

	Three months ended		Six months ended	
	March 31		March 31	
	2020	2019	2020	2019
Sales	\$ 610	\$ 667	\$ 1,143	\$ 1,243
Cost of sales	413	469	793	893
GROSS PROFIT	197	198	350	350
Selling, general and administrative expense	103	115	202	236
Research and development expense	18	17	34	34
Intangibles amortization expense	21	21	42	43
Equity and other income (loss)	7	(1)	7	-
Goodwill impairment	530	-	530	-
OPERATING INCOME (LOSS)	(468)	44	(451)	37
Net interest and other expense (income)	117	(3)	127	52
Other net periodic benefit income (loss)	-	(1)	-	17
Net gain (loss) on divestitures	-	-	3	(3)
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE INCOME TAXES	(585)	46	(575)	(1)
Income tax expense (benefit)	(10)	1	(34)	25
INCOME (LOSS) FROM CONTINUING OPERATIONS	(575)	45	(541)	(26)
Income (loss) from discontinued operations (net of income taxes)	(7)	31	(9)	54
NET INCOME (LOSS)	<u>\$ (582)</u>	<u>\$ 76</u>	<u>\$ (550)</u>	<u>\$ 28</u>
DILUTED EARNINGS PER SHARE				
Income (loss) from continuing operations	\$ (9.48)	\$ 0.71	\$ (8.93)	\$ (0.41)
Income (loss) from discontinued operations	(0.13)	0.48	(0.15)	0.86
Net income (loss)	<u>\$ (9.61)</u>	<u>\$ 1.19</u>	<u>\$ (9.08)</u>	<u>\$ 0.45</u>
AVERAGE DILUTED COMMON SHARES OUTSTANDING (a)	61	64	61	63
SALES				
Life Sciences	184	196	340	366
Personal Care and Household	159	183	296	337
Consumer Specialties	343	379	636	703
Specialty Additives	155	169	294	316
Performance Adhesives	85	89	159	171
Industrial Specialties	240	258	453	487
Intermediates & Solvents	37	44	64	77
Intersegment Sales	(10)	(14)	(10)	(24)
	<u>\$ 610</u>	<u>\$ 667</u>	<u>\$ 1,143</u>	<u>\$ 1,243</u>
OPERATING INCOME (LOSS)				
Life Sciences	36	33	58	56
Personal Care and Household	(336)	25	(326)	42
Consumer Specialties	(300)	58	(268)	98
Specialty Additives	(161)	(2)	(152)	(24)
Performance Adhesives	16	17	27	26
Industrial Specialties	(145)	15	(125)	2
Intermediates & Solvents	(2)	9	(14)	11
Unallocated and other	(21)	(38)	(44)	(74)
	<u>\$ (468)</u>	<u>\$ 44</u>	<u>\$ (451)</u>	<u>\$ 37</u>

(a) As a result of the loss from continuing operations for the three and six months ending March 31, 2020 and six months ending March 31, 2019, the effect of the share-based awards convertible to common shares would be anti-dilutive. In accordance with U.S. 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

	March 31 2020	September 30 2019
ASSETS		
Current assets		
Cash and cash equivalents	\$ 353	\$ 232
Accounts receivable	498	481
Inventories	611	597
Other assets	119	64
Held for sale	64	59
Total current assets	<u>1,645</u>	<u>1,433</u>
Noncurrent assets		
Property, plant and equipment		
Cost	3,172	3,165
Accumulated depreciation	1,608	1,588
Net property, plant and equipment	1,564	1,577
Goodwill	1,723	2,253
Intangibles	1,044	1,088
Operating lease assets, net	144	-
Restricted investments	277	310
Asbestos insurance receivable	145	157
Deferred income taxes	24	23
Other assets	402	410
Total noncurrent assets	<u>5,323</u>	<u>5,818</u>
Total assets	<u>\$ 6,968</u>	<u>\$ 7,251</u>
LIABILITIES AND EQUITY		
Current liabilities		
Short-term debt	\$ 471	\$ 166
Trade and other payables	255	313
Accrued expenses and other liabilities	218	271
Current operating lease obligations	23	-
Held for sale	5	7
Total current liabilities	<u>972</u>	<u>757</u>
Noncurrent liabilities		
Long-term debt	1,535	1,501
Asbestos litigation reserve	530	555
Deferred income taxes	250	264
Employee benefit obligations	151	150
Operating lease obligations	131	-
Other liabilities	416	453
Total noncurrent liabilities	<u>3,013</u>	<u>2,923</u>
Stockholders' equity	<u>2,983</u>	<u>3,571</u>
Total liabilities and stockholders' equity	<u>\$ 6,968</u>	<u>\$ 7,251</u>

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

Table 3

	Three months ended		Six months ended	
	March 31		March 31	
	2020	2019	2020	2019
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES				
FROM CONTINUING OPERATIONS				
Net income (loss)	\$ (582)	\$ 76	\$ (550)	\$ 28
Income (loss) from discontinued operations (net of taxes)	7	(31)	9	(54)
Adjustments to reconcile income from continuing operations to cash flows from operating activities				
Depreciation and amortization	61	82	122	163
Original issue discount and debt issuance cost amortization	10	2	12	4
Deferred income taxes	(16)	(1)	(28)	2
Stock based compensation expense	4	6	8	13
Excess tax benefit on stock based compensation	1	1	1	2
Loss on early retirement of debt	59	-	59	-
(Income) loss from restricted investments	29	(30)	16	(2)
Net (income) loss on divestitures	-	-	-	3
Impairments	530	5	530	5
Pension contributions	(2)	(2)	(3)	(3)
Loss (gain) on pension and other postretirement plan remeasurements	-	-	-	(18)
Change in operating assets and liabilities (a)	(54)	(93)	(163)	(137)
Total cash flows provided by operating activities from continuing operations	47	15	13	6
CASH FLOWS PROVIDED (USED) BY INVESTING ACTIVITIES				
FROM CONTINUING OPERATIONS				
Additions to property, plant and equipment	(37)	(37)	(66)	(70)
Proceeds from disposal of property, plant and equipment	-	-	-	4
Purchase of operations - net of cash acquired	-	(1)	-	(1)
Net purchase of funds restricted for specific transactions	(1)	-	(2)	(2)
Reimbursements from restricted investments	9	12	19	20
Proceeds from sale of securities	6	156	10	156
Purchases of securities	(6)	(156)	(10)	(156)
Proceeds from the settlement of derivative instruments	-	1	-	2
Payments for the settlement of derivative instruments	-	-	-	(2)
Total cash flows used by investing activities from continuing operations	(29)	(25)	(49)	(49)
CASH FLOWS PROVIDED (USED) BY FINANCING ACTIVITIES				
FROM CONTINUING OPERATIONS				
Proceeds from issuance of long-term debt	804	-	804	-
Repayment of long-term debt	(767)	(7)	(767)	(8)
Proceeds from (repayment of) short-term debt	292	37	306	11
Premium on long-term debt repayment	(59)	-	(59)	-
Debt issuance costs	(11)	-	(11)	-
Cash dividends paid	(17)	(15)	(33)	(31)
Stock based compensation employee withholding taxes paid in cash	(1)	(1)	(6)	(8)
Total cash flows provided (used) by financing activities from continuing operations	241	14	234	(36)
CASH PROVIDED (USED) BY CONTINUING OPERATIONS	259	4	198	(79)
Cash provided (used) by discontinued operations				
Operating cash flows	(62)	17	(79)	(41)
Investing cash flows	(1)	(6)	1	(8)
Effect of currency exchange rate changes on cash and cash equivalents	-	-	1	(2)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	196	15	121	(130)
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	157	149	232	294
CASH AND CASH EQUIVALENTS - END OF PERIOD	<u>\$ 353</u>	<u>\$ 164</u>	<u>\$ 353</u>	<u>\$ 164</u>
DEPRECIATION AND AMORTIZATION				
Life Sciences	15	15	30	30
Personal Care and Household	19	19	38	39
Consumer Specialties	34	34	68	69
Specialty Additives	20	39	40	78
Performance Adhesives	4	4	7	7
Industrial Specialties	24	43	47	85
Intermediates & Solvents	3	3	7	6
Unallocated and other	-	2	-	3
	<u>\$ 61</u>	<u>\$ 82</u>	<u>\$ 122</u>	<u>\$ 163</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 March 31	
	2020	2019
Adjusted EBITDA - Ashland Global Holdings Inc.		
Net income (loss)	\$ (582)	\$ 76
Income tax expense (benefit)	(10)	1
Net interest and other expense	117	(3)
Depreciation and amortization (a)	61	62
EBITDA	(414)	136
Income (loss) from discontinued operations (net of taxes)	7	(31)
Operating key items (see Table 5)	549	37
Adjusted EBITDA	<u>\$ 142</u>	<u>\$ 142</u>
Life Sciences		
Operating income	\$ 36	\$ 33
Add:		
Depreciation and amortization	15	15
Operating key items (see Table 5)	1	-
Adjusted EBITDA	<u>\$ 52</u>	<u>\$ 48</u>
Personal Care and Household		
Operating income	\$ (336)	\$ 25
Add:		
Depreciation and amortization	19	19
Operating key items (see Table 5)	356	-
Adjusted EBITDA	<u>\$ 39</u>	<u>\$ 44</u>
Adjusted EBITDA - Consumer Specialties Total		
Operating income	\$ (300)	\$ 58
Add:		
Depreciation and amortization	34	34
Operating key items (see Table 5)	357	-
Adjusted EBITDA	<u>\$ 91</u>	<u>\$ 92</u>

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

Table 4 (Continued)

	Three months ended March 31	
	2020	2019
Specialty Additives		
Operating income	\$ (161)	\$ (2)
Add:		
Depreciation and amortization (a)	20	20
Operating key items (see Table 5)	174	20
Adjusted EBITDA	<u>\$ 33</u>	<u>\$ 38</u>
Performance Adhesives		
Operating income	\$ 16	\$ 17
Add:		
Depreciation and amortization	4	4
Operating key items (see Table 5)	-	-
Adjusted EBITDA	<u>\$ 20</u>	<u>\$ 21</u>
Adjusted EBITDA - Industrial Specialties Total		
Operating income	\$ (145)	\$ 15
Add:		
Depreciation and amortization (a)	24	24
Operating key items (see Table 5)	174	20
Adjusted EBITDA	<u>\$ 53</u>	<u>\$ 59</u>
Adjusted EBITDA - Intermediates and Solvents		
Operating income	\$ (2)	\$ 9
Add:		
Depreciation and amortization	3	3
Operating key items (see Table 5)	4	-
Adjusted EBITDA	<u>\$ 5</u>	<u>\$ 12</u>

(a) Depreciation and amortization excludes accelerated depreciation of \$19 million for Specialty Additives for the three months ended March 31, 2019 and \$1 million for Unallocated and other for the three months ended March 31, 2019, which are included as key items within this table.

SEGMENT COMPONENTS OF KEY ITEMS FOR APPLICABLE INCOME STATEMENT CAPTIONS

(In millions - preliminary and unaudited)

	Three Months Ended March 31, 2020								Total
	Life Sciences	Personal Care and Household	Consumer Specialties	Specialty Additives	Performance Adhesives	Industrial Specialties	Intermediates and Solvents	Unallocated & Other	
OPERATING INCOME (LOSS)									
Operating key items:									
Restructuring, separation and other costs	\$ (1)	\$ -	\$ (1)	\$ -	\$ -	\$ -	\$ -	\$ (14)	\$ (15)
Goodwill impairment	-	(356)	(356)	(174)	-	(174)	-	-	(530)
Inventory adjustment	-	-	-	-	-	-	(4)	-	(4)
All other operating income (loss)	37	20	57	13	16	29	2	(7)	81
Operating income (loss)	36	(336)	(300)	(161)	16	(145)	(2)	(21)	(468)
NET INTEREST AND OTHER EXPENSE									
Key items								99	99
All other net interest and other expense								18	18
								117	117
INCOME TAX EXPENSE (BENEFIT)									
Tax effect of key items (a)								(21)	(21)
Tax specific key items (b)								-	-
All other income tax expense (benefit)								11	11
								(10)	(10)
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>\$ 36</u>	<u>\$ (336)</u>	<u>\$ (300)</u>	<u>\$ (161)</u>	<u>\$ 16</u>	<u>\$ (145)</u>	<u>\$ (2)</u>	<u>\$ (128)</u>	<u>\$ (575)</u>
	Three Months Ended March 31, 2019								Total
	Life Sciences	Personal Care and Household	Consumer Specialties	Specialty Additives	Performance Adhesives	Industrial Specialties	Intermediates and Solvents	Unallocated & Other	
OPERATING INCOME (LOSS)									
Operating key items:									
Restructuring, separation and other costs	\$ -	\$ -	\$ -	\$ (20)	\$ -	\$ (20)	\$ -	\$ (12)	\$ (32)
Proxy Costs	-	-	-	-	-	-	-	(5)	(5)
All other operating income (loss)	33	25	58	18	17	35	9	(21)	81
Operating income (loss)	33	25	58	(2)	17	15	9	(38)	44
NET INTEREST AND OTHER EXPENSE (INCOME)									
Key items								(27)	(27)
All other net interest and other expense (income)								24	24
OTHER NET PERIODIC BENEFIT INCOME (COSTS)									
All other net periodic benefit income (costs)								(1)	(1)
INCOME TAX EXPENSE (BENEFIT)									
Tax effect of key items (a)								2	2
Tax specific key items (b)								(5)	(5)
All other income tax expense (benefit)								4	4
								1	1
INCOME (LOSS) FROM CONTINUING OPERATIONS	<u>\$ 33</u>	<u>\$ 25</u>	<u>\$ 58</u>	<u>\$ (2)</u>	<u>\$ 17</u>	<u>\$ 15</u>	<u>\$ 9</u>	<u>\$ (37)</u>	<u>\$ 45</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 March 31		Six months ended March 31	
	2020	2019	2020	2019
Free cash flows (a)				
Total cash flows used by operating activities from continuing operations	\$ 47	\$ 15	\$ 13	\$ 6
Adjustments:				
Additions to property, plant and equipment	(37)	(37)	(66)	(70)
Free cash flows (a)	<u>\$ 10</u>	<u>\$ (22)</u>	<u>\$ (53)</u>	<u>\$ (64)</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 March 31		Six months ended March 31	
	2020	2019	2020	2019
Adjusted operating income (loss)				
Operating income (loss) (as reported)	\$ (468)	\$ 44	\$ (451)	\$ 37
Key items, before tax:				
Restructuring, separation and other costs	15	32	22	77
Proxy costs	-	5	-	5
Goodwill impairment	530	-	530	-
Inventory adjustment	4	-	4	-
Adjusted operating income (non-GAAP)	<u>\$ 81</u>	<u>\$ 81</u>	<u>\$ 105</u>	<u>\$ 119</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 March 31		Six months ended March 31	
	2020	2019	2020	2019
Income (loss) from continuing operations (as reported)	\$ (575)	\$ 45	\$ (541)	\$ (26)
Key items, before tax:				
Restructuring, separation and other costs	15	32	22	77
Proxy costs	-	5	-	5
Gain on pension and other postretirement plan remeasurements	-	-	-	(18)
Unrealized (gain) loss on securities	32	(27)	23	3
Goodwill impairment	530	-	530	-
Inventory adjustment	4	-	4	-
Accelerated amortization of debt issuance costs	8	-	8	-
Loss on early retirement of debt	59	-	59	-
Net loss on acquisitions and divestitures	-	-	-	3
Key items, before tax	648	10	646	70
Tax effect of key items (a)	(21)	2	(20)	(5)
Key items, after tax	627	12	626	65
Tax specific key items:				
Deferred tax rate changes	-	-	-	2
One-time transition tax	-	-	-	22
Restructuring and separation activity	-	(2)	-	(1)
Other tax reform related activity	-	(3)	(25)	-
Tax specific key items (b)	-	(5)	(25)	23
Total key items	627	7	601	88
Adjusted income from continuing operations (non-GAAP)	<u>\$ 52</u>	<u>\$ 52</u>	<u>\$ 60</u>	<u>\$ 62</u>
Amortization expense adjustment (net of tax) (c)	17	17	34	34
Adjusted income from continuing operations (non-GAAP) excluding intangibles amortization expense	<u>\$ 69</u>	<u>\$ 69</u>	<u>\$ 94</u>	<u>\$ 96</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:

- 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 2019 and 2020.

(c) Amortization expense adjustment (net of tax) tax rates were 20% for the three and six months ended March 31, 2020 and 25% for the three and six months ended March 31, 2019.

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 March 31		Six months ended March 31	
	2020	2019	2020	2019
Diluted EPS from continuing operations (as reported)	\$ (9.48)	\$ 0.71	\$ (8.93)	\$ (0.41)
Key items, before tax:				
Restructuring, separation and other costs	0.23	0.50	0.35	1.21
Proxy costs	-	0.08	-	0.08
Gain on pension and other postretirement plan remeasurements	-	-	-	(0.29)
Unrealized (gain) loss on securities	0.53	(0.42)	0.38	0.05
Goodwill impairment	8.75	-	8.75	-
Inventory adjustment	0.06	-	0.06	-
Accelerated amortization of debt issuance costs	0.13	-	0.13	-
Debt refinancing costs	0.97	-	0.97	-
Net loss on acquisitions and divestitures	-	-	-	0.05
Key items, before tax	10.67	0.16	10.64	1.10
Tax effect of key items (a)	(0.35)	0.04	(0.33)	(0.08)
Key items, after tax	10.32	0.20	10.31	1.02
Tax specific key items:				
Deferred tax rate changes	-	-	-	0.03
One-time transition tax	-	-	-	0.35
Restructuring and separation activity	-	(0.03)	-	(0.02)
Other tax reform related activity	-	(0.05)	(0.41)	-
Tax specific key items (b)	-	(0.08)	(0.41)	0.36
Total key items	10.32	0.12	9.90	1.38
Adjusted diluted EPS from continuing operations (non-GAAP)	<u>\$ 0.84</u>	<u>\$ 0.83</u>	<u>\$ 0.97</u>	<u>\$ 0.97</u>
Amortization expense adjustment (net of tax) (c)	0.28	0.25	0.56	0.51
Adjusted diluted EPS from continuing operations (non-GAAP) excluding intangibles amortization expense	<u>\$ 1.12</u>	<u>\$ 1.08</u>	<u>\$ 1.53</u>	<u>\$ 1.48</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:

- 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 2019 and 2020.

(c) Amortization expense adjustment (net of tax) tax rates were 20% for the three and six months ended March 31, 2020 and 25% for the three and six months ended March 31, 2019.