

## Ashland Global (ASH)

**\$59.77** (Stock Price as of 12/17/2025)

Price Target (6-12 Months): **\$50.00**

Long Term: 6-12 Months

**Zacks Recommendation: Underperform**

(Since: 10/24/25)

Prior Recommendation: Neutral

Short Term: 1-3 Months

**Zacks Rank: (1-5)**

**5-Strong Sell**

Zacks Style Scores:

VGM: C

Value: C

Growth: C

Momentum: C

### Summary

Ashland's fiscal fourth-quarter earnings missed the Zacks Consensus Estimate. It faces challenges, including reduced Life Sciences sales and demand and pricing pressure in the intermediates market. Portfolio optimization, lower pharmaceutical sales and competition in China and export markets reduce volumes. Although European markets are stabilizing, demand remains subdued. Low customer confidence due to global trade policies may affect sales in the upcoming quarter. Ongoing global logistics and shipping constraints are contributing to higher costs and adversely impacting margins. These headwinds are expected to keep sales growth and profitability under pressure.

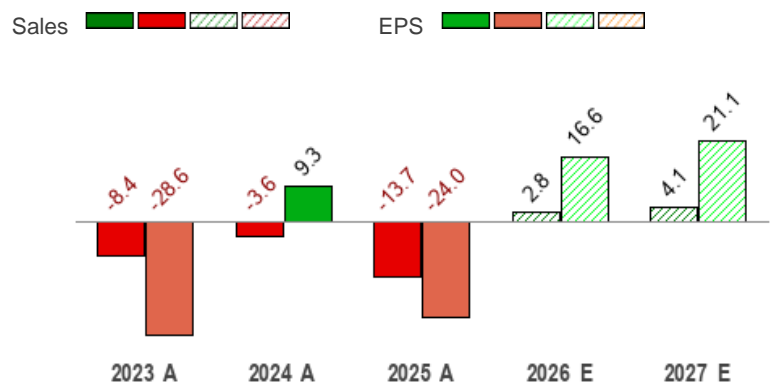
### Price, Consensus & Surprise<sup>(1)</sup>



### Data Overview

52 Week High-Low	\$73.84 - \$45.21
20 Day Average Volume (sh)	1,056,260
Market Cap	\$2.7 B
YTD Price Change	-16.4%
Beta	0.45
Dividend / Div Yld	\$1.66 / 2.8%
Industry	<a href="#">Chemical - Specialty</a>
Zacks Industry Rank	Bottom 13% (209 out of 243)

### Sales and EPS Growth Rates (Y/Y %)<sup>(1)</sup>



Last EPS Surprise	-7.7%
Last Sales Surprise	0.8%
EPS F1 Est- 4 week change	-2.2%
Expected Report Date	01/27/2026
Earnings ESP	4.8%

### Sales Estimates (millions of \$)<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	435 E	522 E	504 E	514 E	1,952 E
2026	416 E	500 E	480 E	490 E	1,875 E
2025	405 A	479 A	463 A	478 A	1,824 A

### EPS Estimates<sup>(1)</sup>

	Q1	Q2	Q3	Q4	Annual*
2027	0.58 E	1.40 E	1.41 E	1.41 E	4.77 E
2026	0.31 E	1.15 E	1.21 E	1.27 E	3.94 E
2025	0.28 A	0.99 A	1.04 A	1.08 A	3.38 A

\*Quarterly figures may not add up to annual.

P/E TTM	17.6
P/E F1	15.2
PEG F1	0.6
P/S TTM	1.5

(1) The data in the charts and tables, including the Zacks Consensus EPS and sales estimates, is as of 12/17/2025.

(2) The report's text and the price target are as of 12/04/2025.

## Overview

Covington, KY-based Ashland Global Holdings Inc. is a leading specialty chemicals company serving a vast range of consumer and industrial markets, including automotive, construction, architectural coatings, adhesives, energy, food & beverage and pharmaceutical. The company has a diverse business portfolio with different value propositions, with respect to the markets served. Ashland has a controlling interest in leading consumer-branded lubricant supplier, Valvoline Inc.

Ashland, in August 2019, completed the divestiture of its Composites unit and the butanediol (BDO) manufacturing facility in Marl, Germany, to London-based INEOS Enterprises in a deal worth around \$1 billion. The sale of these businesses is in sync with its strategy of having a more streamlined and focused product portfolio that will reduce earnings volatility and improve margins.

The company, in August 2021, announced the signing of a definitive agreement to sell the Performance Adhesives business to Arkema for \$1.65 billion. It reported the results of this business as discontinued operations in the fourth quarter of fiscal 2021. Effective as of the fourth quarter of fiscal 2021, the company restructured its business into four primary reporting segments.

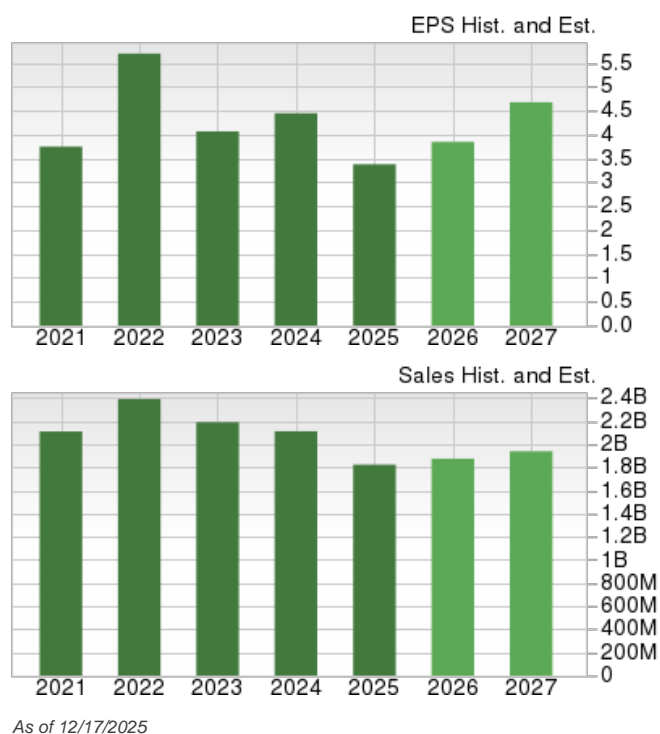
The segments are Life Sciences, Personal Care and Household, Specialty Additives and Intermediates & Solvent.

The Life Sciences business consists of pharmaceuticals, nutrition, nutraceuticals, agricultural chemicals, advanced materials and fine chemicals. The unit accounted for 38% of fiscal 2025 sales.

Personal Care & Household comprises biofunctionals, preservatives, skin care, sun care, oral care, hair care and household. The unit accounted for 30% of fiscal 2025 sales.

The Specialty Additives business consists of rheology and performance-enhancing additives serving the coatings, construction, energy, automotive and a number of industrial markets. The unit accounted for 27% of fiscal 2025 sales.

The Intermediates & Solvents segment comprises the production of 1,4 BDO and related derivatives, including n-methylpyrrolidone, which are used as chemical intermediates and specialty process solvents. The unit accounted for 7% of fiscal 2025 sales.



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## Reasons To Sell:

- ▼ The intermediates market has posed challenges due to a contracted demand environment. The pricing pressure, along with volume decline, has driven it downward. Reduced production to balance demand-supply levels has also affected this sector by creating immense pressure on margins. The current market scenario has not allowed the prices to increase despite continued efforts. Pricing is expected to remain under pressure. Life Sciences sales also witnessed a decline, mainly owing to portfolio optimization and lower pharmaceutical sales volumes. Specialty Additives also faced declining volumes in China while also battling intense competition in the export markets. Markets in Europe have been stabilizing, but demand is expected to remain subdued.
- ▼ The company continues to grapple with mounting pressures stemming from volatile trade and tariff policies, which are driving up the cost of key raw materials and straining already-tight supply conditions. Persistent shortages in critical inputs and escalating global tariff headwinds have left the company increasingly vulnerable to inflationary spikes in both raw material and energy costs. These challenges are particularly severe in the Life Sciences and Personal Care segments, where exposure to tariff-related setbacks remains pronounced. Compounding the issue, the company anticipates roughly \$70 million in adverse impacts tied to U.S.-produced sales to China, with these pressures expected to become more evident.
- ▼ Weak market sentiments have also affected the company's outlook. The global trade uncertainties have reduced customers' confidence, further affecting soft demand conditions. The coatings and personal care segments are expected to experience such impacts more evidently.
- ▼ Global logistics and shipping challenges continue to create pressure across the specialty-chemicals sector, with persistent freight-cost inflation, capacity constraints and transportation delays driving up operating expenses. These structural bottlenecks show little sign of near-term relief and continue to weigh on companies' cost structures and operational efficiency, making logistics-related margin pressure an industry-wide concern.

Ashland's profitability is weighed down by weak demand and pricing pressure. Ongoing global tariff and logistics disruptions lead to a downward revision in its sales and earnings outlook.

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## Risks<sup>(2)</sup> (to the Underperform recommendation)

- Ashland restructured its businesses from a functionally led organization to a business-unit-focused company to have a profitable, high-margin portfolio with a focus on high-quality markets. The changes have provided the company with a diverse business portfolio with different value propositions related to the markets served. It also allows Ashland to create greater accountability and ownership for short and long-term results. Its new business model is designed to help it sail through the current challenging environment and better position it for future growth.
  - Ashland's ongoing cost-reduction initiatives and portfolio-optimization efforts are continuing to support margin resilience across its core businesses. The company has been actively lowering operating expenses, including SG&A and R&D, while consolidating its manufacturing network and exiting lower-margin product lines. These actions have contributed to stronger profitability, with management highlighting improved mix and the strongest company-wide margin performance in the fourth quarter of fiscal 2025. The company's recent updates emphasize that cost savings, operational efficiency measures and a sharper focus on high-margin, consumer-oriented specialty ingredients remain central to sustaining its improved margin profile.
  - Ashland is focused on increasing its free cash flow and enhancing free cash flow conversion. In the fiscal fourth quarter, operating activities generated \$40 million in cash, while ongoing free cash flow totaled \$11 million. Reaffirming its commitment to shareholder value, Ashland's board approved a new \$1-billion share repurchase program, doubling its previous \$500 million authorization. Since September 2022, the company has bought back approximately \$780 million worth of its outstanding shares under the prior program.
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## Last Earnings Report

### Ashland's Q4 Earnings Miss Estimates on Portfolio Actions, Revenues Down

Ashland recorded a profit of \$32 million or 71 cents per share for the fourth-quarter fiscal 2025 (ended Sept. 30, 2025) compared with a profit of \$16 million or 33 cents in the prior-year quarter.

Barring one-time items, adjusted earnings were \$1.08 per share, down from the year-ago quarter figure of \$1.26. The bottom line missed the Zacks Consensus Estimate of \$1.17.

Sales were down 8% year over year to \$478 million. The top line beat the Zacks Consensus Estimate of \$474 million. Sales for the fiscal fourth quarter were adversely impacted by the portfolio optimization actions involving curtailing or divesting certain lower-margin products, lower volumes in Specialty Additives and reduced pricing.

### Segment Highlights

Life Sciences: Sales in the segment were down 10% year over year to \$173 million in the reported quarter. The Zacks Consensus Estimate for the same was \$172 million. The decline was primarily caused by the portfolio optimization.

Personal Care: Sales in the division declined 7% year over year to \$151 million. The metric surpassed the Zacks Consensus Estimate of \$148 million. The decrease was primarily due to portfolio optimization, mainly attributed to the divestiture of the Avoca business line.

Specialty Additives: Sales in the segment fell 9% year over year to \$131 million but beat the Zacks Consensus Estimate of \$129 million. The decline was primarily due to the portfolio actions, including the divestment of the low-margin construction business.

Intermediates: Sales in the segment went down 8% year over year to \$33 million. The figure also missed the consensus estimate of \$34 million. Overall sales decreased, mostly due to lower prices and reduced merchant volumes.

### Financials

Cash and cash equivalents were \$215 million at the end of the quarter, up around 3.9% sequentially. Long-term debt was \$1,384 million, up roughly 2.6% over the prior quarter.

### Outlook

For fiscal 2026, Ashland expects sales to be in the range of \$1.835-\$1.905 billion and adjusted EBITDA to be \$400-\$430 million.

**FY Quarter Ending** **9/30/2025**

Earnings Reporting Date	Nov 04, 2025
Sales Surprise	0.78%
EPS Surprise	-7.69%
Quarterly EPS	1.08
Annual EPS (TTM)	3.39

## Valuation

Ashland's shares are down 23.6% over the trailing 12-month period. Over the past year, the Zacks Chemical - Specialty industry and the Zacks Basic Materials sector are down 9.6% and up 13.8%, respectively.

The S&P 500 index is up 15.2% in the past year.

The stock is currently trading at 14.26X forward 12-month earnings, which compares to 20.3X for the Zacks sub-industry, 15.36X for the Zacks sector and 23.44X for the S&P 500 index.

Over the past five years, the stock has traded as high as 22.89X and as low as 9.82X, with a 5-year median of 16.42X.

Our Underperform recommendation indicates that the stock will perform below the market. Our \$50 price target reflects 12.25X forward 12-month earnings per share.

The table below shows a summary valuation data for ASH:

Valuation Multiples - ASH					
		Stock	Sub-Industry	Sector	S&P 500
P/E F 12M	Current	14.26	20.3	15.36	23.44
	5-Year High	22.89	25.17	16.68	23.82
	5-Year Low	9.82	15.03	8.03	15.73
	5-Year Median	16.42	22.26	12.81	21.19
EV/EBITDA TTM	Current	3.32	11.85	14.26	18.59
	5-Year High	24.47	14.13	14.68	22.41
	5-Year Low	2.89	NA	5.75	13.87
	5-Year Median	11.59	11.75	10.87	17.96
P/B TTM	Current	1.4	3.4	3.42	8.49
	5-Year High	2.41	4.11	4.25	9.16
	5-Year Low	0.83	2.51	2.18	6.6
	5-Year Median	1.57	3.22	3.03	8.04

As of 12/03/2025

Source: Zacks Investment Research

## Industry Analysis<sup>(1)</sup> Zacks Industry Rank: Bottom 13% (209 out of 243)



## Top Peers<sup>(1)</sup>

Company (Ticker)	Rec	Rank
Albemarle Corporation...(ALB)	Neutral	3
Axalta Coating Systems...(AXTA)	Neutral	3
Celanese Corporation (CE)	Neutral	3
Element Solutions Inc...(ESI)	Neutral	3
Huntsman Corporation (HUN)	Neutral	3
Ingevity Corporation (NGVT)	Neutral	3
Cabot Corporation (CBT)	Underperform	5
Valvoline (VVV)	Underperform	5

## Industry Comparison<sup>(1)</sup> Industry: Chemical - Specialty

	ASH	X Industry	S&P 500	CE	ESI	VVV
Zacks Recommendation (Long Term)	Underperform	-	-	Neutral	Neutral	Underperform
Zacks Rank (Short Term)	5	-	-	3	3	5
VGM Score	C	-	-	C	B	B
Market Cap	2.73 B	2.26 B	38.74 B	4.55 B	6.14 B	3.82 B
# of Analysts	4	2	22	5	5	7
Dividend Yield	2.78%	0.49%	1.42%	0.29%	1.26%	0.00%
Value Score	C	-	-	A	B	D
Cash/Price	0.08	0.07	0.04	0.30	0.09	0.01
EV/EBITDA	22.42	10.98	14.56	29.36	14.30	9.92
PEG Ratio	0.58	2.34	2.18	NA	1.26	NA
Price/Book (P/B)	1.43	1.77	3.30	1.04	2.30	11.28
Price/Cash Flow (P/CF)	2.47	11.98	15.17	2.61	12.08	11.78
P/E (F1)	15.11	18.83	19.74	9.83	17.37	17.98
Price/Sales (P/S)	1.50	1.60	3.08	0.47	2.46	2.23
Earnings Yield	6.44%	4.74%	5.04%	10.18%	5.75%	5.56%
Debt/Equity	0.73	0.46	0.57	2.66	0.61	3.10
Cash Flow (\$/share)	24.22	2.35	8.99	15.90	2.10	2.55
Growth Score	C	-	-	D	D	A
Hist. EPS Growth (3-5 yrs)	-2.41%	5.11%	8.16%	-16.30%	4.76%	-4.67%
Proj. EPS Growth (F1/F0)	16.57%	10.12%	8.60%	-49.46%	1.39%	5.03%
Curr. Cash Flow Growth	119.64%	6.32%	6.75%	1.34%	-9.11%	4.11%
Hist. Cash Flow Growth (3-5 yrs)	21.33%	5.85%	7.43%	2.38%	5.85%	0.36%
Current Ratio	2.85	2.11	1.18	1.63	4.05	0.70
Debt/Capital	42.09%	32.33%	38.01%	72.69%	37.85%	75.63%
Net Margin	-46.25%	3.40%	12.78%	-31.85%	9.58%	12.32%
Return on Equity	7.07%	9.83%	17.00%	9.87%	14.01%	72.49%
Sales/Assets	0.37	0.69	0.53	0.42	0.51	0.68
Proj. Sales Growth (F1/F0)	2.80%	0.00%	5.79%	-7.00%	1.60%	18.20%
Momentum Score	C	-	-	D	A	B
Daily Price Chg	1.91%	0.00%	-1.16%	1.51%	-0.55%	-2.31%
1 Week Price Chg	0.96%	1.75%	-2.40%	7.06%	0.00%	1.74%
4 Week Price Chg	21.95%	4.24%	1.19%	14.99%	5.09%	-1.93%
12 Week Price Chg	21.24%	-1.91%	1.26%	-1.91%	0.20%	-19.44%
52 Week Price Chg	-17.90%	-7.41%	14.46%	-38.81%	-1.13%	-18.30%
20 Day Average Volume	1,056,260	215,248	2,751,030	2,003,258	2,550,621	2,829,205
(F1) EPS Est 1 week change	0.00%	0.00%	0.00%	0.00%	0.31%	0.26%
(F1) EPS Est 4 week change	-2.22%	0.00%	0.00%	-1.01%	0.31%	-11.09%
(F1) EPS Est 12 week change	-12.22%	-0.15%	0.69%	-2.76%	1.35%	-11.16%
(Q1) EPS Est Mthly Chg	-23.30%	0.00%	0.00%	-0.56%	0.28%	-11.74%



## Zacks Stock Rating System

We offer two rating systems that take into account investors' holding horizons: Zacks Rank and Zacks Recommendation. Each provides valuable insights into the future profitability of the stock and can be used separately or in combination with each other depending on your investment style.

### Zacks Recommendation

The Zacks Recommendation aims to predict performance over the next 6 to 12 months. The foundation for the quantitatively determined Zacks Recommendation is trends in the company's estimate revisions and earnings outlook. The Zacks Recommendation is broken down into 3 Levels; Outperform, Neutral and Underperform. Unlike many Wall Street firms, we have an excellent balance between the number of Outperform and Neutral recommendations. Our team of 70 analysts are fully versed in the benefits of earnings estimate revisions and how that is harnessed through the Zacks quantitative rating system. But we have given our analysts the ability to override the Zacks Recommendation for the 1200 stocks that they follow. The reason for the analyst over-rides is that there are often factors such as valuation, industry conditions and management effectiveness that a trained investment professional can spot better than a quantitative model.

### Zacks Rank

The Zacks Rank is our short-term rating system that is most effective over the one- to three-month holding horizon. The underlying driver for the quantitatively-determined Zacks Rank is the same as the Zacks Recommendation, and reflects trends in earnings estimate revisions.

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The Zacks Style Score is as a complementary indicator to the Zacks rating system, giving investors a way to focus on the highest rated stocks that best fit their own stock picking preferences.

Academic research has proven that stocks with the best Value, Growth and Momentum characteristics outperform the market. The Zacks Style Scores rate stocks on each of these individual styles and assigns a rating of A, B, C, D and F. We also produce the VGM Score (V for Value, G for Growth and M for Momentum), which combines the weighted average of the individual Style Scores into one score. This is perfectly suited for those who want their stocks to have the best scores across the board.

Value Score	C
Growth Score	C
Momentum Score	C
VGM Score	C

As an investor, you want to buy stocks with the highest probability of success. That means buying stocks with a Zacks Recommendation of Outperform, which also has a Style Score of an A or a B.

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