



Second-Quarter Fiscal 2017 Earnings

April 25, 2017

 ashland.com / efficacy usability allure integrity profitability



Forward-Looking Statements

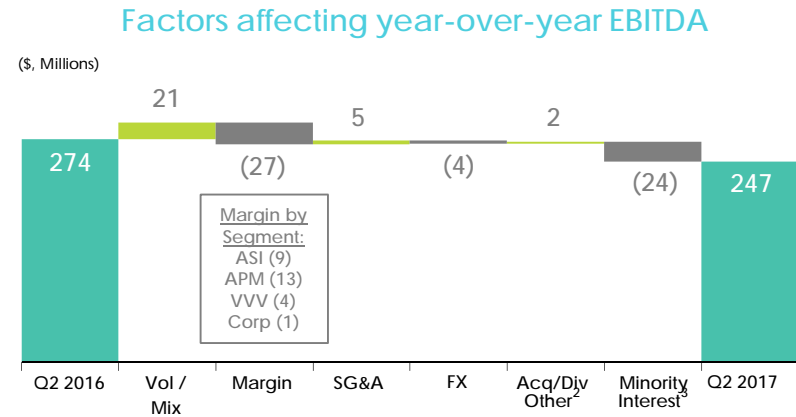
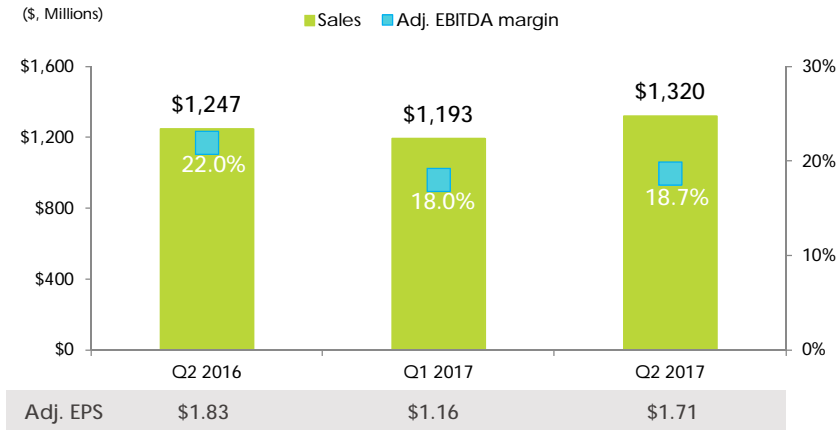
This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. Ashland has identified some of these forward-looking statements with words such as “anticipates,” “believes,” “expects,” “estimates,” “is likely,” “predicts,” “projects,” “forecasts,” “objectives,” “may,” “will,” “should,” “plans” and “intends” and the negative of these words or other comparable terminology. These forward-looking statements include statements relating to our expectation that the proposed acquisition of Pharmachem Laboratories, Inc. (Pharmachem) will be completed before the end of the June quarter and the expected final separation of Valvoline Inc. (“Valvoline”) through the distribution of Valvoline common stock. In addition, 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, the expected completion of the final separation of Valvoline Inc., the strategic and competitive advantages of each company, and future opportunities for each company, as well as the economy and other future events or circumstances. 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: 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); the impact of acquisitions and/or divestitures Ashland has made or may make, including the proposed acquisition of Pharmachem (including the possibility that Ashland may not complete the proposed acquisition of Pharmachem or Ashland may not realize the anticipated benefits from such transactions); and severe weather, natural disasters, and legal proceedings and claims (including environmental and asbestos matters). Various risks and uncertainties may cause actual results to differ materially from those stated, projected or implied by any forward-looking statements, including, 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>. 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 presentation whether as a result of new information, future events or otherwise. Information on Ashland’s website is not incorporated into or a part of this presentation.

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 related to previous Ashland filings with the SEC has been reconciled with reported U.S. GAAP results.



Fiscal Second Quarter 2017 Highlights¹



- Reported GAAP earnings from continuing operations of \$1.42 per diluted share
- Adjusted earnings of \$1.71 vs. \$1.83 per diluted share in prior year
- Total sales growth of 6 percent to \$1.32 billion
- Ashland Specialty Ingredients continued to deliver sales and volume growth
- Signed a definitive agreement to acquire Pharmachem Laboratories, Inc.

¹ Ashland's earnings releases dated April 25, 2017, and January 26, 2017, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

² Acquisitions include OCH International, Inc. and Time-It Lube.

³ The three months ended March 31, 2017 excludes adjusted EBITDA attributable to non-controlling interest of Valvoline Inc. of \$24 million.

Consolidated Income Statement

Ashland Income Statement

Sales
Gross profit as a percent of sales
Selling, general and admin./R&D costs
Operating income
Operating income as a percent of sales
Depreciation and amortization
Earnings before interest, taxes, depreciation and amortization (EBITDA)
EBITDA as a percent of sales

Line items include Valvoline segment amounts consistent with Ashland's historical reporting practice

EBITDA and net income exclude the 17% of Valvoline net income attributable to Ashland's non-controlling interest

- For more information on Valvoline results, refer to the Valvoline Inc. second-quarter earnings release dated April 25, 2017 and earnings conference call

Fiscal Second Quarter – Continuing Operations

Key Items Affecting Income

(\$ in millions, except EPS) Preliminary	Operating Income				Total		
	Ashland Specialty Ingredients	Ashland Performance Materials	Valvoline	Unallocated and Other	Pre-tax	After-tax	Earnings per Share
2017							
Separation costs				\$ (26)	\$ (26)	\$ (19)	\$ (0.29)
Total				\$ (26)	\$ (26)	\$ (19)	\$ (0.29)
2016							
Restructuring & separation costs	\$ (2)			\$ (16)	\$ (18)	\$ (14)	\$ (0.23)
Losses on pension and other post retirement plan remeasurements				(23)	(23)	(11)	(0.17)
Legal reserve				(5)	(5)	(3)	(0.05)
Total	\$ (2)			\$ (44)	\$ (46)	\$ (28)	\$ (0.45)

- Excluding intangible amortization, adjusted EPS would have been 22 cents higher, or \$1.93 per diluted share

Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Second Quarter Three months ended Mar. 31,			Three months ended Dec. 31,	
	2017	2016	Change	2016	Change
Sales	\$1,320	\$1,247	6 %	\$1,193	11 %
Gross profit as a percent of sales	32.8 %	34.9 %	(210) bp	32.0 %	80 bp
Selling, general and admin./R&D costs	\$ 243	\$ 248	(2) %	\$ 235	3 %
Operating income	\$ 196	\$ 193	2 %	\$ 160	23 %
Operating income as a percent of sales	14.8 %	15.5 %	(70) bp	13.4 %	140 bp
Depreciation and amortization	\$ 75	\$ 83	(10) %	\$ 77	(3) %
Earnings before interest, taxes, depreciation and amortization (EBITDA) ²	\$ 247	\$ 274	(10) %	\$ 215	15 %
EBITDA as a percent of sales	18.7 %	22.0 %	(330) bp	18.0 %	70 bp

- Total sales of \$1.32 billion represents year-over-year growth of 6 percent
- Adjusted EBITDA of \$247 million and adjusted EBITDA margin of 18.7 percent

¹ Ashland's earnings releases dated April 25, 2017, and January 26, 2017, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

² The three months ended March 31, 2017 excludes adjusted EBITDA attributable to non-controlling interest of Valvoline Inc. of \$24 million.



Ashland Specialty Ingredients Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Second Quarter Three months ended Mar. 31,			Three months ended Dec. 31,	
	2017	2016	Change	2016	Change
Metric tons sold (in thous.) - Actives basis	80.7	77.3	4 %	72.6	11 %
Sales	\$ 544	\$ 529	3 %	\$ 482	13 %
Gross profit as a percent of sales	34.8 %	35.1 %	(30) bp	32.0 %	280 bp
Selling, general and admin./R&D costs	\$ 116	\$ 117	(1) %	\$ 114	2 %
Operating income	\$ 74	\$ 67	10 %	\$ 40	85 %
Operating income as a percent of sales	13.6 %	12.7 %	90 bp	8.3 %	530 bp
Depreciation and amortization	\$ 53	\$ 60	(12) %	\$ 55	(4) %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 127	\$ 127	- %	\$ 95	34 %
EBITDA as a percent of sales	23.3 %	24.0 %	(70) bp	19.7 %	360 bp

- Sales increased \$15 million, or 3 percent, to \$544 million in the second quarter
- Adjusted EBITDA of \$127 million remained consistent with the prior year

¹ Ashland's earnings releases dated April 25, 2017, and January 26, 2017, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

Ashland Performance Materials Adjusted Results Summary¹

(\$ in millions) Preliminary	Fiscal Second Quarter Three months ended Mar. 31,			Three months ended Dec. 31,	
	2017	2016	Change	2016	Change
Metric tons sold (in thousands)	127.9	116.3	10 %	110.6	16 %
Sales	\$ 262	\$ 239	10 %	\$ 222	18 %
Gross profit as a percent of sales	14.7 %	20.6 %	(590) bp	15.4 %	(70) bp
Selling, general and admin./R&D costs	\$ 29	\$ 31	(6) %	\$ 30	(3) %
Operating income	\$ 10	\$ 20	(50) %	\$ 8	25 %
Operating income as a percent of sales	3.8 %	8.4 %	(460) bp	3.6 %	20 bp
Depreciation and amortization	\$ 13	\$ 13	- %	\$ 13	- %
Earnings before interest, taxes, depreciation and amortization (EBITDA)	\$ 23	\$ 33	(30) %	\$ 21	10 %
EBITDA as a percent of sales	8.8 %	13.8 %	(500) bp	9.5 %	(70) bp

- Sales of \$262 million represents year-over-year growth of 10 percent
- Adjusted EBITDA of \$23 million and Adjusted EBITDA margin of 8.8 percent

¹ Ashland's earnings releases dated April 25, 2017, and January 26, 2017, available on Ashland's website at <http://investor.ashland.com>, reconcile adjusted amounts to amounts reported under GAAP.

Fiscal Second Quarter 2017

Corporate Items

- Adjusted corporate operating income of \$6 million
 - Excluding Valvoline, Ashland FY 2017 expectation of \$30-\$35 million expense
- Net interest expense of \$38 million
 - Excluding Valvoline, Ashland FY 2017 expectation of \$125-\$135 million reflecting increased bank debt associated with the acquisition of Pharmachem
- Effective tax rate of 24 percent
 - Excluding Valvoline, Ashland FY 2017 expectation 10%-15%
- Trade Working Capital¹ for the quarter was 23 percent of sales
- Capital expenditures totaled \$61 million
 - Excluding Valvoline, Ashland FY 2017 expectation of \$205-\$215 million
- Operating cash flow of \$50 million; free cash flow² of -\$11 million
 - Excluding Valvoline, Ashland FY 2017 expectation for free cash flow² of \$90-\$100 million which includes \$60-\$70 million of one-time separation and severance-related payments

¹ Trade Working Capital defined as trade accounts receivables plus inventories minus trade accounts payables.

² Definition of free cash flow: operating cash less capital expenditures and other items Ashland has deemed non-operational.

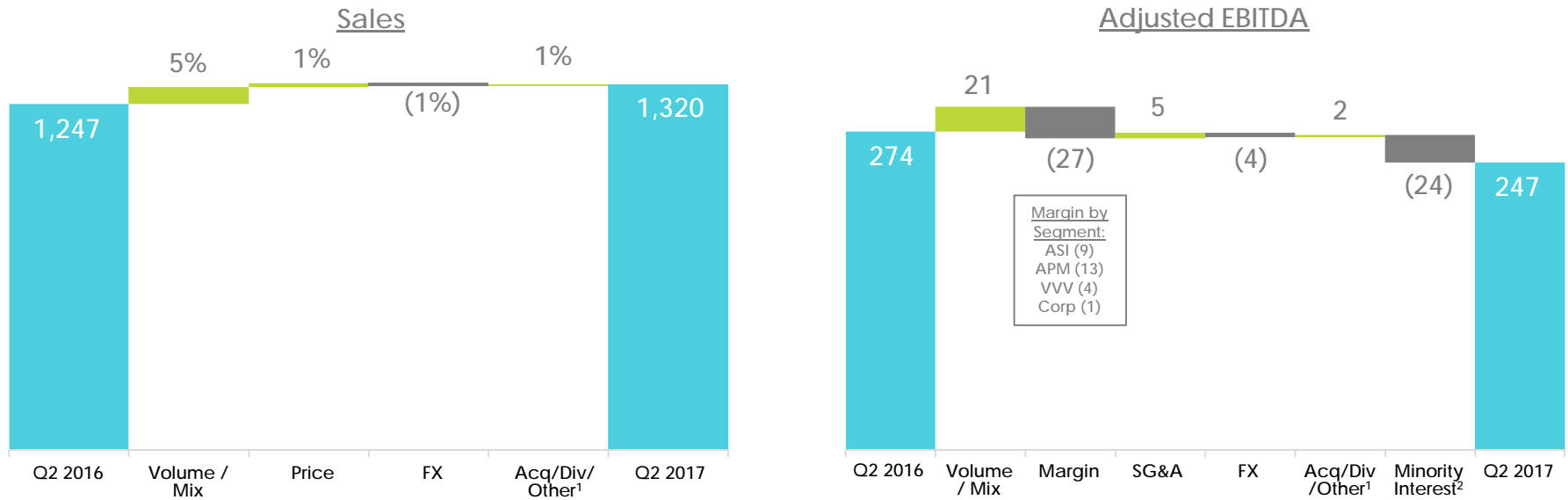


Appendix A: Bridges

Ashland Q2 FY 2016 vs. Q2 FY 2017

Sales and Adjusted EBITDA Bridges

(\$ millions)
Preliminary



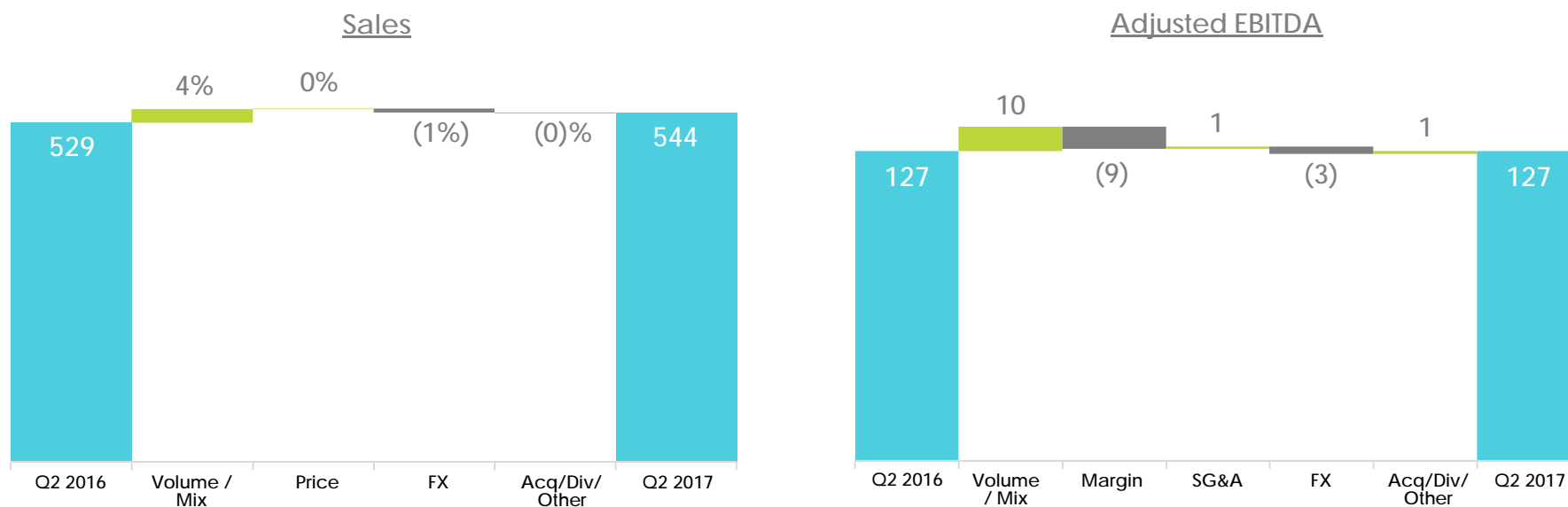
- Sales increased \$73 million, or 6 percent, compared to the prior-year quarter
- Adjusted EBITDA of \$247 million excludes \$24 million attributable to non-controlling interest of Valvoline

1 Acquisitions include OCH International, Inc. and Time-It Lube.

2 The three months ended March 31, 2017 excludes adjusted EBITDA attributable to non-controlling interest of Valvoline Inc. of \$24 million.

Ashland Specialty Ingredients Sales and Adjusted EBITDA Bridges

(\$ millions)
Preliminary

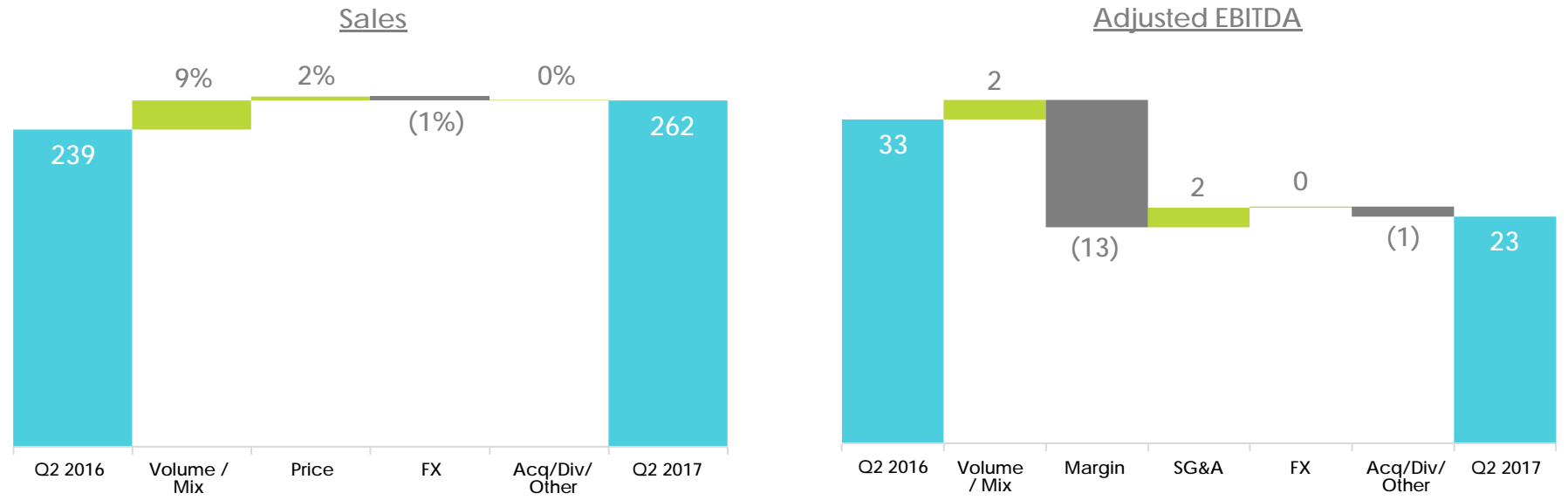


- Sales increased \$15 million, or 3 percent, to \$544 million in the second quarter
- Volume growth of 4% driven by growth in both Consumer and Industrial Specialties end markets
- Adjusted EBITDA of \$127 million remained consistent with the prior year

Ashland Performance Materials

Sales and Adjusted EBITDA Bridges

(\$ millions)
Preliminary

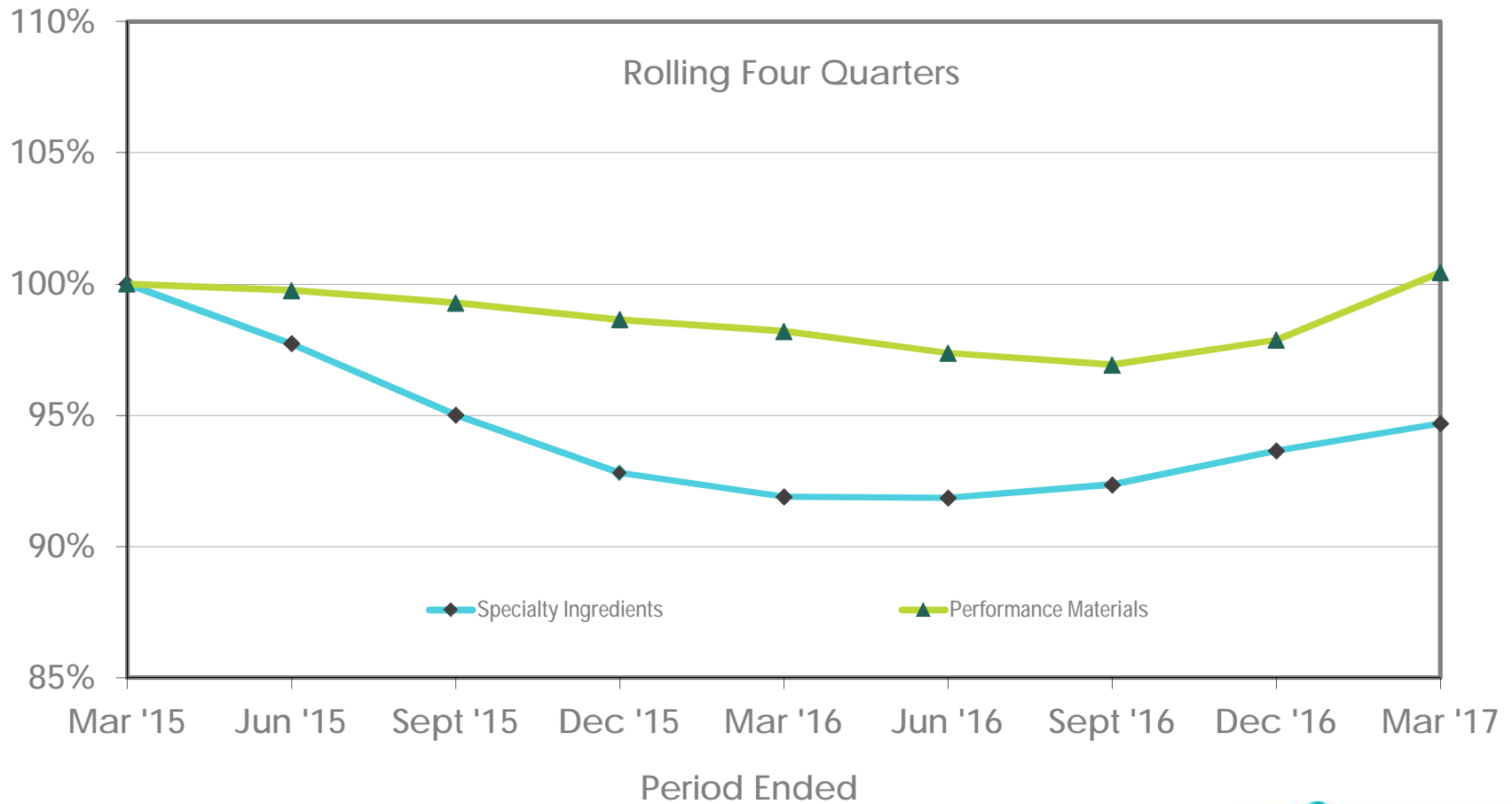


- Sales increased \$23 million, or 10 percent, to \$262 million in the second quarter
- Volume growth of 10% driven by growth in both Composites and Intermediates & Solvents
- Adjusted EBITDA of \$23 million consistent with expectations and reflecting lower butanediol pricing when compared to the prior-year period



Appendix B: Volume Trends and Liquidity and Net Debt

Normalized Volume Trends¹



¹ Excludes volumes associated with divestitures of biocides and exited redispersible powders (RDP) product line for all periods.

Liquidity and Net Debt

(\$ in millions)

Liquidity	At March 31, 2017		
	Ashland	Valvoline	Cons.
Cash	\$ 470	135	605
Available revolver and A/R facility capacity	847	486	1,333
Liquidity	\$ 1,317	621	1,938

Debt	Expiration	Interest Rate	Moody's	S&P	At March 31, 2017		
					Ashland	Valvoline	Cons.
4.750% senior notes, par \$1,086 million	08/2022	4.750%	Ba1	BB	\$ 1,082		1,082
3.875% senior notes, par \$659 million	04/2018	3.875%	Ba1	BB	659		659
6.875% senior notes, par \$375 million	05/2043	6.875%	Ba1	BB	376		376
6.5% debentures, par \$100 million	06/2029	6.50%	Ba2	BB	50		50
Valvoline 5.5% Notes, par \$375 million	07/2024	5.50%	Ba3	BB		375	375
Term Loan A ¹	09/2021			BBB-		293	293
Revolver drawn ²							-
A/R facility drawn ³						75	75
Other debt					8	5	13
Total debt					\$ 2,175	748	2,923
Cash					\$ 470	135	605
Net debt (cash)					\$ 1,705	613	2,318

¹ The Valvoline Term Loan has an amortizing principal, with complete repayment in 2021.

² Ashland's \$800 million revolving facility, including \$52 million used for letters of credit.

Valvoline's \$450 million revolving facility, including \$14 million used for letters of credit.

³ Ashland has an AR securitization facility with maximum borrowing capacity of \$100 million; March 31 capacity of \$99 million. Valvoline's program has a maximum capacity of \$125 million and available capacity as of March 31 of \$50 million.

Corporate Credit Ratings

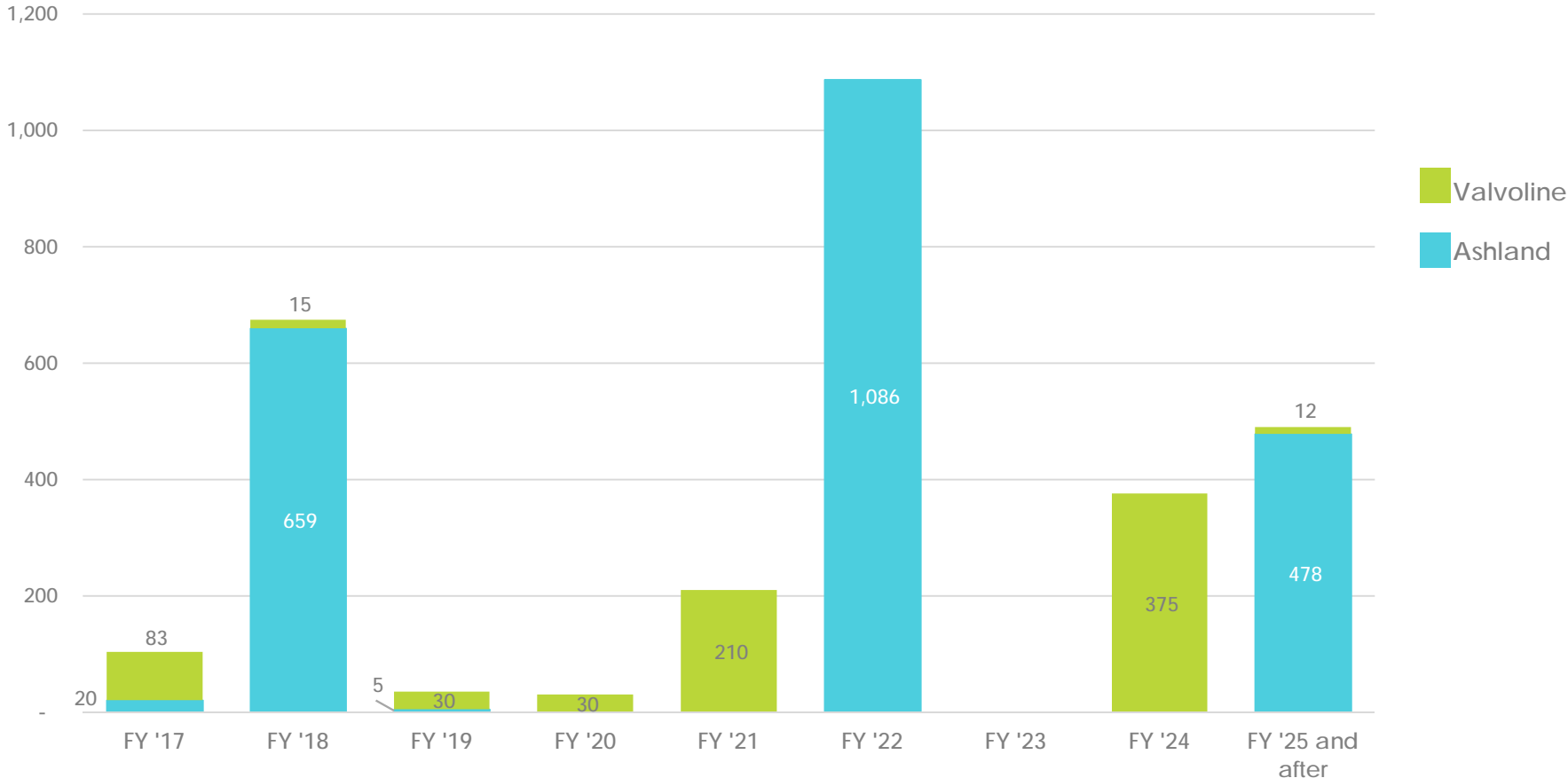
	Moody's	S&P
Ashland	Ba1 Stable	BB Stable
Valvoline	Ba2 Stable	BB Stable

Key Developments:

- During March 2017, Ashland conducted open market purchases of our 2018 and 2022 senior notes, totaling \$15MM in par value

Scheduled Debt Payments

(\$ in millions)



Appendix C: Business Profiles

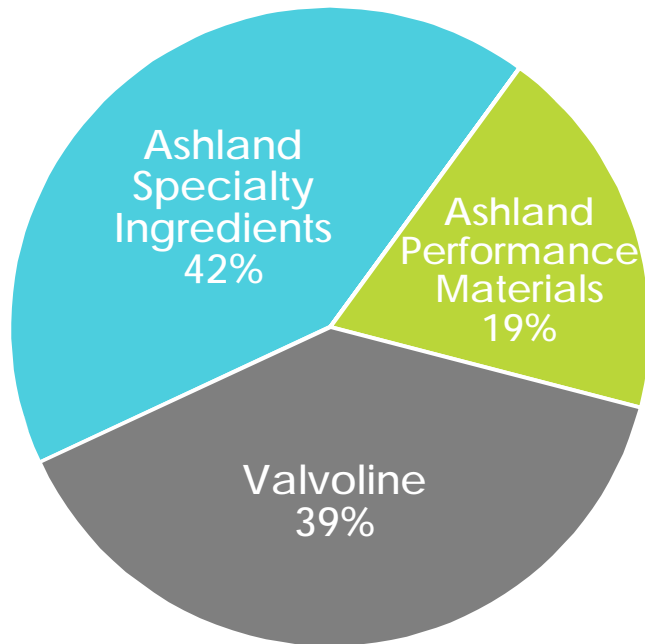
12 Months Ended March 31, 2017



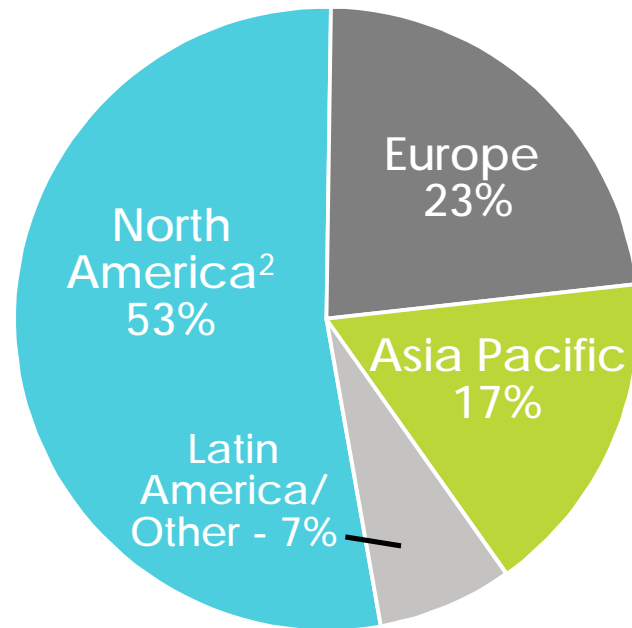
Corporate Profile

Sales¹ - \$5.1 Billion

By business unit



By geography

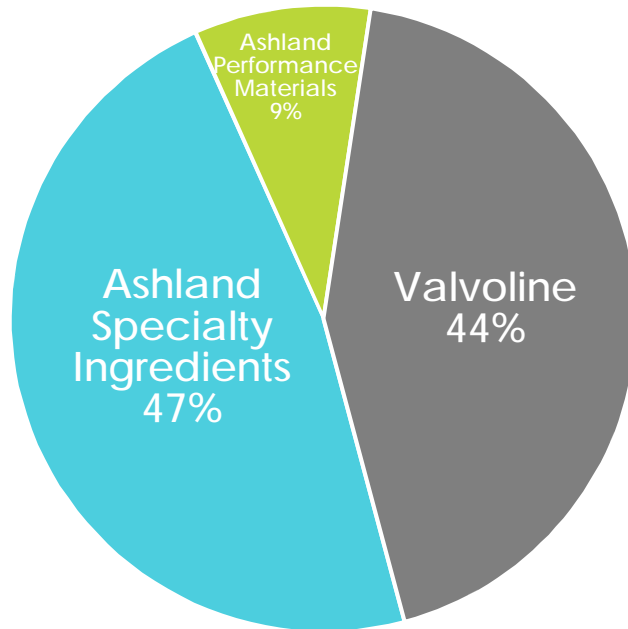


¹ For 12 months ended March 31, 2017.

² Ashland includes only U.S. and Canada in its North America designation.

Corporate Profile

Adjusted EBITDA¹ - \$1.0 Billion



NYSE Ticker Symbol: ASH

Total Employees²: ~6,000

Outside North America ~50%

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

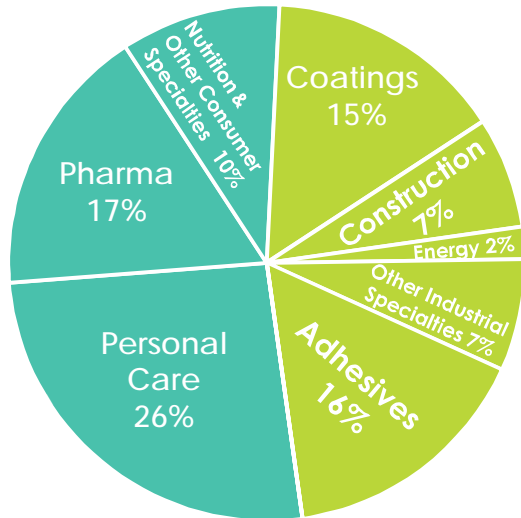
1 For 12 months ended March 31, 2017 including Valvoline. See Appendix D for reconciliation to amounts reported under GAAP.

2 Excludes Valvoline.

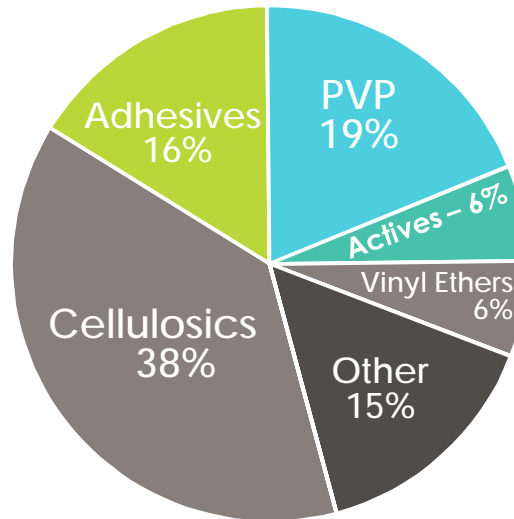
Ashland Specialty Ingredients

A global leader of cellulose ethers, vinyl pyrrolidones and biofunctionals

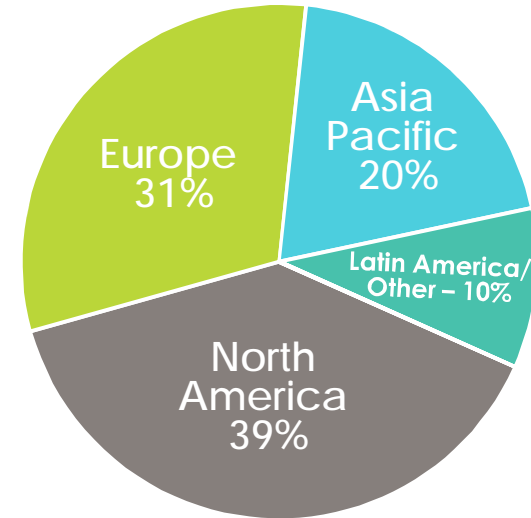
Sales by Market²



Sales by Product



Sales by Geography



For 12 Months Ended March 31, 2017

Sales: \$2.1 billion

Adjusted EBITDA: \$476 million¹

Adjusted EBITDA Margin: 22.6%¹

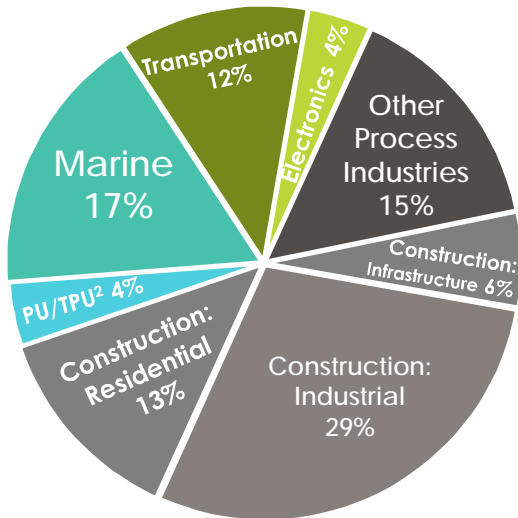
¹ See Appendix D for reconciliation to amounts reported under GAAP.

² Within the Sales by Market chart above, Industrial Specialties are presented in green and Consumer Specialties are presented in blue.

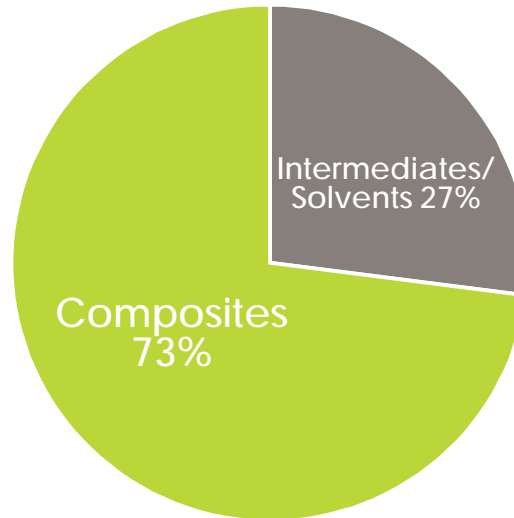
Ashland Performance Materials

A global leader in unsaturated polyester resins and vinyl ester resins

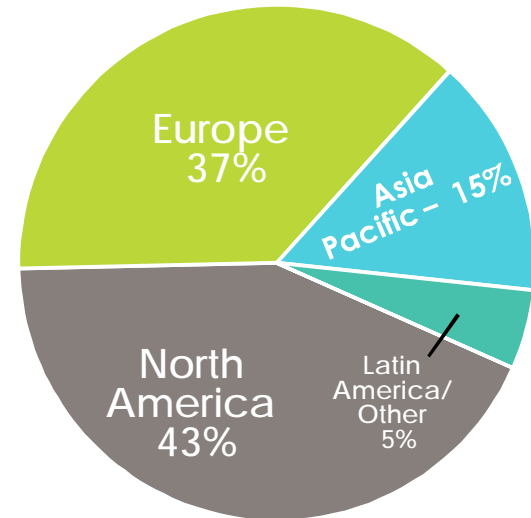
Sales
by Market



Sales
by Product



Sales
by Geography



For 12 Months Ended March 31, 2017

Sales: \$944 million

Adjusted EBITDA: \$91 million¹

Adjusted EBITDA Margin: 9.6%¹

¹ See Appendix D for reconciliation to amounts reported under GAAP.

² PU/TPU stands for Polyurethane and Thermoplastic Polyurethane.

Appendix D: 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 March 31, 2017

(\$ millions, except percentages)

Sales ¹	Q2 17	Q1 17	Q4 16	Q3 16	Total	
Specialty Ingredients	544	482	532	552	2,110	
Performance Materials	262	222	222	238	944	
Valvoline	514	489	494	500	1,997	
Total	1,320	1,193	1,248	1,290	5,051	
						Adjusted EBITDA Margin
Adjusted EBITDA ¹	Q2 17	Q1 17	Q4 16	Q3 16	Total	
Specialty Ingredients	127	95	126	128	476	22.6%
Performance Materials	23	21	17	30	91	9.6%
Valvoline	115	108	106	119	448	22.4%
Unallocated	(18)	(9)	10	17	0	
Total	247	215	259	294	1,015	

¹ 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.





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