

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

Table 1

	Three months ended		Year ended	
	September 30		September 30	
	2021	2020	2021	2020
Sales	\$ 591	\$ 529	\$ 2,111	\$ 2,016
Cost of sales	401	396	1,441	1,417
GROSS PROFIT	190	133	670	599
Selling, general and administrative expense	85	104	358	400
Research and development expense	13	14	50	56
Intangibles amortization expense	24	21	90	84
Equity and other income	2	-	9	8
Goodwill impairment	-	-	-	530
OPERATING INCOME (LOSS)	70	(6)	181	(463)
Net interest and other expense	38	6	56	119
Other net periodic benefit income (expense)	(1)	1	(1)	3
Net income on acquisitions and divestitures	-	-	11	2
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	31	(11)	135	(577)
Income tax expense (benefit)	(2)	3	(38)	(22)
INCOME (LOSS) FROM CONTINUING OPERATIONS	33	(14)	173	(555)
Income from discontinued operations (net of income taxes)	10	19	47	47
NET INCOME (LOSS)	<u>\$ 43</u>	<u>\$ 5</u>	<u>\$ 220</u>	<u>\$ (508)</u>
DILUTED EARNINGS PER SHARE				
Income (loss) from continuing operations	\$ 0.55	\$ (0.22)	\$ 2.82	\$ (9.16)
Income from discontinued operations	0.17	0.29	0.77	0.77
Net income (loss)	<u>\$ 0.72</u>	<u>\$ 0.07</u>	<u>\$ 3.59</u>	<u>\$ (8.39)</u>
AVERAGE DILUTED COMMON SHARES OUTSTANDING (a)	61	61	61	61
SALES				
Life Sciences	189	180	737	708
Personal Care and Household	183	164	592	615
Specialty Additives	181	160	655	589
Intermediates & Solvents	60	28	178	129
Intersegment Sales	(22)	(3)	(51)	(25)
	<u>\$ 591</u>	<u>\$ 529</u>	<u>\$ 2,111</u>	<u>\$ 2,016</u>
OPERATING INCOME (LOSS)				
Life Sciences	30	26	130	123
Personal Care and Household	24	13	73	(296)
Specialty Additives	25	5	61	(132)
Intermediates & Solvents	18	(3)	35	(10)
Unallocated and other	(27)	(47)	(118)	(148)
	<u>\$ 70</u>	<u>\$ (6)</u>	<u>\$ 181</u>	<u>\$ (463)</u>

(a) As a result of the loss from continuing operations for the three and twelve months ended September 30, 2020, the effect of the share-based awards convertible to common shares would be anti-dilutive. In accordance with GAAP, these shares have been excluded from the diluted earnings per share calculation for the applicable periods.

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

Table 2

	September 30 2021	September 30 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 210	\$ 454
Accounts receivable	369	437
Inventories	473	506
Other assets	68	87
Held for sale	597	63
Total current assets	1,717	1,547
Noncurrent assets		
Property, plant and equipment		
Cost	3,066	3,002
Accumulated depreciation	1,639	1,517
Net property, plant and equipment	1,427	1,485
Goodwill	1,430	1,305
Intangibles	1,099	1,011
Operating lease assets, net	124	126
Restricted investments	384	301
Asbestos insurance receivable	134	136
Deferred income taxes	30	26
Noncurrent assets held for sale	-	546
Other assets	267	394
Total noncurrent assets	4,895	5,330
Total assets	<u>\$ 6,612</u>	<u>\$ 6,877</u>
LIABILITIES AND EQUITY		
Current liabilities		
Short-term debt	\$ 365	\$ 280
Current portion of long-term debt	9	-
Trade and other payables	236	211
Accrued expenses and other liabilities	251	272
Current operating lease obligations	23	22
Held for sale	50	28
Total current liabilities	934	813
Noncurrent liabilities		
Long-term debt	1,596	1,573
Asbestos litigation reserve	490	513
Deferred income taxes	237	229
Employee benefit obligations	144	157
Operating lease obligations	110	114
Noncurrent liabilities held for sale	-	10
Other liabilities	349	432
Total noncurrent liabilities	2,926	3,028
Stockholders' equity	2,752	3,036
Total liabilities and stockholders' equity	<u>\$ 6,612</u>	<u>\$ 6,877</u>

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

Table 3

	Three months ended		Year ended	
	September 30		September 30	
	2021	2020	2021	2020
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES FROM CONTINUING OPERATIONS				
Net income (loss)	\$ 43	\$ 5	\$ 220	\$ (508)
Income from discontinued operations (net of taxes)	(10)	(19)	(47)	(47)
Adjustments to reconcile income from continuing operations to cash flows from operating activities				
Depreciation and amortization	64	60	244	235
Original issue discount and debt issuance cost amortization	3	1	7	15
Deferred income taxes	(22)	(12)	(26)	(42)
Gain from sales of property and equipment	-	-	(4)	-
Distributions from equity affiliates	-	2	1	1
Stock based compensation expense	3	3	15	14
Excess tax benefit on stock based compensation	-	-	2	1
Loss on early retirement of debt	16	-	16	59
(Income) loss from restricted investments	3	(13)	(33)	(30)
Income on acquisitions and divestitures	-	(3)	(15)	(3)
Impairments	3	-	13	530
Pension contributions	(1)	(1)	(8)	(6)
Loss (gain) on pension and other postretirement plan remeasurements	1	(1)	1	(1)
Change in operating assets and liabilities (a)	48	110	80	9
Total cash flows provided by operating activities from continuing operations	151	132	466	227
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES FROM CONTINUING OPERATIONS				
Additions to property, plant and equipment	(31)	(43)	(105)	(133)
Proceeds from disposal of property, plant and equipment	-	4	5	5
Purchase of operations - net of cash acquired	(1)	-	(309)	-
Proceeds from sale or restructuring of operations	-	9	14	9
Proceeds from settlement of Company-owned life insurance contracts	91	1	91	8
Company-owned life insurance payments	(4)	(4)	(6)	(6)
Net purchase of funds restricted for specific transactions	(90)	-	(91)	(3)
Reimbursements from restricted investments	8	9	33	35
Proceeds from sale of securities	93	5	149	21
Purchases of securities	(93)	(5)	(149)	(21)
Proceeds from the settlement of derivative instruments	-	-	1	-
Payments for the settlement of derivative instruments	-	-	-	-
Total cash flows used by investing activities from continuing operations	(27)	(24)	(367)	(85)
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES FROM CONTINUING OPERATIONS				
Proceeds from issuance of long-term debt	450	-	450	804
Repayment of long-term debt	(411)	-	(411)	(767)
Premium on long-term debt repayment	(16)	-	(16)	(59)
Proceeds from (repayment of) short-term debt	269	(166)	84	115
Repurchase of common stock	(450)	-	(450)	-
Debt issuance costs	(6)	-	(6)	(11)
Cash dividends paid	(18)	(16)	(70)	(66)
Stock based compensation employee withholding taxes paid in cash	(1)	(1)	(7)	(7)
Total cash flows provided (used) by financing activities from continuing operations	(183)	(183)	(426)	9
CASH PROVIDED (USED) BY CONTINUING OPERATIONS	(59)	(75)	(327)	151
Cash provided (used) by discontinued operations				
Operating cash flows	10	16	94	(24)
Investing cash flows	(2)	96	(14)	93
Effect of currency exchange rate changes on cash and cash equivalents	(1)	1	3	2
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(52)	38	(244)	222
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	262	416	454	232
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>\$ 210</u>	<u>\$ 454</u>	<u>\$ 210</u>	<u>\$ 454</u>
DEPRECIATION AND AMORTIZATION				
Life Sciences	17	15	64	60
Personal Care and Household	22	20	81	77
Specialty Additives	22	21	85	81
Intermediates & Solvents	3	3	13	14
Unallocated and other	-	1	1	3
	<u>\$ 64</u>	<u>\$ 60</u>	<u>\$ 244</u>	<u>\$ 235</u>

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

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

Table 4

	Three months ended September 30	
	2021	2020
Adjusted EBITDA - Ashland Global Holdings Inc.		
Net income	\$ 43	\$ 5
Income tax expense (benefit)	(2)	3
Net interest and other expense	38	6
Depreciation and amortization	64	60
EBITDA	143	74
Income from discontinued operations (net of taxes)	(10)	(19)
(Income) loss on pension and other postretirement plan remeasurements	1	(1)
Operating key items (see Table 5)	15	77
Adjusted EBITDA	<u>\$ 149</u>	<u>\$ 131</u>
Adjusted EBITDA - Life Sciences		
Operating income	\$ 30	\$ 26
Add:		
Depreciation and amortization	17	15
Operating key items (see Table 5)	1	10
Adjusted EBITDA	<u>\$ 48</u>	<u>\$ 51</u>
Adjusted EBITDA - Personal Care and Household		
Operating income	\$ 24	\$ 13
Add:		
Depreciation and amortization	22	20
Operating key items (see Table 5)	5	13
Adjusted EBITDA	<u>\$ 51</u>	<u>\$ 46</u>
Adjusted EBITDA - Specialty Additives		
Operating income	\$ 25	\$ 5
Add:		
Depreciation and amortization	22	21
Operating key items (see Table 5)	-	18
Adjusted EBITDA	<u>\$ 47</u>	<u>\$ 44</u>
Adjusted EBITDA - Intermediates and Solvents		
Operating income (loss)	\$ 18	\$ (3)
Add:		
Depreciation and amortization	3	3
Operating key items (see Table 5)	-	6
Adjusted EBITDA	<u>\$ 21</u>	<u>\$ 6</u>

**SEGMENT COMPONENTS OF KEY ITEMS FOR APPLICABLE INCOME
STATEMENT CAPTIONS**

(In millions - preliminary and unaudited)

Three Months Ended September 30, 2021						
	Life Sciences	Personal Care and Household	Specialty Additives	Intermediates and Solvents	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Inventory adjustment	\$ -	\$ (2)	\$ -	\$ -	\$ -	\$ (2)
Environmental reserve adjustments	(1)	-	-	-	(9)	(10)
Asset impairments	-	(3)	-	-	-	(3)
All other operating income (loss)	31	29	25	18	(18)	85
Operating income (loss)	30	24	25	18	(27)	70
NET INTEREST AND OTHER EXPENSE (INCOME)						
Key items					22	22
All other net interest and other expense (income)					16	16
					38	38
OTHER NET PERIODIC BENEFIT INCOME (COSTS)						
Key items					(1)	(1)
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items (a)					(9)	(9)
Tax specific key items (b)					(8)	(8)
All other income tax expense (benefit)					15	15
					(2)	(2)
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>\$ 30</u>	<u>\$ 24</u>	<u>\$ 25</u>	<u>\$ 18</u>	<u>\$ (64)</u>	<u>\$ 33</u>

Three Months Ended September 30, 2020						
	Life Sciences	Personal Care and Household	Specialty Additives	Intermediates and Solvents	Unallocated & Other	Total
OPERATING INCOME (LOSS)						
Operating key items:						
Inventory adjustment	\$ (10)	\$ (13)	\$ (18)	\$ (6)	\$ -	\$ (47)
Environmental reserve adjustments	-	-	-	-	(8)	(8)
Restructuring, separation and other costs	-	-	-	-	(22)	(22)
All other operating income (loss)	36	26	23	3	(17)	71
Operating income (loss)	26	13	5	(3)	(47)	(6)
NET INTEREST AND OTHER EXPENSE (INCOME)						
Key items					(11)	(11)
All other net interest and other expense					17	17
					6	6
OTHER NET PERIODIC BENEFIT INCOME (COSTS)						
Key items					1	1
INCOME TAX EXPENSE (BENEFIT)						
Tax effect of key items (a)					(13)	(13)
Tax specific key items (b)					8	8
All other income tax expense (benefit)					8	8
					3	3
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>\$ 26</u>	<u>\$ 13</u>	<u>\$ 5</u>	<u>\$ (3)</u>	<u>\$ (55)</u>	<u>\$ (14)</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 7 for additional information.

RECONCILIATION OF CERTAIN NON-GAAP DATA

(In millions - preliminary and unaudited)

	Three months ended September 30		Year ended September 30	
	2021	2020	2021	2020
Free cash flows (a)				
Total cash flows provided by operating activities from continuing operations	\$ 151	\$ 132	\$ 466	\$ 227
Adjustments:				
Additions to property, plant and equipment	(31)	(43)	(105)	(133)
Free cash flows (a) (b) (c)	<u>\$ 120</u>	<u>\$ 89</u>	<u>\$ 361</u>	<u>\$ 94</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).
- (b) Includes \$9 million and \$7 million of restructuring payments for the three months ended September 30, 2021 and 2020, respectively, and \$44 million and \$30 million of restructuring payments for the twelve months ended September 30, 2021 and 2020, respectively.
- (c) Includes \$16 million of cash inflows for the three and \$92 million for the twelve months ended September 30, 2021 associated with the U.S. Accounts Receivable Sales Program.

	Three months ended September 30		Year ended September 30	
	2021	2020	2021	2020
Adjusted operating income				
Operating income (loss) (as reported)	\$ 70	\$ (6)	\$ 181	\$ (463)
Key items, before tax:				
Inventory adjustments	2	47	4	51
Restructuring, separation and other costs	-	22	10	58
Environmental reserve adjustments	10	8	43	34
Goodwill impairment	-	-	-	530
Impairments	3	-	13	-
Adjusted operating income (non-GAAP)	<u>\$ 85</u>	<u>\$ 71</u>	<u>\$ 251</u>	<u>\$ 210</u>

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

Table 7

	Three months ended September 30		Year ended September 30	
	2021	2020	2021	2020
Income (loss) from continuing operations (as reported)	\$ 33	\$ (14)	\$ 173	\$ (555)
Key items, before tax:				
Restructuring, separation and other costs	-	22	10	58
Unrealized loss (gain) on securities	5	(11)	(21)	(20)
Goodwill impairment	-	-	-	530
Inventory adjustments	2	47	4	51
Environmental reserve adjustments	10	8	43	34
Accelerated amortization of debt issuance costs	1	-	1	8
Loss on early retirement of debt	16	-	16	59
(Gain) loss on pension and other postretirement plan remeasurements	1	(1)	1	(1)
Net loss (gain) on acquisitions and divestitures	-	-	(11)	-
Impairments	3	-	13	-
Key items, before tax	38	65	56	719
Tax effect of key items (a)	(9)	(13)	(11)	(35)
Key items, after tax	29	52	45	684
Tax specific key items:				
Restructuring and separation activity	-	-	(13)	-
Uncertain tax positions	(14)	3	(53)	3
Other tax reform related activity	6	5	6	(20)
Tax specific key items (b)	(8)	8	(60)	(17)
Total key items	21	60	(15)	667
Adjusted income from continuing operations (non-GAAP)	<u>\$ 54</u>	<u>\$ 46</u>	<u>\$ 158</u>	<u>\$ 112</u>
Amortization expense adjustment (net of tax) (c)	19	17	72	67
Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense	<u>\$ 73</u>	<u>\$ 63</u>	<u>\$ 230</u>	<u>\$ 179</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. These tax specific key items included the following:

- Restructuring and separation activity: Includes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Uncertain tax positions: Includes the impact from settlement of uncertain tax positions with various tax authorities.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2020.

(c) Amortization expense adjustment (net of tax) tax rates were 20% for the three and twelve months ended September 30, 2021 and 24% and 21% for the three and twelve months ended September 30, 2020.

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

Table 7 (Continued)

	Three months ended		Year ended	
	September 30		September 30	
	2021	2020	2021	2020
Diluted EPS from continuing operations (as reported)	\$ 0.55	\$ (0.22)	\$ 2.82	\$ (9.16)
Key items, before tax:				
Restructuring, separation and other costs	-	0.36	0.16	0.95
Unrealized loss (gain) on securities	0.08	(0.18)	(0.34)	(0.33)
Goodwill impairment	-	-	-	8.75
Inventory adjustments	0.03	0.77	0.07	0.83
Environmental reserve adjustments	0.16	0.13	0.70	0.58
Accelerated amortization of debt issuance costs	0.02	-	0.02	0.13
Loss on early retirement of debt	0.26	-	0.26	0.97
(Gain) loss on pension and other postretirement plan remeasurements	0.02	(0.02)	0.02	(0.01)
Net loss (gain) on acquisitions and divestitures	-	-	(0.18)	-
Impairments	0.05	-	0.21	-
Key items, before tax	0.62	1.06	0.92	11.87
Tax effect of key items (a)	(0.14)	(0.22)	(0.18)	(0.58)
Key items, after tax	0.48	0.84	0.74	11.29
Tax specific key items:				
Restructuring and separation activity	-	-	(0.21)	-
Uncertain tax positions	(0.23)	0.05	(0.87)	0.05
Other tax reform related activity	0.10	0.08	0.10	(0.33)
Tax specific key items (b)	(0.13)	0.13	(0.98)	(0.28)
Total key items	0.35	0.97	(0.24)	11.01
Adjusted diluted EPS from continuing operations (non-GAAP)	<u>\$ 0.90</u>	<u>\$ 0.75</u>	<u>\$ 2.58</u>	<u>\$ 1.85</u>
Amortization expense adjustment (net of tax) (c)	0.32	0.28	1.17	1.08
Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense	<u>\$ 1.22</u>	<u>\$ 1.03</u>	<u>\$ 3.75</u>	<u>\$ 2.93</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. These tax specific key items included the following:

- Restructuring and separation activity: Includes the impact from company-wide restructuring activities. These adjustments related to various tax impacts including state tax costs, foreign tax costs and other tax account adjustments.
- Uncertain tax positions: includes the impact from settlement of uncertain tax positions with various tax authorities.
- Other tax reform: Includes the impact of other items related to the Tax Act and other tax law changes enacted during 2020.

(c) Amortization expense adjustment (net of tax) tax rates were 20% for the three and twelve months ended September 30, 2021 and 24% and 21% for the three and twelve months ended September 30, 2020.

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

Table 8

	Year ended	
	September 30	
	2021	2020
Adjusted EBITDA - Ashland Global Holdings Inc.		
Net income (loss)	\$ 220	\$ (508)
Income tax expense (benefit)	(38)	(22)
Net interest and other expense	56	119
Depreciation and amortization	244	235
EBITDA	482	(176)
Income from discontinued operations (net of taxes)	(47)	(47)
Key items included in EBITDA:		
Goodwill impairment	-	530
Restructuring, separation and other costs	10	58
Environmental reserve adjustments	43	34
Inventory adjustments	4	51
Asset impairments	13	-
Net loss (gain) on acquisitions and divestitures (a)	(11)	-
Loss (gain) on pension and other postretirement plan remeasurements	1	(1)
Adjusted EBITDA (b)	<u>\$ 495</u>	<u>\$ 449</u>

(a) Excludes income of zero and \$2 million during 2021 and 2020, respectively, related to ongoing adjustment of previous divestiture transactions.

(b) Includes \$6 million and \$4 million during 2021 and 2020, respectively, of new periodic pension and other postretirement costs (income) recognized ratably through the fiscal year. These costs (income) are comprised of service cost, interest cost, expected return on plan assets, and amortization of prior service credit.