
Celanese Q1 2019 Earnings

Monday, April 22, 2019

Conference Call / Webcast

Tuesday, April 23, 2019 10:00 a.m. Eastern Time

Mark Rohr, Chairman and Chief Executive Officer

Scott Richardson, SVP and Chief Financial Officer

Important Information

Forward-Looking Statements

This presentation contains "forward-looking statements," which include information concerning the Company's plans, objectives, goals, strategies, future revenues, synergies, performance, capital expenditures, financing needs and other information that is not historical information. All forward-looking statements are based upon current expectations and beliefs and various assumptions. There can be no assurance that the Company will realize these expectations or that these beliefs will prove correct. There are a number of risks and uncertainties that could cause actual results to differ materially from the results expressed or implied in the forward-looking statements contained in this presentation. These risks and uncertainties include, among other things: changes in general economic, business, political and regulatory conditions in the countries or regions in which we operate; the length and depth of product and industry business cycles, particularly in the automotive, electrical, textiles, electronics and construction industries; changes in the price and availability of raw materials, particularly changes in the demand for, supply of, and market prices of ethylene, methanol, natural gas, wood pulp and fuel oil and the prices for electricity and other energy sources; the ability to pass increases in raw material prices on to customers or otherwise improve margins through price increases; the ability to maintain plant utilization rates and to implement planned capacity additions and expansions; the ability to reduce or maintain current levels of production costs and to improve productivity by implementing technological improvements to existing plants; the ability to identify desirable potential acquisition targets and to consummate acquisition or investment transactions consistent with the Company's strategy; increased price competition and the introduction of competing products by other companies; market acceptance of our technology; the ability to obtain governmental approvals and to construct facilities on terms and schedules acceptable to the Company; changes in tariffs, tax rates or legislation; changes in the degree of intellectual property and other legal protection afforded to our products or technologies, or the theft of such intellectual property; compliance and other costs and potential disruption or interruption of production or operations due to accidents, interruptions in sources of raw materials, cyber security incidents, terrorism or political unrest or other unforeseen events or delays in construction or operation of facilities, including as a result of geopolitical conditions, the occurrence of acts of war or terrorist incidents or as a result of weather or natural disasters; potential liability for remedial actions and increased costs under existing or future environmental regulations, including those relating to climate change; potential liability resulting from pending or future litigation, or from changes in the laws, regulations or policies of governments or other governmental activities in the countries in which we operate; changes in currency exchange rates and interest rates; our level of indebtedness, which could diminish our ability to raise additional capital to fund operations or limit our ability to react to changes in the economy or the chemicals industry; and various other factors discussed from time to time in the Company's filings with the Securities and Exchange Commission. Any forward-looking statement speaks only as of the date on which it is made, and the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

Results Unaudited

The results in this document, together with the adjustments made to present the results on a comparable basis, have not been audited and are based on internal financial data furnished to management. Quarterly results should not be taken as an indication of the results of operations to be reported for any subsequent period or for the full fiscal year.

Presentation

This document presents the Company's three business segments, Engineered Materials, Acetate Tow and Acetyl Chain.

Non-GAAP Financial Measures

This presentation, and statements made in connection with this presentation, refer to non-GAAP financial measures. For more information on the non-GAAP financial measures used by the Company, including the most directly comparable GAAP financial measure for each non-GAAP financial measures used, including definitions and reconciliations of the differences between such non-GAAP financial measures and the comparable GAAP financial measures, please refer to the Non-US GAAP Financial Measures and Supplemental Information document available on our website, investors.celanese.com, under Financial Information/Non-GAAP Financial Measures.

Recent Highlights

- Announced appointments of Mark Rohr to Executive Chairman and Lori Ryerkerk to Chief Executive Officer, effective May 1, 2019.
- Welcomed A. Lynne Puckett as Senior Vice President and General Counsel.
- Announced expansion of thermoplastic co-polyester production unit in Ferrara, Italy to support continued growth in Engineered Materials.
- Announced expansion of Clear Lake methanol production to 1.7 million metric tons per year in support of the global reconfiguration of the acid production footprint.
- Commercialized 1,075 Engineered Materials projects in the first quarter of 2019, a 45 percent increase year over year.
- Completed the acquisition of Next Polymers Ltd., a leading domestic engineering thermoplastics compounder in India.

Opportunity Pipeline Examples

Artificial Turf Fields



- Turf infill is a critical component of artificial turf fields, impacting quality of play, health and safety, and cost
- Celanese offers a portfolio of thermoplastic elastomers (TPE) formulated to be 100 percent PVC free to ensure player health and protect the environment
- Low bulk density polymers result in savings of up to 30% while maintaining player safety and quality of play

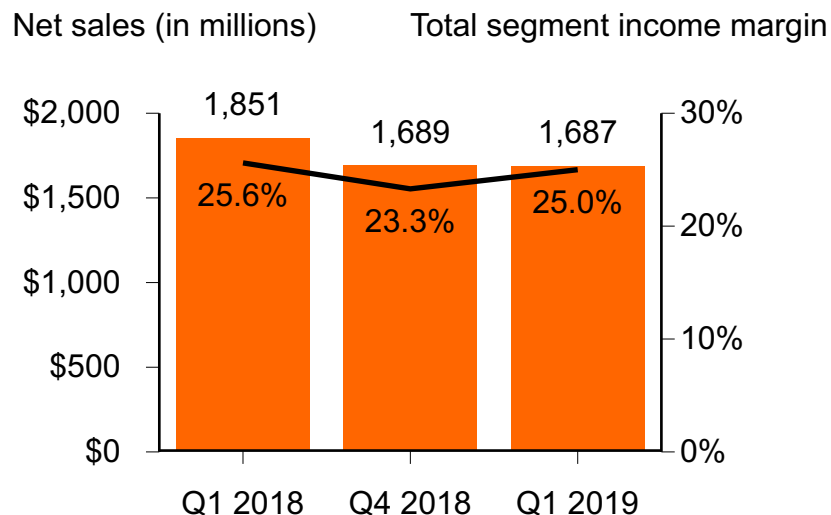
Lithium Ion Batteries



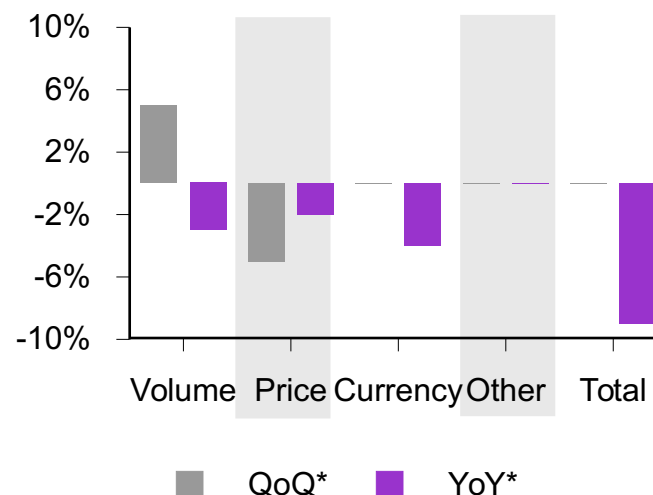
- Lithium ion batteries increasingly proliferate digital consumer device and electric vehicle applications
- Celanese offers numerous GUR® grades for battery separator membranes, optimized for enhanced battery safety, higher energy storage, and faster charging
- Celanese offers localized customer solution centers with membrane processing and testing capabilities

Celanese Corporation Q1 2019 Highlights

Q1 Performance



Factors Affecting Net Sales

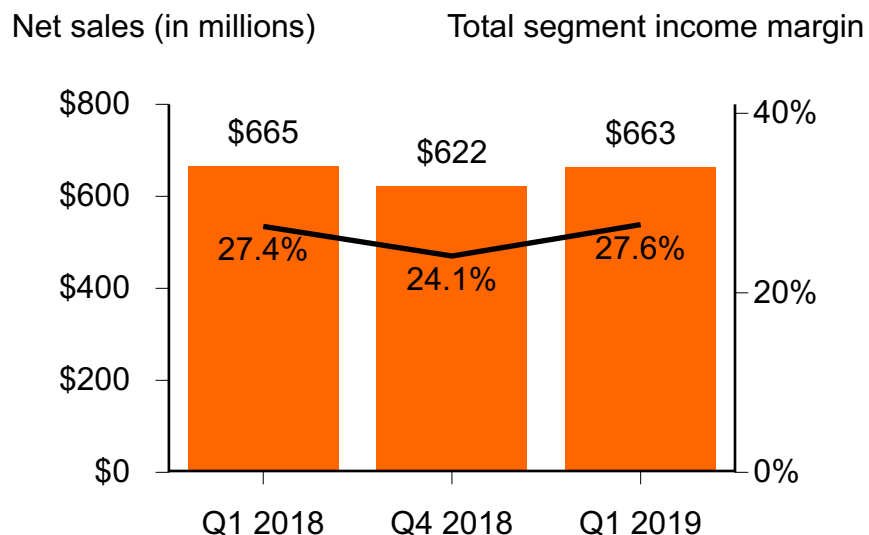


	GAAP Diluted EPS	Adjusted EPS
Q1 2019	\$2.64	\$2.62
Q4 2018	\$0.73	\$2.38
Q1 2018	\$2.68	\$2.79

- Adjusted earnings per share of \$2.62
- Adjusted EBIT of \$421 million and adjusted EBIT margin of 25.0%
- Operating cash flow of \$307 million, a first quarter record
- Free cash flow of \$224 million, a first quarter record

*QoQ represents Q1 2019 as compared to Q4 2018; YoY represents Q1 2019 as compared to Q1 2018.

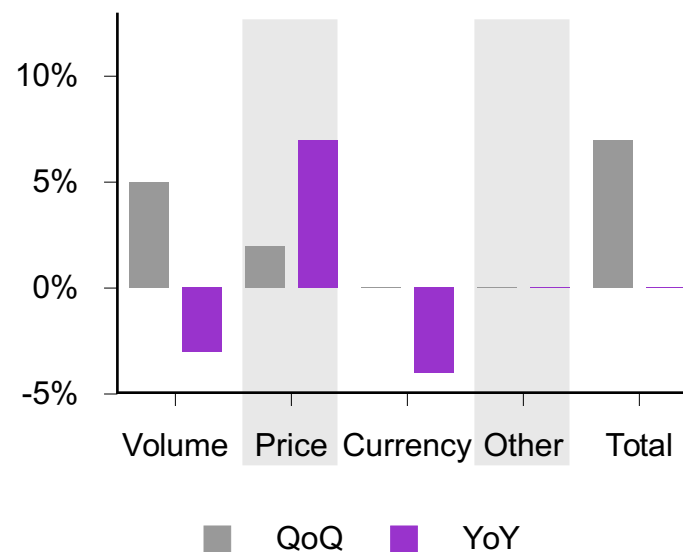
Q1 Performance



QoQ Segment income highlights

- Segment income margin expansion on higher pricing and volume growth.

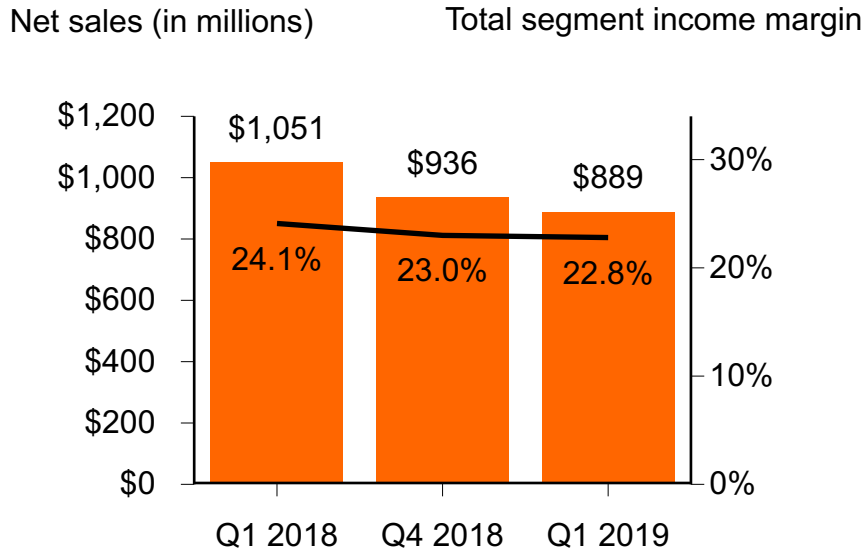
Factors Affecting Net Sales



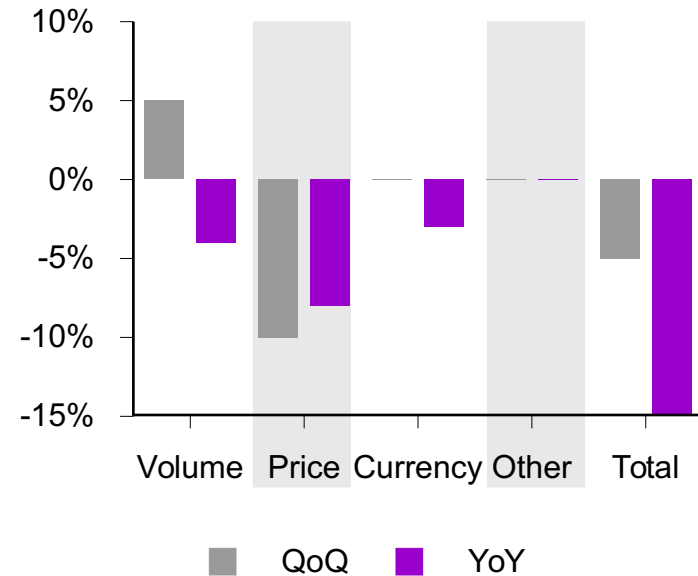
YoY Segment income highlights

- Pricing expansion and improved sales mix offset the decrease in volume and unfavorable currency impact.

Q1 Performance



Factors Affecting Net Sales



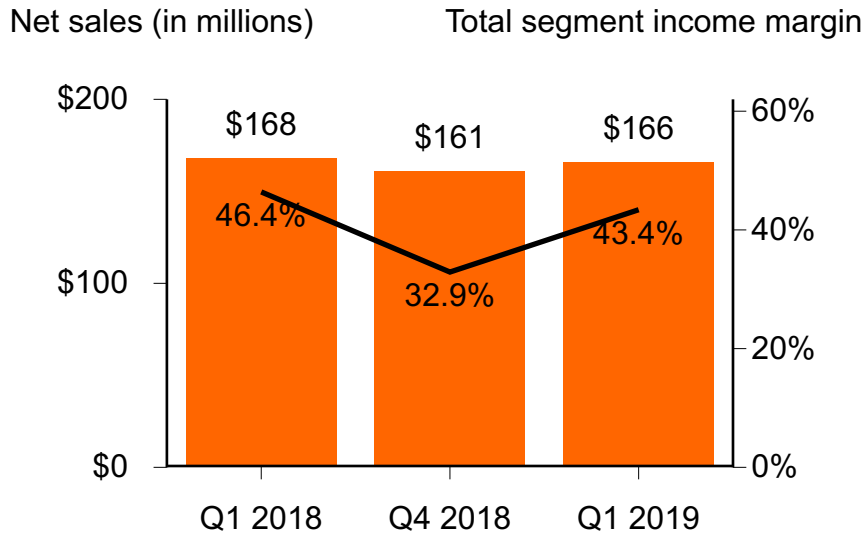
QoQ Segment income highlights

- Volume growth and improved sales mix partially offset lower pricing due to reduced industry utilization.

YoY Segment income highlights

- Lower volume and pricing due to reduced global demand.

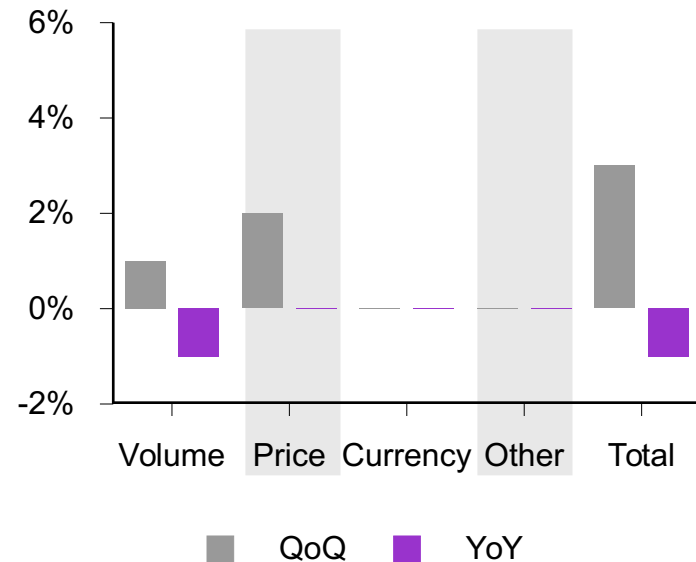
Q1 Performance



QoQ Segment income highlights

- Affiliate earnings increased mainly due to the timing of dividend payments.

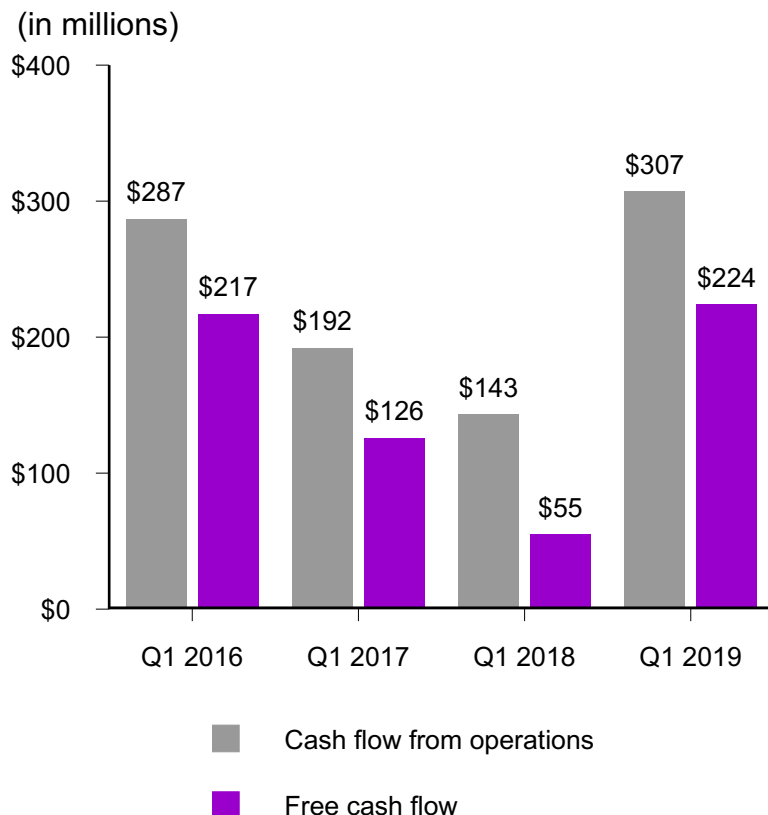
Factors Affecting Net Sales



YoY Segment income highlights

- Lower volume due to reduced global industry utilization.

Free Cash Flow



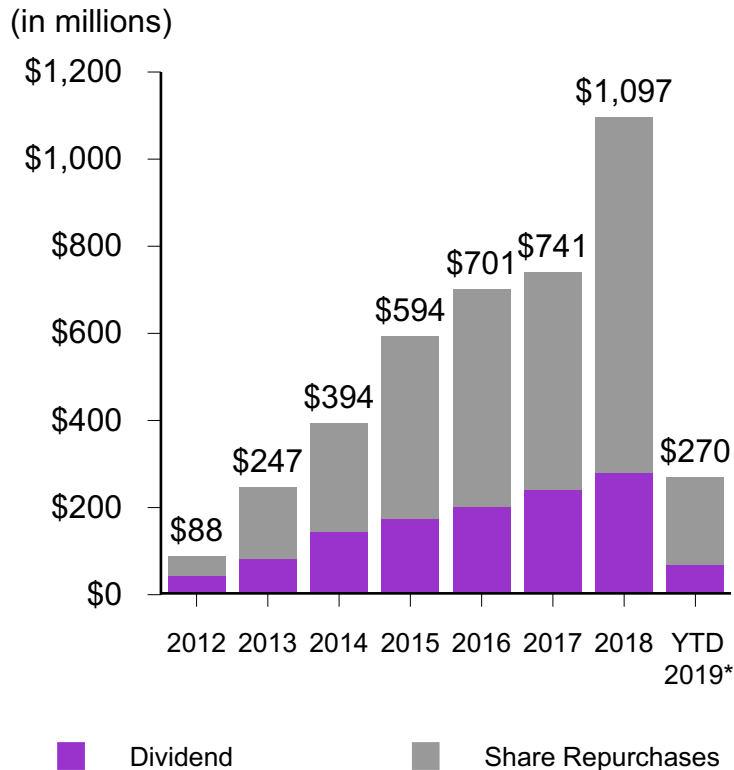
Q1 2019

- Operating cash flow of \$307 million
- Free cash flow of \$224 million; expect approximately \$1.2 billion for the year
- Net capital expenditures of \$79 million; expect \$350 to \$400 million for the year

On-track to generate approximately \$3.6 billion of cumulative free cash flow from 2018 to 2020

Returning Cash to Shareholders

Dividend Payout and Share Repurchases



Share Repurchases

- Deployed \$200 million in Q1 2019 to repurchase ~2 million shares
- ~\$500 million remaining share repurchase authorization as of March 31, 2019

Dividend

- Returned \$70 million to shareholders in dividends in Q1 2019

\$4.1 billion returned to shareholders since 2012 via dividends and share repurchases

*YTD Year-to-date as of March 31, 2019