

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 9, 2023**

CELANESE CORPORATION
(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-32410

(Commission File
Number)

98-0420726

(IRS Employer
Identification No.)

222 West Las Colinas Blvd. Suite 900N, Irving, TX 75039
(Address of Principal Executive Offices) (Zip Code)

Registrant's telephone number, including area code: **(972) 443-4000**

N/A

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.0001 per share	CE	The New York Stock Exchange
1.125% Senior Notes due 2023	CE /23	The New York Stock Exchange
1.250% Senior Notes due 2025	CE /25	The New York Stock Exchange
4.777% Senior Notes due 2026	CE /26A	The New York Stock Exchange
2.125% Senior Notes due 2027	CE /27	The New York Stock Exchange
0.625% Senior Notes due 2028	CE /28	The New York Stock Exchange
5.337% Senior Notes due 2029	CE /29A	The New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition

On May 9, 2023, Celanese Corporation (the "Company") issued a press release reporting the financial results for its first quarter 2023. A copy of the press release is attached to this Current Report on Form 8-K ("Current Report") as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure. Each Non-US GAAP financial measure appearing in the press release is accompanied by the most directly comparable US GAAP financial measure and is reconciled to the most comparable US GAAP financial measure in Exhibit 99.2, which includes other supplemental information of interest to investors, analysts and other parties, including the reasons why management believes such Non-US GAAP financial measures provide useful information to investors, and which is incorporated herein solely for purposes of this Item 2.02 disclosure.

Item 9.01 Financial Statements and Exhibits

(d) The following exhibits are being furnished herewith:

Exhibit Number	Description
99.1	Press Release dated May 9, 2023*
99.2	Non-US GAAP Financial Measures and Supplemental Information dated May 9, 2023*
104	Cover Page Interactive Data File (the cover page XBRL tags are embedded within the inline XBRL document contained in Exhibit 101)

* In connection with the disclosure set forth in Item 2.02, the information in this Current Report, including the exhibits attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section. The information in this Current Report, including the exhibits, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

CELANESE CORPORATION

By: /s/ MICHAEL R. SULLIVAN
Name: Michael R. Sullivan
Title: Vice President, Deputy General Counsel and Assistant Corporate Secretary

Date: May 9, 2023



Celanese Corporation Reports First Quarter 2023 Earnings

Dallas, May 9, 2023: Celanese Corporation (NYSE: CE), a global chemical and specialty materials company, today reported first quarter 2023 GAAP diluted earnings per share of \$0.86 and adjusted earnings per share of \$2.01. The Company generated net sales of \$2.9 billion in the quarter, an increase of 22 percent over the prior quarter. Net sales reflected a sequential volume increase of 19 percent over the prior quarter that was partially offset by a pricing decrease of 4 percent. Volume increased due to an additional month of sales from the Mobility & Materials (M&M) acquisition as well as demand recovery in Europe and Asia as the quarter progressed. The Company exercised its commercial flexibility and global supply chain to capture improved demand and to offset the impact of sequentially lower variable margin across many products, due to moderation in input costs that was more than offset by pricing declines. As a result of sequentially higher contributions from Engineered Materials and the Acetyl Chain, the Company reported first quarter consolidated operating profit of \$251 million, adjusted EBIT of \$424 million, and operating EBITDA of \$596 million. In the first full quarter under its ownership, Celanese delivered a significant sequential increase in the M&M earnings contribution due primarily to higher sequential volume and approximately \$10 million in savings in the quarter from cost synergies.

The difference between GAAP diluted earnings per share and adjusted earnings per share in the first quarter was primarily due to \$99 million in M&A-related costs, predominantly related to the M&M acquisition, and \$26 million in exit and shutdown costs.

"Our team delivered a clear upward inflection in our combined Engineered Materials and Acetyl Chain earnings to start 2023 with sequential increases in operating profit and operating EBITDA of 70 percent and 34 percent, respectively," said Lori Ryerkerk, chair and chief executive officer. "We successfully executed on our controllable actions across the quarter to drive synergies, productivity, and base business improvement, particularly in M&M. Additionally, we captured a significant share of elevated demand in March, which allowed us to exceed our original earnings expectations for the quarter."

First Quarter 2023 Financial Highlights:

	Three Months Ended		
	March 31, 2023	December 31, 2022	March 31, 2022
	(unaudited)		
	(In \$ millions, except per share data)		
Net Sales			
Engineered Materials	1,630	1,237	910
Acetyl Chain	1,250	1,135	1,652
Intersegment Eliminations	(27)	(24)	(24)
Total	2,853	2,348	2,538
Operating Profit (Loss)			
Engineered Materials	112	25	124
Acetyl Chain	278	204	503
Other Activities	(139)	(173)	(96)
Total	251	56	531
Net Earnings (Loss)			
	93	769	504
Adjusted EBIT ⁽¹⁾			
Engineered Materials	215	138	211
Acetyl Chain	316	242	543
Other Activities	(107)	(78)	(41)
Total	424	302	713
Equity Earnings and Dividend Income, Other Income (Expense)			
Engineered Materials	10	35	49
Acetyl Chain	34	30	40
Operating EBITDA ⁽¹⁾			
	596	453	813
Diluted EPS - continuing operations	\$ 0.86	\$ 7.03	\$ 4.61
Diluted EPS - total	\$ 0.83	\$ 7.03	\$ 4.61
Adjusted EPS ⁽¹⁾	\$ 2.01	\$ 1.44	\$ 5.54
Net cash provided by (used in) investing activities			
	(178)	(10,713)	(149)
Net cash provided by (used in) financing activities			
	(69)	1,944	(95)
Net cash provided by (used in) operating activities			
	(96)	541	316
Free cash flow ⁽¹⁾			
	(261)	395	175

⁽¹⁾ See "Non-US GAAP Financial Measures" below.

Recent Highlights:

- Announced the signing of a term sheet to form a standalone Food Ingredients joint venture (JV) in which Celanese will contribute its Food Ingredients business and Mitsui will acquire a 70 percent stake. The transaction is expected to close in the second half and cash proceeds will be used to pay down debt.
- Expanded the portfolio of Celanese sustainable products to include bio-based acetic acid, VAM, amines, acetate esters, and anhydrides designed to help customers in developing more sustainable product offerings. These products will be designated as ECO-B, consistent with bio-based products previously introduced in Engineered Materials.
- Completed the mechanical construction of the new 1.3 million ton acetic acid production unit at Clear Lake, Texas. The commissioning and start-up processes are expected to be complete in the third quarter.
- Announced initiatives to advance the development of Celanese's VitalDose® EVA drug delivery platform including a research agreement with Johns Hopkins University on sustained drug delivery to the suprachoroidal space in the eye and a collaboration with Alessa Therapeutics for the advancement of oncology treatments.

First Quarter 2023 Business Segment Overview**Acetyl Chain**

The Acetyl Chain delivered first quarter net sales of \$1.3 billion, a 10 percent increase from the prior quarter due to a 10 percent increase in volume. While demand for acetyls in Europe and Asia improved significantly over the prior quarter, volume in the first quarter lagged the same quarter of last year by 9 percent and was insufficient to support pricing expansion. Sequential pricing across the business decreased by 2 percent as pricing moderation across most products was partially offset by a reset in the pricing for acetate flake and tow as part of the strategic overhaul of those products. In response to challenging pricing dynamics, particularly in China, the business exercised its unique product and geographic optionality and supply chain capabilities to capture demand recovery. As a result of these actions, the business delivered improved earnings performance and offset sequential contraction in the pricing spread over raw materials across most products. The Acetyl Chain delivered first quarter operating profit of \$278 million, adjusted EBIT of \$316 million, and operating EBITDA of \$370 million at margins of 22, 25, and 30 percent, respectively. An approximately \$75 million sequential increase in each of these profitability metrics resulted in first quarter earnings consistent with the foundational earnings power of this business, despite demand and pricing dynamics for many products and regions that remained challenging. The Acetyl Chain continues to take steps to elevate its foundational earnings, including the mechanical completion of the new acetic acid production unit at Clear Lake, which is expected to lift earnings by an additional approximately \$100 million annually starting in 2024.

Engineered Materials

Engineered Materials reported first quarter net sales of \$1.6 billion, a 32 percent increase from the prior quarter. Volume expanded by 34 percent due to an additional month of M&M contributions and sequential growth across most end-markets, with the exception of medical implants. Sequential volume in auto outperformed the change in industry build rates across all three regions due to contributions from project pipeline model wins realized in 2022. Pricing decreased by 4 percent due to a change in product mix, a decrease in raw material and energy costs, and challenging competitive dynamics in Europe. Engineered Materials delivered first quarter operating profit of \$112 million, adjusted EBIT of \$215 million, and operating EBITDA of \$327 million at margins of 7, 13, and 20 percent, respectively. The M&M contribution to EM earnings increased sequentially through volume recovery and approximately \$10 million in synergies delivered across the quarter. Affiliate earnings were \$11 million for the quarter, a sequential decrease of \$20 million.

Cash Flow and Tax

Celanese reported first quarter operating cash flow of \$(96) million and free cash flow of \$(261) million which included an increase in working capital due to strong March sales, cash interest expense of \$281 million, and cash capital expenditures of \$164 million. The Company anticipates a significant increase in second quarter free cash flow due to improved business performance as well as the timing of these cash items. Celanese returned \$76 million in cash to shareholders via dividends in the quarter.

The effective U.S. GAAP income tax rate was 21 percent for the first quarter compared to 18 percent for the same quarter in 2022. The higher effective rate was primarily due to increases in valuation allowances on U.S. foreign tax credit carryforwards due to revised forecasts of foreign sourced income and expenses during the carryforward period, partially offset by increased earnings in low-taxed jurisdictions. The effective tax rate for adjusted earnings was 12 percent based on expected jurisdictional earnings mix for the full year and consideration of other non-recurring U.S. GAAP items.

Outlook

"While first quarter demand meaningfully recovered from exceptionally poor conditions in the fourth quarter, we still saw first quarter volume, when excluding M&M contributions, that was significantly lower year over year," said Lori Ryerkker. "So far across April and May, underlying demand improvement over March has been immaterial and not yet substantive enough to support any pricing expansion. In this environment, our teams are working to opportunistically deliver modestly higher volume in the second quarter, due primarily to a stronger start than the prior quarter, and to preserve our pricing spreads over raw materials. We expect that sequential earnings growth in our businesses, largely due to controllable actions, will deliver second quarter adjusted earnings per share of approximately \$2.50, inclusive of approximately \$0.30 per share of M&M transaction amortization. We see potential to exceed \$2.50 in earnings per share if demand recovers substantively enough to support material pricing recovery within the quarter, particularly in the Acetyl Chain."

A reconciliation of forecasted adjusted earnings per share to U.S. GAAP diluted earnings per share is not available without unreasonable efforts because a forecast of Certain Items, such as mark-to-market pension gains/losses, is not practical. For more information, see "Non-GAAP Financial Measures" below.

The Company's prepared remarks related to the first quarter will be posted on its website at investors.celanese.com under Financial Information/Financial Document Library on May 9, 2023. Information about Non-US GAAP measures is included in

a Non-US GAAP Financial Measures and Supplemental Information document posted on our investor relations website under Financial Information/Non-GAAP Financial Measures. See also "Non-GAAP Financial Measures" below.

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Celanese Corporation is a global chemical leader in the production of differentiated chemistry solutions and specialty materials used in most major industries and consumer applications. Our businesses use the full breadth of Celanese's global chemistry, technology and commercial expertise to create value for our customers, employees, shareholders and the corporation. As we partner with our customers to solve their most critical business needs, we strive to make a positive impact on our communities and the world through The Celanese Foundation. Based in Dallas, Celanese employs approximately 13,300 employees worldwide and had 2022 net sales of \$9.7 billion. For more information about Celanese Corporation and its product offerings, visit www.celanese.com.

Forward-Looking Statements

This release may contain "forward-looking statements," which include information concerning the Company's plans, objectives, goals, strategies, future revenues, cash flow, financial performance, synergies, 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 release. 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; volatility or changes in the price and availability of raw materials and energy, 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 length and depth of product and industry business cycles, particularly in the automotive, electrical, mobility, textiles, medical, electronics and construction industries; the ability to pass increases in raw material prices, logistics costs and other costs on to customers or otherwise improve margins through price increases; the accuracy or inaccuracy of our beliefs or assumptions regarding anticipated benefits of the acquisition (the "M&M Acquisition") by us of the majority of the Mobility & Materials business (the "M&M Business") of DuPont de Nemours, Inc.; the possibility that we will not be able to realize all of the anticipated improvements in the M&M Business's financial performance — including optimizing pricing, currency mix and inventory — or realize all of the anticipated benefits of the M&M Acquisition, including synergies and growth opportunities, within the anticipated timeframe, or at all, whether as a result of difficulties arising from the operation or integration of the M&M Business or other unanticipated delays, costs, inefficiencies or liabilities; increased commercial, legal or regulatory complexity of entering into, or expanding our exposure to, certain end markets and geographies; risks in the global economy and equity and credit markets and their potential impact on our ability to pay down debt in the future and/or refinance at suitable rates, in a timely manner, or at all; diversion of management's attention from ongoing business operations and opportunities and other disruption caused by the M&M Acquisition and the integration processes and their impact on our existing business and relationships; risks and costs associated with increased leverage from the M&M Acquisition, including increased interest expense and potential reduction of business and strategic flexibility; the ability to maintain plant utilization rates and to implement planned capacity additions, expansions and maintenance; the ability to reduce or maintain their current levels of production costs and to improve productivity by implementing technological improvements to existing plants; increased price competition and the introduction of competing products by other companies; the ability to identify desirable potential acquisition or divestiture opportunities and to complete such transactions, including obtaining regulatory approvals, consistent with the Company's strategy; market acceptance of our products and technology; compliance and other costs and potential disruption or interruption of production or operations due to accidents, interruptions in sources of raw materials, transportation, logistics or supply chain disruptions, cybersecurity incidents, terrorism or political unrest, public health crises (including, but not limited to, the COVID-19 pandemic), 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 (such as the Russia-Ukraine conflict) or terrorist incidents or as a result of weather, natural disasters, or other crises; the ability to obtain governmental approvals and to construct facilities on terms and schedules acceptable to the Company; changes in applicable tariffs, duties and trade agreements, tax rates or legislation throughout the world including, but not limited to, adjustments, changes in estimates or interpretations or the resolution of tax examinations or audits that may impact recorded or future tax impacts and potential regulatory and legislative tax developments in the United States and other jurisdictions; changes in the degree of intellectual property and other legal protection afforded to our products or technologies, or the theft of such intellectual property; potential liability for remedial actions and increased costs under existing or future environmental, health and safety regulations, including those relating to climate change or other sustainability matters; potential liability resulting from pending or future claims or litigation, including investigations or enforcement actions, 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; tax rates and changes thereto; our ability to obtain regulatory approval for, and satisfy closing conditions to, any transactions described herein that have not closed, 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.

Non-GAAP Financial Measures

Presentation

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

Use of Non-US GAAP Financial Information

This release uses the following Non-US GAAP measures: adjusted EBIT, adjusted EBIT margin, operating EBITDA, operating EBITDA margin, adjusted earnings per share and free cash flow. These measures are not recognized in accordance with US GAAP and should not be viewed as an alternative to US GAAP measures of performance or liquidity. The most directly comparable financial measure presented in accordance with US GAAP in our consolidated financial statements for adjusted EBIT and operating EBITDA is net earnings (loss) attributable to Celanese Corporation; for adjusted EBIT margin is operating margin; for operating EBITDA margin is operating margin; for adjusted earnings per share is earnings (loss) from continuing operations attributable to Celanese Corporation per common share-diluted; and for free cash flow is net cash provided by (used in) operations.

Definitions of Non-US GAAP Financial Measures

- Adjusted EBIT is a performance measure used by the Company and is defined by the Company as net earnings (loss) attributable to Celanese Corporation, plus (earnings) loss from discontinued operations, less interest income, plus interest expense, plus refinancing expense and taxes, and further adjusted for Certain Items (refer to Table 8 of our Non-US GAAP Financial Measures and Supplemental Information document). We do not provide reconciliations for adjusted EBIT on a forward-looking basis (including those contained in this document) when we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amount of Certain Items, such as mark-to-market pension gains and losses, that have not yet occurred, are out of our control and/or cannot be reasonably predicted. For the same reasons, we are unable to address the probable significance of the unavailable information. Adjusted EBIT margin is defined by the Company as adjusted EBIT divided by net sales.
- Operating EBITDA is a performance measure used by the Company and is defined by the Company as net earnings (loss) attributable to Celanese Corporation, plus (earnings) loss from discontinued operations, less interest income, plus interest expense, plus refinancing expense, taxes and depreciation and amortization, and further adjusted for Certain Items, which Certain Items include accelerated depreciation and amortization expense. Operating EBITDA is equal to adjusted EBIT plus depreciation and amortization. Operating EBITDA margin is defined by the Company as operating EBITDA divided by net sales.
- Adjusted earnings per share is a performance measure used by the Company and is defined by the Company as earnings (loss) from continuing operations attributable to Celanese Corporation, adjusted for income tax (provision) benefit, Certain Items, and refinancing and related expenses, divided by the number of basic common shares and dilutive restricted stock units and stock options calculated using the treasury method. We do not

provide reconciliations for adjusted earnings per share on a forward-looking basis (including those contained in this document) when we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amount of Certain Items, such as mark-to-market pension gains and losses, that have not yet occurred, are out of our control and/or cannot be reasonably predicted. For the same reasons, we are unable to address the probable significance of the unavailable information.

Note: The income tax expense (benefit) on Certain Items ("Non-GAAP adjustments") is determined using the applicable rates in the taxing jurisdictions in which the Non-GAAP adjustments occurred and includes both current and deferred income tax expense (benefit). The income tax rate used for adjusted earnings per share approximates the midpoint in a range of forecasted tax rates for the year. This range may include certain partial or full-year forecasted tax opportunities and related costs, where applicable, and specifically excludes changes in uncertain tax positions, discrete recognition of GAAP items on a quarterly basis, other pre-tax items adjusted out of our GAAP earnings for adjusted earnings per share purposes and changes in management's assessments regarding the ability to realize deferred tax assets for GAAP. In determining the adjusted earnings per share tax rate, we reflect the impact of foreign tax credits when utilized, or expected to be utilized, absent discrete events impacting the timing of foreign tax credit utilization. We analyze this rate quarterly and adjust it if there is a material change in the range of forecasted tax rates; an updated forecast would not necessarily result in a change to our tax rate used for adjusted earnings per share. The adjusted tax rate is an estimate and may differ from the actual tax rate used for GAAP reporting in any given reporting period. Table 3a of our Non-US GAAP Financial Measures and Supplemental Information document summarizes the reconciliation of our estimated GAAP effective tax rate to the adjusted tax rate. The estimated GAAP rate excludes discrete recognition of GAAP items due to our inability to forecast such items. As part of the year-end reconciliation, we will update the reconciliation of the GAAP effective tax rate to the adjusted tax rate for actual results.

- Free cash flow is a liquidity measure used by the Company and is defined by the Company as cash flow from operations, less capital expenditures on property, plant and equipment, and adjusted for capital contributions from or distributions to Mitsui & Co., Ltd. ("Mitsui") related to our methanol joint venture, Fairway Methanol LLC ("Fairway").

Reconciliation of Non-US GAAP Financial Measures

Reconciliations of the Non-US GAAP financial measures used in this press release to the comparable US GAAP financial measure, together with information about the purposes and uses of Non-US GAAP financial measures, are included in our Non-US GAAP Financial Measures and Supplemental Information document filed as an exhibit to our Current Report on Form 8-K filed with the SEC on or about May 9, 2023 and also available on our website at investors.celanese.com under Financial Information/Financial Document Library.

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.

Supplemental Information

Additional information about our prior period performance is included in our Quarterly Reports on Form 10-Q and in our Non-US GAAP Financial Measures and Supplemental Information document.

Consolidated Statements of Operations - Unaudited

	Three Months Ended		
	March 31, 2023	December 31, 2022	March 31, 2022
	(In \$ millions, except share and per share data)		
Net sales	2,853	2,348	2,538
Cost of sales	(2,222)	(1,964)	(1,793)
Gross profit	631	384	745
Selling, general and administrative expenses	(285)	(269)	(174)
Amortization of intangible assets	(41)	(30)	(11)
Research and development expenses	(42)	(37)	(24)
Other (charges) gains, net	(23)	7	(1)
Foreign exchange gain (loss), net	6	3	(1)
Gain (loss) on disposition of businesses and assets, net	5	(2)	(3)
Operating profit (loss)	251	56	531
Equity in net earnings (loss) of affiliates	15	31	56
Non-operating pension and other postretirement employee benefit (expense) income	1	(57)	24
Interest expense	(182)	(168)	(35)
Interest income	8	33	1
Dividend income - equity investments	34	30	37
Other income (expense), net	(6)	5	2
Earnings (loss) from continuing operations before tax	121	(70)	616
Income tax (provision) benefit	(25)	840	(112)
Earnings (loss) from continuing operations	96	770	504
Earnings (loss) from operation of discontinued operations	(3)	(1)	—
Income tax (provision) benefit from discontinued operations	—	—	—
Earnings (loss) from discontinued operations	(3)	(1)	—
Net earnings (loss)	93	769	504
Net (earnings) loss attributable to noncontrolling interests	(2)	(2)	(2)
Net earnings (loss) attributable to Celanese Corporation	91	767	502
Amounts attributable to Celanese Corporation			
Earnings (loss) from continuing operations	94	768	502
Earnings (loss) from discontinued operations	(3)	(1)	—
Net earnings (loss)	91	767	502
Earnings (loss) per common share - basic			
Continuing operations	0.87	7.08	4.64
Discontinued operations	(0.03)	(0.01)	—
Net earnings (loss) - basic	0.84	7.07	4.64
Earnings (loss) per common share - diluted			
Continuing operations	0.86	7.03	4.61
Discontinued operations	(0.03)	—	—
Net earnings (loss) - diluted	0.83	7.03	4.61
Weighted average shares (in millions)			
Basic	108.6	108.5	108.2
Diluted	109.2	109.2	108.9

Consolidated Balance Sheets - Unaudited

	As of March 31, 2023	As of December 31, 2022
	(In \$ millions)	
ASSETS		
Current Assets		
Cash and cash equivalents	1,167	1,508
Trade receivables - third party and affiliates, net	1,606	1,379
Non-trade receivables, net	707	675
Inventories	2,749	2,808
Other assets	219	241
Total current assets	6,448	6,611
Investments in affiliates	1,049	1,062
Property, plant and equipment, net	5,588	5,584
Operating lease right-of-use assets	414	413
Deferred income taxes	813	808
Other assets	553	547
Goodwill	7,139	7,142
Intangible assets, net	4,086	4,105
Total assets	26,090	26,272
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings and current installments of long-term debt - third party and affiliates	1,386	1,306
Trade payables - third party and affiliates	1,445	1,518
Other liabilities	1,014	1,201
Income taxes payable	6	43
Total current liabilities	3,851	4,068
Long-term debt, net of unamortized deferred financing costs	13,396	13,373
Deferred income taxes	1,223	1,242
Uncertain tax positions	295	322
Benefit obligations	411	411
Operating lease liabilities	359	364
Other liabilities	425	387
Commitments and Contingencies		
Stockholders' Equity		
Treasury stock, at cost	(5,491)	(5,491)
Additional paid-in capital	365	372
Retained earnings	11,289	11,274
Accumulated other comprehensive income (loss), net	(502)	(518)
Total Celanese Corporation stockholders' equity	5,661	5,637
Noncontrolling interests	469	468
Total equity	6,130	6,105
Total liabilities and equity	26,090	26,272

Non-US GAAP Financial Measures and Supplemental Information

May 9, 2023

In this document, the terms the "Company," "we" and "our" refer to Celanese Corporation and its subsidiaries on a consolidated basis.

Purpose

The purpose of this document is to provide information of interest to investors, analysts and other parties including supplemental financial information and reconciliations and other information concerning our use of non-US GAAP financial measures. This document is updated quarterly.

Presentation

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

Use of Non-US GAAP Financial Measures

From time to time, management may publicly disclose certain numerical "non-GAAP financial measures" in the course of our earnings releases, financial presentations, earnings conference calls, investor and analyst meetings and otherwise. For these purposes, the Securities and Exchange Commission ("SEC") defines a "non-GAAP financial measure" as a numerical measure of historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that effectively exclude amounts, included in the most directly comparable measure calculated and presented in accordance with US GAAP, and vice versa for measures that include amounts, or are subject to adjustments that effectively include amounts, that are excluded from the most directly comparable US GAAP measure so calculated and presented. For these purposes, "GAAP" refers to generally accepted accounting principles in the United States.

Non-GAAP financial measures disclosed by management are provided as additional information to investors, analysts and other parties because the Company believes them to be important supplemental measures for assessing our financial and operating results and as a means to evaluate our financial condition and period-to-period comparisons. These non-GAAP financial measures should be viewed as supplemental to, and should not be considered in isolation or as alternatives to, net earnings (loss), operating profit (loss), operating margin, cash flow from operating activities (together with cash flow from investing and financing activities), earnings per share or any other US GAAP financial measure. These non-GAAP financial measures should be considered within the context of our complete audited and unaudited financial results for the given period, which are available on the Financial Information/Financial Document Library page of our website, investors.celanese.com. The definition and method of calculation of the non-GAAP financial measures used herein may be different from other companies' methods for calculating measures with the same or similar titles. Investors, analysts and other parties should understand how another company calculates such non-GAAP financial measures before comparing the other company's non-GAAP financial measures to any of our own. These non-GAAP financial measures may not be indicative of the historical operating results of the Company nor are they intended to be predictive or projections of future results.

Pursuant to the requirements of SEC Regulation G, whenever we refer to a non-GAAP financial measure, we will also present in this document, in the presentation itself or on a Form 8-K in connection with the presentation on the Financial Information/Financial Document Library page of our website, investors.celanese.com, to the extent practicable, the most directly comparable financial measure calculated and presented in accordance with GAAP, along with a reconciliation of the differences between the non-GAAP financial measure we reference and such comparable GAAP financial measure.

This document includes definitions and reconciliations of non-GAAP financial measures used from time to time by the Company.

Specific Measures Used

This document provides information about the following non-GAAP measures: adjusted EBIT, adjusted EBIT margin, operating EBITDA, operating EBITDA margin, operating profit (loss) attributable to Celanese Corporation, adjusted earnings per share, net debt, free cash flow and return on invested capital (adjusted). The most directly comparable financial measure presented in accordance with US GAAP in our consolidated financial statements for adjusted EBIT and operating EBITDA is net earnings (loss) attributable to Celanese Corporation; for adjusted EBIT margin and operating EBITDA margin is operating margin; for operating profit (loss) attributable to Celanese Corporation is operating profit (loss); for adjusted earnings per share is earnings (loss) from continuing operations attributable to Celanese Corporation per common share-diluted; for net debt

is total debt; for free cash flow is net cash provided by (used in) operations; and for return on invested capital (adjusted) is net earnings (loss) attributable to Celanese Corporation divided by the sum of the average of beginning and end of the year short- and long-term debt and Celanese Corporation stockholders' equity.

Definitions

- Adjusted EBIT is a performance measure used by the Company and is defined by the Company as net earnings (loss) attributable to Celanese Corporation, plus (earnings) loss from discontinued operations, less interest income, plus interest expense, plus refinancing expense and taxes, and further adjusted for Certain Items (refer to [Table 8](#)). We believe that adjusted EBIT provides transparent and useful information to management, investors, analysts and other parties in evaluating and assessing our primary operating results from period-to-period after removing the impact of unusual, non-operational or restructuring-related activities that affect comparability. Our management recognizes that adjusted EBIT has inherent limitations because of the excluded items. Adjusted EBIT is one of the measures management uses for planning and budgeting, monitoring and evaluating financial and operating results and as a performance metric in the Company's incentive compensation plan. We do not provide reconciliations for adjusted EBIT on a forward-looking basis (including those contained in this document) when we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amount of Certain Items, such as mark-to-market pension gains and losses, that have not yet occurred, are out of our control and/or cannot be reasonably predicted. For the same reasons, we are unable to address the probable significance of the unavailable information. Adjusted EBIT margin is defined by the Company as adjusted EBIT divided by net sales. Adjusted EBIT margin has the same uses and limitations as Adjusted EBIT.
- Operating EBITDA is a performance measure used by the Company and is defined by the Company as net earnings (loss) attributable to Celanese Corporation, plus (earnings) loss from discontinued operations, less interest income, plus interest expense, plus refinancing expense, taxes and depreciation and amortization, and further adjusted for Certain Items, which Certain Items include accelerated depreciation and amortization expense. Operating EBITDA is equal to adjusted EBIT plus depreciation and amortization. We believe that Operating EBITDA provides transparent and useful information to investors, analysts and other parties in evaluating our operating performance relative to our peer companies. Operating EBITDA margin is defined by the Company as Operating EBITDA divided by net sales. Operating EBITDA margin has the same uses and limitations as Operating EBITDA.
- Operating profit (loss) attributable to Celanese Corporation is defined by the Company as operating profit (loss), less earnings (loss) attributable to noncontrolling interests ("NCI"). We believe that operating profit (loss) attributable to Celanese Corporation provides transparent and useful information to management, investors, analysts and other parties in evaluating our core operational performance. Operating margin attributable to Celanese Corporation is defined by the Company as operating profit (loss) attributable to Celanese Corporation divided by net sales. Operating margin attributable to Celanese Corporation has the same uses and limitations as Operating profit (loss) attributable to Celanese Corporation.
- Adjusted earnings per share is a performance measure used by the Company and is defined by the Company as earnings (loss) from continuing operations attributable to Celanese Corporation, adjusted for income tax (provision) benefit, Certain Items, and refinancing and related expenses, divided by the number of basic common shares and dilutive restricted stock units and stock options calculated using the treasury method. We believe that adjusted earnings per share provides transparent and useful information to management, investors, analysts and other parties in evaluating and assessing our primary operating results from period-to-period after removing the impact of the above stated items that affect comparability and as a performance metric in the Company's incentive compensation plan. We do not provide reconciliations for adjusted earnings per share on a forward-looking basis (including those contained in this document) when we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amount of Certain Items, such as mark-to-market pension gains and losses, that have not yet occurred, are out of our control and/or cannot be reasonably predicted. For the same reasons, we are unable to address the probable significance of the unavailable information.

Note: The income tax expense (benefit) on Certain Items ("Non-GAAP adjustments") is determined using the applicable rates in the taxing jurisdictions in which the Non-GAAP adjustments occurred and includes both current and deferred income tax expense (benefit). The income tax rate used for adjusted earnings per share approximates the midpoint in a range of forecasted tax rates for the year. This range may include certain partial or full-year forecasted tax opportunities and related costs, where applicable, and specifically excludes changes in uncertain tax positions, discrete recognition of GAAP items on a quarterly basis, other pre-tax items adjusted out of our GAAP earnings for adjusted earnings per share purposes and changes in management's assessments regarding the ability to realize deferred tax assets for GAAP. In determining the adjusted earnings per share tax rate, we reflect the impact of foreign tax credits when utilized, or expected to be utilized, absent discrete events impacting the timing of foreign tax credit utilization. We analyze this rate quarterly and adjust it if there is a material change in the range of forecasted tax rates; an updated forecast would not necessarily result in a change to our tax rate used for adjusted earnings per share. The adjusted tax rate is an estimate and may differ from the actual tax rate used for GAAP reporting in any given reporting period. [Table 3a](#) summarizes the reconciliation of our estimated GAAP effective tax rate to the adjusted tax rate. The estimated GAAP rate excludes discrete recognition of GAAP items due to our inability to forecast such items. As part of the year-end reconciliation, we will update the reconciliation of the GAAP effective tax rate to the adjusted tax rate for actual results.

- *Free cash flow is a liquidity measure used by the Company and is defined by the Company as net cash provided by (used in) operations, less capital expenditures on property, plant and equipment, and adjusted for contributions from or distributions to our NCI joint ventures. We believe that free cash flow provides useful information to management, investors, analysts and other parties in evaluating the Company's liquidity and credit quality assessment because it provides an indication of the long-term cash generating ability of our business. Although we use free cash flow as a measure to assess the liquidity generated by our business, the use of free cash flow has important limitations, including that free cash flow does not reflect the cash requirements necessary to service our indebtedness, lease obligations, unconditional purchase obligations or pension and postretirement funding obligations. Free cash flow is not a measure of cash available for discretionary expenditures since the Company has certain debt service and finance lease payments that are not deducted from that measure.*
- *Net debt is defined by the Company as total debt less cash and cash equivalents. We believe that net debt provides useful information to management, investors, analysts and other parties in evaluating changes to the Company's capital structure and credit quality assessment.*
- *Return on invested capital (adjusted) is defined by the Company as adjusted EBIT, tax effected using the adjusted tax rate, divided by the sum of the average of beginning and end of the year short- and long-term debt and Celanese Corporation stockholders' equity. We believe that return on invested capital (adjusted) provides useful information to management, investors, analysts and other parties in order to assess our income generation from the point of view of our stockholders and creditors who provide us with capital in the form of equity and debt and whether capital invested in the Company yields competitive returns.*

Supplemental Information

Supplemental Information we believe to be of interest to investors, analysts and other parties includes the following:

- *Net sales for each of our business segments and the percentage increase or decrease in net sales attributable to price, volume, currency and other factors for each of our business segments.*
- *Cash dividends received from our equity investments.*
- *For those consolidated ventures in which the Company owns or is exposed to less than 100% of the economics, the outside stockholders' interests are shown as NCI. Amounts referred to as "attributable to Celanese Corporation" are net of any applicable NCI.*

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.

Table 1
Celanese Adjusted EBIT and Operating EBITDA - Reconciliation of Non-GAAP Measures - Unaudited

	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
	(In \$ millions)					
Net earnings (loss) attributable to Celanese Corporation	91	1,894	767	191	434	502
(Earnings) loss from discontinued operations	3	8	1	1	6	—
Interest income	(8)	(69)	(33)	(34)	(1)	(1)
Interest expense	182	405	168	154	48	35
Income tax provision (benefit)	25	(489)	(840)	127	112	112
Certain Items attributable to Celanese Corporation (Table 8)	131	422	239	71	47	65
Adjusted EBIT	424	2,171	302	510	646	713
Depreciation and amortization expense ⁽¹⁾	172	446	151	97	98	100
Operating EBITDA	596	2,617	453	607	744	813

	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
	(In \$ millions)					
Engineered Materials	—	13	2	3	4	4
Acetyl Chain	—	2	—	—	—	2
Other Activities ⁽²⁾	—	1	—	—	1	—
Accelerated depreciation and amortization expense	—	16	2	3	5	6
Depreciation and amortization expense ⁽¹⁾	172	446	151	97	98	100
Total depreciation and amortization expense	172	462	153	100	103	106

⁽¹⁾ Excludes accelerated depreciation and amortization expense as detailed in the table above, which amounts are included in Certain Items above.

⁽²⁾ Other Activities includes corporate Selling, general and administrative ("SG&A") expenses, results of captive insurance companies and certain components of net periodic benefit cost (interest cost, expected return on plan assets and net actuarial gains and losses).

Table 1a
M&M Adjusted EBIT and Operating EBITDA - Reconciliation of Non-GAAP Measures - Unaudited

	Q1 '23	Q4 '22
	(In \$ millions)	
Net earnings (loss) attributable to M&M	(48)	(69) ⁽³⁾
Income tax provision (benefit)	13	6
Certain Items ⁽¹⁾	86	72
Adjusted EBIT	51	9
Depreciation and amortization expense	68	47
Operating EBITDA⁽²⁾	119	56 ⁽⁴⁾

⁽¹⁾ Amount is included within total Certain Items shown in [Table 8](#).

⁽²⁾ Excludes \$(23) million and \$(17) million of Operating EBITDA included in Other Activities for the three months ended March 31, 2023 and December 31, 2022, respectively.

⁽³⁾ Excludes \$30 million of Net loss for the month ended October 31, 2022, prior to our acquisition of the majority of the Mobility & Materials business ("M&M Business") of DuPont de Nemours, Inc.

⁽⁴⁾ Excludes \$22 million of Operating EBITDA for the month ended October 31, 2022, prior to our acquisition of the M&M Business.

Table 2 - Supplemental Segment Data and Reconciliation of Segment Adjusted EBIT and Operating EBITDA - Non-GAAP Measures - Unaudited

	Q1 '23		2022		Q4 '22		Q3 '22		Q2 '22		Q1 '22	
	(In \$ millions, except percentages)											
Operating Profit (Loss) / Operating Margin												
Engineered Materials ⁽¹⁾	112	6.9 %	429	10.7 %	25	2.0 %	114	12.3 %	166	17.5 %	124	13.6 %
Acetyl Chain ⁽¹⁾	278	22.2 %	1,447	25.2 %	204	18.0 %	312	22.3 %	428	27.5 %	503	30.4 %
Other Activities ⁽²⁾	(139)		(498)		(173)		(118)		(111)		(96)	
Total	251	8.8 %	1,378	14.2 %	56	2.4 %	308	13.4 %	483	19.4 %	531	20.9 %
Less: Net Earnings (Loss) Attributable to NCI ⁽¹⁾	2		8		2		2		2		2	
Operating Profit (Loss) Attributable to Celanese Corporation	249	8.7 %	1,370	14.2 %	54	2.3 %	306	13.3 %	481	19.3 %	529	20.8 %
Operating Profit (Loss) / Operating Margin Attributable to Celanese Corporation												
Engineered Materials ⁽¹⁾	112	6.9 %	429	10.7 %	25	2.0 %	114	12.3 %	166	17.5 %	124	13.6 %
Acetyl Chain ⁽¹⁾	276	22.1 %	1,439	25.1 %	202	17.8 %	310	22.2 %	426	27.3 %	501	30.3 %
Other Activities ⁽²⁾	(139)		(498)		(173)		(118)		(111)		(96)	
Total	249	8.7 %	1,370	14.2 %	54	2.3 %	306	13.3 %	481	19.3 %	529	20.8 %
Equity Earnings and Dividend Income, Other Income (Expense) Attributable to Celanese Corporation												
Engineered Materials	10		207		35		70		53		49	
Acetyl Chain	34		143		30		34		39		40	
Other Activities ⁽²⁾	(1)		12		1		4		1		6	
Total	43		362		66		108		93		95	
Non-Operating Pension and Other Post-Retirement Employee Benefit (Expense) Income Attributable to Celanese Corporation												
Engineered Materials	—		—		—		—		—		—	
Acetyl Chain	—		—		—		—		—		—	
Other Activities ⁽²⁾	1		17		(57)		25		25		24	
Total	1		17		(57)		25		25		24	
Certain Items Attributable to Celanese Corporation (Table 8)												
Engineered Materials	93		143		78		22		5		38	
Acetyl Chain	6		27		10		5		10		2	
Other Activities ⁽²⁾	32		252		151		44		32		25	
Total	131		422		239		71		47		65	
Adjusted EBIT / Adjusted EBIT Margin												
Engineered Materials	215	13.2 %	779	19.4 %	138	11.2 %	206	22.2 %	224	23.6 %	211	23.2 %
Acetyl Chain	316	25.3 %	1,609	28.0 %	242	21.3 %	349	25.0 %	475	30.5 %	543	32.9 %
Other Activities ⁽²⁾	(107)		(217)		(78)		(45)		(53)		(41)	
Total	424	14.9 %	2,171	22.4 %	302	12.9 %	510	22.2 %	646	26.0 %	713	28.1 %

⁽¹⁾ Net earnings (loss) attributable to NCI is included within the Engineered Materials and the Acetyl Chain segments.

⁽²⁾ Other Activities includes corporate SG&A expenses, results of captive insurance companies and certain components of net periodic benefit cost (interest cost, expected return on plan assets and net actuarial gains and losses).

Table 2 - Supplemental Segment Data and Reconciliation of Segment Adjusted EBIT and Operating EBITDA - Non-GAAP Measures - Unaudited (cont.)

	Q1 '23		2022		Q4 '22		Q3 '22		Q2 '22		Q1 '22	
	(In \$ millions, except percentages)											
Depreciation and Amortization Expense ⁽¹⁾												
Engineered Materials	112		213		90	40		41		42		
Acetyl Chain	54		211		52	53		52		54		
Other Activities ⁽²⁾	6		22		9	4		5		4		
Total	172		446		151	97		98		100		
Operating EBITDA / Operating EBITDA Margin												
Engineered Materials	327	20.1 %	992	24.7 %	228	18.4 %	246	26.5 %	265	28.0 %	253	27.8 %
Acetyl Chain	370	29.6 %	1,820	31.7 %	294	25.9 %	402	28.8 %	527	33.8 %	597	36.1 %
Other Activities ⁽²⁾	(101)		(195)		(69)		(41)		(48)		(37)	
Total	596	20.9 %	2,617	27.1 %	453	19.3 %	607	26.4 %	744	29.9 %	813	32.0 %

⁽¹⁾ Excludes accelerated depreciation and amortization expense, which amounts are included in Certain Items above. See [Table 1](#) for details.

⁽²⁾ Other Activities includes corporate SG&A expenses, results of captive insurance companies and certain components of net periodic benefit cost (interest cost, expected return on plan assets and net actuarial gains and losses).

Table 3
Adjusted Earnings (Loss) per Share - Reconciliation of a Non-GAAP Measure - Unaudited

	Q1 '23		2022		Q4 '22		Q3 '22		Q2 '22		Q1 '22	
	per share		per share		per share		per share		per share		per share	
(In \$ millions, except per share data)												
Earnings (loss) from continuing operations attributable to Celanese Corporation	94	0.86	1,902	17.41	768	7.03	192	1.76	440	4.03	502	4.61
Income tax provision (benefit)	25		(489)		(840)		127		112		112	
Earnings (loss) from continuing operations before tax	119		1,413		(72)		319		552		614	
Certain Items attributable to Celanese Corporation (Table 8)	131		422		239		71		47		65	
Refinancing and related expenses	—		158 ⁽¹⁾		14 ⁽¹⁾		104 ⁽¹⁾		26 ⁽¹⁾		14 ⁽¹⁾	
Adjusted earnings (loss) from continuing operations before tax	250		1,993		181		494		625		693	
Income tax (provision) benefit on adjusted earnings ⁽²⁾	(30)		(259)		(24)		(64)		(81)		(90)	
Adjusted earnings (loss) from continuing operations ⁽³⁾	220	2.01	1,734	15.88	157	1.44	430	3.94	544	4.99	603	5.54
Diluted shares (in millions) ⁽⁴⁾												
Weighted average shares outstanding	108.6		108.4		108.5		108.4		108.4		108.2	
Incremental shares attributable to equity awards	0.6		0.8		0.7		0.7		0.7		0.7	
Total diluted shares	109.2		109.2		109.2		109.1		109.1		108.9	

⁽¹⁾ Includes net interest expense and certain fees related to debt issued as part of our acquisition of the M&M Business.

⁽²⁾ Calculated using adjusted effective tax rates (Table 3a) as follows:

	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
Adjusted effective tax rate	12	13	13	13	13	13

⁽³⁾ Excludes the immediate recognition of actuarial gains and losses and the impact of actual vs. expected plan asset returns.

	Actual Plan Asset Returns	Expected Plan Asset Returns
	(In percentages)	
2022	(18.4)	5.4

⁽⁴⁾ Potentially dilutive shares are included in the adjusted earnings per share calculation when adjusted earnings are positive.

Table 3a
Adjusted Tax Rate - Reconciliation of a Non-GAAP Measure - Unaudited

	Estimated 2023	Actual 2022
	(In percentages)	
US GAAP annual effective tax rate	16	(34)
Discrete quarterly recognition of GAAP items ⁽¹⁾	(1)	(6)
Tax impact of other charges and adjustments ⁽²⁾	(3)	9
Utilization of foreign tax credits	—	—
Changes in valuation allowances, excluding impact of other charges and adjustments ⁽³⁾	—	(1)
Other, includes effect of discrete current year transactions ⁽⁴⁾	—	45 ⁽⁵⁾
Adjusted tax rate	12	13

Note: As part of the year-end reconciliation, we will update the reconciliation of the GAAP effective tax rate for actual results.

- ⁽¹⁾ Such as changes in tax laws (including US tax reform), deferred taxes on outside basis differences, changes in uncertain tax positions and prior year audit adjustments.
- ⁽²⁾ Reflects the tax impact on pre-tax adjustments presented in Certain Items ([Table 8](#)), which are excluded from pre-tax income for adjusted earnings per share purposes.
- ⁽³⁾ Reflects changes in valuation allowances related to changes in judgment regarding the realizability of deferred tax assets or current year operations, excluding other charges and adjustments.
- ⁽⁴⁾ Includes tax impacts related to full-year forecasted tax opportunities and related costs.
- ⁽⁵⁾ Includes the reversal of certain U.S. GAAP deferred tax benefits in 2022 related to non-recurring internal restructuring transactions related to the M&M acquisition, to centralize ownership of intellectual property with the business and to facilitate future deployment of cash to service acquisition indebtedness. Certain benefits of the internal restructuring will be realized in future periods for adjusted earnings purposes.

Table 4
Net Sales by Segment - Unaudited

	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
	(In \$ millions)					
Engineered Materials	1,630	4,024	1,237	929	948	910
Acetyl Chain	1,250	5,743	1,135	1,397	1,559	1,652
Intersegment eliminations ⁽¹⁾	(27)	(94)	(24)	(25)	(21)	(24)
Net sales	2,853	9,673	2,348	2,301	2,486	2,538

⁽¹⁾ Includes intersegment sales primarily related to the Acetyl Chain.

Table 4a
Factors Affecting Segment Net Sales Sequentially - Unaudited

Three Months Ended March 31, 2023 Compared to Three Months Ended December 31, 2022

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	34	(4)	2	32
Acetyl Chain	10	(2)	2	10
Total Company	19	(4)	2	17

Three Months Ended December 31, 2022 Compared to Three Months Ended September 30, 2022

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	34	(1)	—	33 ⁽¹⁾
Acetyl Chain	(9)	(10)	—	(19)
Total Company	8	(6)	—	2

Three Months Ended September 30, 2022 Compared to Three Months Ended June 30, 2022

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	(1)	2	(3)	(2)
Acetyl Chain	(3)	(5)	(2)	(10)
Total Company	(2)	(3)	(2)	(7)

Three Months Ended June 30, 2022 Compared to Three Months Ended March 31, 2022

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	1	6	(3)	4
Acetyl Chain	(6)	2	(2)	(6)
Total Company	(2)	2	(2)	(2)

⁽¹⁾ 2022 includes the effect of the acquisition of the majority of the M&M Business.

Three Months Ended March 31, 2022 Compared to Three Months Ended December 31, 2021

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	23	7	(1)	29
Acetyl Chain	7	(3)	—	4
Total Company	12	1	(1)	12

Table 4b
Factors Affecting Segment Net Sales Year Over Year - Unaudited

Three Months Ended March 31, 2023 Compared to Three Months Ended March 31, 2022

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	80	2	(3)	79
Acetyl Chain	(9)	(13)	(2)	(24)
Total Company	23	(8)	(3)	12

Three Months Ended December 31, 2022 Compared to Three Months Ended December 31, 2021

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	67	17	(9)	75
Acetyl Chain	(12)	(14)	(3)	(29)
Total Company	13	(5)	(5)	3

Three Months Ended September 30, 2022 Compared to Three Months Ended September 30, 2021

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	23	25	(12)	36
Acetyl Chain	(10)	2	(5)	(13)
Total Company	(2)	9	(5)	2

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	24	24	(9)	39
Acetyl Chain	(5)	11	(4)	2
Total Company	3	14	(4)	13

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	20	25	(4)	41
Acetyl Chain	7	38	(3)	42
Total Company	12	32	(3)	41

Table 4c
Factors Affecting Segment Net Sales Year Over Year - Unaudited

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	33	23	(8)	48
Acetyl Chain	(6)	6	(3)	(3)
Total Company	6	11	(4)	13

Table 5
Free Cash Flow - Reconciliation of a Non-GAAP Measure - Unaudited

	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
(In \$ millions, except percentages)						
Net cash provided by (used in) investing activities	(178)	(11,141)	(10,713)	(143)	(136)	(149)
Net cash provided by (used in) financing activities	(69)	10,290	1,944	8,600	(159)	(95)
Net cash provided by (used in) operating activities	(96)	1,819	541	467	495	316
Capital expenditures on property, plant and equipment	(164)	(543)	(143)	(139)	(124)	(137)
Contributions from/(Distributions) to NCI	(1)	(13)	(3)	(3)	(3)	(4)
Free cash flow⁽¹⁾	(261)	1,263	395	325	368	175
Net sales	2,853	9,673	2,348	2,301	2,486	2,538
Free cash flow as % of Net sales	(9.1)%	13.1 %	16.8 %	14.1 %	14.8 %	6.9 %

⁽¹⁾ Free cash flow is a liquidity measure used by the Company and is defined by the Company as net cash provided by (used in) operating activities, less capital expenditures on property, plant and equipment, and adjusted for contributions from or distributions to our NCI joint ventures.

Table 6
Cash Dividends Received - Unaudited

	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
	(In \$ millions)					
Dividends from equity method investments	40	217	82	27	82	26
Dividends from equity investments without readily determinable fair values	34	133	30	30	36	37
Total	74	350	112	57	118	63

Table 7
Net Debt - Reconciliation of a Non-GAAP Measure - Unaudited

	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
	(In \$ millions)					
Short-term borrowings and current installments of long-term debt - third party and affiliates	1,386	1,306	1,306	977	809	860
Long-term debt, net of unamortized deferred financing costs	13,396	13,373	13,373	11,360	3,022	3,132
Total debt	14,782	14,679	14,679	12,337	3,831	3,992
Cash and cash equivalents	(1,167)	(1,508)	(1,508)	(9,671)	(783)	(605)
Net debt	13,615	13,171	13,171	2,666	3,048	3,387

Table 8
Certain Items - Unaudited

The following Certain Items attributable to Celanese Corporation are included in Net earnings (loss) and are adjustments to non-GAAP measures:

	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22	Income Statement Classification
	(In \$ millions)						
Exit and shutdown costs	26	52	2	14	29	7	Cost of sales / SG&A / Other (charges) gains, net / Gain (loss) on disposition of businesses and assets, net / Non-operating pension and other postretirement employee benefit (expense) income
Asset impairments	—	13	2	12	(1)	—	Cost of sales / Other (charges) gains, net
Impact from plant incidents and natural disasters ⁽¹⁾	6	17	17	—	—	—	Cost of sales
Mergers, acquisitions and dispositions	99	267	138	44	29	56	Cost of sales / SG&A
Actuarial (gain) loss on pension and postretirement plans	—	80	80	—	—	—	Cost of sales / SG&A / Non-operating pension and other postretirement employee benefit (expense) income
Legal settlements and commercial disputes	—	3	—	1	—	2	Cost of sales / SG&A / Other (charges) gains, net
Other	—	(10)	—	—	(10)	—	Cost of sales / SG&A / Gain (loss) on disposition of businesses and assets, net
Certain Items attributable to Celanese Corporation	131	422	239	71	47	65	

⁽¹⁾ Primarily associated with Winter Storm Elliott.

Table 9
Return on Invested Capital (Adjusted) - Presentation of a Non-GAAP Measure - Unaudited

	2022 (In \$ millions, except percentages)		
Net earnings (loss) attributable to Celanese Corporation	1,894		
Adjusted EBIT (Table 1)	2,171		
Adjusted effective tax rate (Table 3a)	13 %		
Adjusted EBIT tax effected	1,889		
	2022	2021	Average
	(In \$ millions, except percentages)		
Short-term borrowings and current installments of long-term debt - third parties and affiliates	1,306	791	1,049
Long-term debt, net of unamortized deferred financing costs	13,373	3,176	8,275
Celanese Corporation stockholders' equity	5,637	4,189	4,913
Invested capital	14,237		
Return on invested capital (adjusted)	13.3 %		
Net earnings (loss) attributable to Celanese Corporation as a percentage of invested capital	13.3 %		