News Release

Ashland reports preliminary financial results for second quarter of fiscal 2020 consistent with previous update

- *Sales of $610 million, down 9% versus prior-year quarter*
- *Net loss of $582 million, or -$9.61 per diluted share*
- *Loss from continuing operations of $575 million, or -$9.48 per diluted share*
- *Adjusted income from continuing operations of $52 million, or $0.84 per diluted share*
- *Adjusted income from continuing operations excluding intangibles amortization expense of $69 million, or $1.12 per diluted share*
- *Adjusted EBITDA of $142 million*

WILMINGTON, Del., May 5, 2020 – Ashland Global Holdings Inc. (NYSE: ASH) today announced preliminary[1] financial results for the second quarter of fiscal 2020 ended March 31, 2020. The global specialty materials company serves customers in a wide range of consumer and industrial markets.

As expected, the Ashland portfolio performed well during the quarter, despite the global macroeconomic uncertainty brought on by the COVID-19 pandemic. Sales were $610 million, down 9 percent versus the prior-year quarter, with the legacy Pharmachem business and previously communicated prior-year business losses in oral care representing approximately half of this decline. Unfavorable foreign currency contributed an additional one percent to the decline. Net loss was $582 million compared to net income of $76 million in the prior-year quarter, driven primarily by the previously-disclosed non-cash goodwill impairment charge following the business unit realignment that occurred during the quarter. Loss from continuing operations was $575 million compared to income of $45 million in the prior-year quarter, or -$9.48 per diluted share compared to income of $0.71 in the prior-year quarter. Adjusted income from continuing operations was $52 million, consistent with the prior-year quarter, or $0.84 per diluted share, up from $0.83 in the prior-year quarter. Adjusted income from continuing operations excluding intangibles amortization expense was $69 million, consistent with the prior-year quarter, or $1.12 per diluted share, up from $1.08 in the prior-year quarter. Adjusted EBITDA was $142 million, consistent with the prior-year quarter, as the impact of lower sales was offset by lower operating expense.

"Results in the second quarter were consistent with the update we issued on April 16," said Guillermo Novo, chairman and chief executive officer, Ashland. "I am pleased with the leadership demonstrated by our teams and the continued progress we have made transforming the company, particularly in light of the challenges that arose from the COVID-19 pandemic. Many of the important end markets we serve are demonstrating their resilience despite the global-economic uncertainly."

"The majority of the portfolio continues to perform well. We expect Consumer Specialties and certain end markets within Industrial Specialties to demonstrate continued relative strength in the second half of the year as we are a critical technology and solutions provider to our customers in these key end markets," added Novo. "While increased global uncertainty is expected to impact demand in more industrial-focused businesses, we are confident that our continued self-help actions will offset many of these temporary demand dynamics. We are excited about the rapid progress we have made advancing our strategy and transforming the company. I want to thank everyone at Ashland for their dedication and leadership during these dynamic times. I look forward to sharing additional thoughts on our plans and the progress we have made during the conference call with securities analysts tomorrow morning."

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

Consumer Specialties

Sales were $343 million, down 9 percent from the prior-year quarter, with the legacy Pharmachem business and previously communicated prior-year business losses in oral care representing approximately 6 percentage points of the decline. Unfavorable foreign currency also reduced sales by an additional 1 percent. Excluding these items, the Life Sciences and Personal Care & Household business units performed well during the quarter, demonstrating the important market positions Ashland holds in end markets that are performing well in spite of the weak overall economy.

Operating loss was $300 million, compared to income of $58 million in the prior-year quarter, due primarily to the goodwill impairment charge within Personal Care & Household. Adjusted EBITDA was $91 million, down 1 percent from the prior-year quarter, as lower sales volumes and unfavorable foreign currency were nearly offset by favorable price/mix and lower operating costs.

Industrial Specialties

Sales were $240 million, down 7 percent from the prior-year quarter, due primarily to lower demand in certain industrial end markets and reduced pricing partially reflecting lower raw-material costs. Unfavorable foreign currency also reduced sales by 1 percent.

Operating loss was $145 million, compared to income of $15 million in the prior-year quarter, due primarily to the goodwill impairment charge within Specialty Additives. Adjusted EBITDA was $53 million, down 10 percent from the prior-year quarter, driven by lower volume and unfavorable fixed-cost absorption, partially offset by favorable price/mix in both Performance Adhesives and Specialty Additives.

Intermediates & Solvents

Sales were $37 million, down 16 percent from the prior-year quarter, due primarily to lower pricing and lower intercompany volume reflecting inventory-management initiatives within Consumer Specialties. Volumes of derivatives sold to third-party customers grew by approximately 1 percent compared to the prior year.

Operating loss was $2 million, down from income of $9 million in the prior-year quarter. Adjusted EBITDA was $5 million, down from $12 million in the prior-year quarter, due primarily to unfavorable price/mix and operating costs.

Unallocated & Other

Unallocated and Other expense was $21 million, compared to $38 million in the prior-year quarter, primarily due to lower restructuring-related expenses and the elimination of stranded costs. Adjusted Unallocated and Other expense was $7 million, compared to $21 million in the prior-year quarter, primarily due to the benefits of cost reductions achieved during the previous fiscal year.

Outlook

Chairman and CEO Guillermo Novo will provide commentary on the outlook for Ashland during the conference call with securities analysts on Wednesday, May 6, 2020.

Conference Call Webcast
Ashland will host a live webcast of its second-quarter conference call with securities analysts at 10:00 a.m. ET Wednesday, May 6, 2020. The webcast will be accessible through Ashland's website at http://investor.ashland.com and will include a slide presentation. Following the live event, an archived version of the webcast and supporting materials will be available for 12 months.

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

Key items, which are set forth on Table 7 of this release, are defined as financial effects from significant transactions that, either by their nature or amount, have caused short-term fluctuations in net income and/or operating income which Ashland does not consider to most accurately reflect Ashland's underlying business performance and trends. Further, Ashland believes that providing supplemental information that excludes the financial effects of these items in the financial results will enhance the investor's ability to compare financial performance between reporting periods.

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

The free cash flow metric enables Ashland to provide a better indication of the ongoing cash being generated that is ultimately available for both debt and equity holders as well as other investment opportunities. Unlike cash flow provided by operating activities, free cash flow includes the impact of capital expenditures from continuing operations, providing a more complete picture of cash generation. Free cash flow has certain limitations, including that it does not reflect adjustment for certain non-discretionary cash flows such as mandatory debt repayments. The amount of mandatory versus discretionary expenditures can vary significantly between periods.

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

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

About Ashland

Ashland Global Holdings Inc. (NYSE: ASH) is a premier global specialty materials 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 4,700 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 to learn more.

Forward-Looking Statements

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

Ashland's expectations and assumptions include, without limitation, internal forecasts and analyses of current and future market conditions and trends, management plans and strategies, operating efficiencies and economic conditions (such as prices, supply and demand, cost of raw materials, and the ability to recover raw-material cost increases through price increases), and risks and uncertainties associated with the following: the impact of acquisitions and/or divestitures Ashland has made or may make (including the possibility that Ashland may not realize the anticipated benefits from such transactions); Ashland's substantial indebtedness (including the possibility that such indebtedness and related restrictive covenants may adversely affect Ashland's future cash flows, results of operations, financial condition and its ability to repay debt); severe weather, natural disasters, public-health crises (including the current COVID-19 pandemic), cyber events and legal proceedings and claims (including product recalls, environmental and asbestos matters); the effects of the COVID-19 pandemic on the geographies in which we operate, the end markets we serve and on our supply chain and customers, and without limitation, risks and uncertainties affecting Ashland that are described in Ashland's most recent Form 10-K (including Item 1A Risk Factors) filed with the SEC, which is available on Ashland's website at http://investor.ashland.com or on the SEC's website at http://www.sec.gov. Various risks and uncertainties may cause actual results to differ materially from those stated, projected or implied by any forward-looking statements. The extent and duration of the COVID-19 pandemic on our business and operations is uncertain. Factors that will influence the impact on our business and operations include the duration and extent of the pandemic, the extent of imposed or recommended containment and mitigation measures, and the general economic consequences of the pandemic. Ashland believes its expectations and assumptions are reasonable, but there can be no assurance that the expectations reflected herein will be achieved. Unless legally required, Ashland undertakes no obligation to update any forward-looking statements made in this news release whether as a result of new information, future events or otherwise.

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

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