
Total key items	133	120
Adjusted income from continuing operations (non-GAAP)	\$ 157	\$ 139

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

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

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities.
- Restructuring and separation activity: Includes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2018 and 2019.



Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for 3 Months Ended September 30, 2019 and 2018

	Three months ended September 30	
	2019	2018
Diluted EPS from continuing operations (as reported)	\$ 0.44	\$ (0.03)
Key items, before tax:		
Restructuring, separation and other costs	0.01	0.78
Proxy costs	(0.01)	-
Tax indemnity expense	-	0.08
Loss (gain) on pension and other postretirement plan remeasurements	0.18	(0.22)
Unrealized (gain) loss on securities	(0.07)	-
Asset impairments	-	0.25
Debt refinancing costs	0.09	-
Key items, before tax	0.20	0.89
Tax effect of key items ¹	(0.05)	(0.13)
Key items, after tax	0.15	0.76
Tax specific key items:		
Deferred tax rate changes	-	(0.14)
One-time transition tax	-	(0.22)
Uncertain tax positions	0.03	(0.39)
Restructuring and separation activity	0.21	0.56
Other tax reform related activity	(0.02)	0.17
Other	(0.04)	-
Tax specific key items ²	0.18	(0.02)
Total key items	0.33	0.74
Adjusted diluted EPS from continuing operations (non-GAAP)	\$ 0.77	\$ 0.71

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

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

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities.
- Restructuring and separation activity: Includes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2018 and 2019.

Ashland Global Holdings Inc. and Consolidated Subsidiaries

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

for Year Ended September 30, 2019 and 2018

(\$ millions)

	Year ended September 30	
	2019	2018
Diluted EPS from continuing operations (as reported)	\$ 0.39	\$ 0.29
Key items, before tax:		
Restructuring, separation and other costs	1.42	1.43
Proxy costs	0.07	-
Tax indemnity expense	0.10	0.08
Loss (gain) on pension and other postretirement plan remeasurements	(0.11)	(0.22)
Environmental reserve adjustments	0.24	0.68
Legal settlement	-	(0.07)
Unplanned plant shutdowns	0.03	-
Unrealized (gain) loss on securities	(0.11)	-
Asset impairments	-	0.25
Debt refinancing costs	0.09	0.02
Net loss on acquisitions and divestitures	0.05	0.04
Key items, before tax	1.78	2.21
Tax effect of key items ¹	(0.22)	(0.47)
Key items, after tax	1.56	1.74
Tax specific key items:		
Deferred tax rate changes	0.03	(2.18)
One-time transition tax	0.44	2.00
Uncertain tax positions	(0.09)	(0.39)
Restructuring and separation activity	0.19	0.56
Other tax reform related activity	(0.02)	0.17
Tax specific key items ²	0.55	0.16
Total key items	2.11	1.90
Adjusted diluted EPS from continuing operations (non-GAAP)	\$ 2.50	\$ 2.19

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

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

- Deferred tax rate changes: Includes the impact from the remeasurement of Ashland's domestic deferred tax balances resulting from the enactment of the Tax Cuts and Jobs Act (Tax Act) as well as the impact from rate changes for other jurisdictions.
- One-time transition tax: Includes the one-time transition tax expense resulting from the enactment of the Tax Act.
- Uncertain tax positions: Includes the impact from the settlement of uncertain tax positions with various tax authorities.
- Restructuring and separation activity: Includes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2018 and 2019.



Ashland Global Holdings Inc. and Consolidated Subsidiaries

Reconciliation of Certain Non-GAAP Data

for Year Ended September 30, 2019 and 2018

(\$ millions)

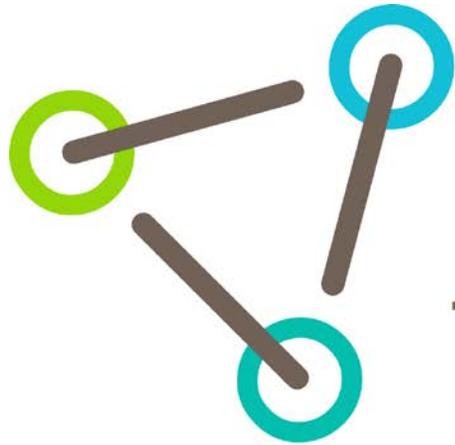
	Year ended September 30	
	2019	2018
Net income (loss)	\$ 505	\$ 114
Income tax expense (benefit)	46	(8)
Net interest and other expense	99	102
Depreciation and amortization ¹	250	263
EBITDA	900	471
Income from discontinued operations (net of taxes)	(481)	(95)
Key items included in EBITDA:		
Restructuring, separation and other costs ²	51	77
Proxy costs	4	-
Accelerated depreciation	39	14
Environmental reserve adjustments	15	44
Asset impairments	-	16
Tax indemnity expense	6	5
Net loss on acquisitions and divestitures ³	3	2
Loss (gain) on pension and other postretirement plan remeasurements	(7)	(14)
Legal settlement/reserve	-	(5)
Unplanned plant shutdowns	2	-
Total key items included in EBITDA	113	139
Adjusted EBITDA⁴	\$ 532	\$ 515

¹ Excludes \$39 million and \$14 million of accelerated depreciation during 2019 and 2018, respectively.

² Includes impairments of \$8 million during 2019.

³ Excludes expense of \$3 million and \$2 million during 2019 and 2018, respectively, related to ongoing adjustments of previous divestiture transactions.

⁴ Includes \$9 million and \$8 million during 2019 and 2018, respectively, of net period pension and other postretirement costs (income) recognized ratably throughout the fiscal year.



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