

**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): **November 6, 2023**

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

Delaware

001-32410

98-0420726

(State or other jurisdiction
of incorporation)

(Commission File
Number)

(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
1.250% 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 November 6, 2023, Celanese Corporation (the "Company") issued a press release reporting the financial results for its third quarter of 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 November 6, 2023*
99.2	Non-US GAAP Financial Measures and Supplemental Information dated November 6, 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: November 6, 2023



Celanese Corporation Reports Third Quarter 2023 Earnings

Dallas, November 6, 2023: Celanese Corporation (NYSE: CE), a global chemical and specialty materials company, today reported third quarter 2023 GAAP diluted earnings per share of \$8.70 and adjusted earnings per share of \$2.50. The Company generated net sales of \$2.7 billion in the quarter, a decrease of 3 percent from the prior quarter, reflecting a sequential decrease in pricing of 3 percent partially offset by a sequential increase in volume of 1 percent. Celanese reported third quarter consolidated operating profit of \$842 million, adjusted EBIT of \$451 million, and operating EBITDA of \$624 million, at margins of 31, 17, and 23 percent, respectively. The Company has delivered sequential increases in these profitability metrics across each of the last three quarters.

The difference between GAAP diluted earnings per share and adjusted earnings per share in the third quarter was primarily due to Certain Items totaling \$438 million, including the gain from the formation of the *Nutrinova* joint venture (JV) and M&A-related costs, as well as a recorded income tax benefit of \$236 million, primarily due to internal relocations of intellectual property to align with acquired operations.

Celanese took actions to reduce costs, align production and inventory levels with demand, and maximize cash generation in response to unfavorable demand and competitive dynamics. As a result, the Company:

- Reduced inventory balances by \$177 million in the third quarter with inventory reductions across Engineered Materials and the Acetyl Chain of 7 percent and 6 percent, respectively;
- Generated third quarter operating cash flow of \$403 million and free cash flow of \$268 million; and
- Reduced net debt by \$758 million in the third quarter, including a \$697 million sequential decrease in debt and a \$61 million sequential increase in cash.

"Our third quarter performance is a reflection of our commitment to take the necessary actions to support our earnings growth and deleveraging plan in what has been a persistently challenging backdrop this year," said Lori Ryerkerk, chair and chief executive officer. "We continued to lift the earnings power of Celanese and significantly strengthened our balance sheet position in the third quarter. Across the first three quarters of 2023 we have reduced our net debt by \$829 million and remain well on path to meaningfully exceed the full year objective to reduce net debt by \$1 billion in 2023."

Third Quarter 2023 Financial Highlights:

	Three Months Ended		
	September 30, 2023	June 30, 2023	September 30, 2022
(unaudited)			
(In \$ millions, except per share data)			
Net Sales			
Engineered Materials	1,528	1,585	929
Acetyl Chain	1,220	1,233	1,397
Intersegment Eliminations	(25)	(23)	(25)
Total	<u>2,723</u>	<u>2,795</u>	<u>2,301</u>
Operating Profit (Loss)			
Engineered Materials	691	158	114
Acetyl Chain	272	295	312
Other Activities	(121)	(118)	(118)
Total	<u>842</u>	<u>335</u>	<u>308</u>
Net Earnings (Loss)	949	221	193
Adjusted EBIT⁽¹⁾			
Engineered Materials	229	205	206
Acetyl Chain	310	332	349
Other Activities	(88)	(93)	(45)
Total	<u>451</u>	<u>444</u>	<u>510</u>
Equity Earnings and Dividend Income, Other Income (Expense)			
Engineered Materials	12	20	70
Acetyl Chain	33	32	34
Operating EBITDA ⁽¹⁾	624	616	607
Diluted EPS - continuing operations	\$ 8.70	\$ 2.00	\$ 1.76
Diluted EPS - total	\$ 8.69	\$ 2.01	\$ 1.75
Adjusted EPS ⁽¹⁾	\$ 2.50	\$ 2.17	\$ 3.94
Net cash provided by (used in) investing activities	375	(163)	(143)
Net cash provided by (used in) financing activities	(700)	(447)	8,600
Net cash provided by (used in) operating activities	403	762	467
Free cash flow ⁽¹⁾	268	611	325

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

Recent Highlights:

- Announced a series of transactions to extend the Company's debt maturity profile and lower the total effective net borrowing rate to the Company. The total value of the combined 2023, 2024, and 2025 debt maturities was significantly reduced, effectively eliminating the need to refinance any debt over the next several years.
- Completed the formation of *Nutrinova*, a Food Ingredients JV with Mitsui & Co., Ltd.,. Celanese contributed the assets, technology, and employees of its Food Ingredients business of which Mitsui acquired a 70 percent stake at a purchase price of \$503 million, including closing adjustments.
- Announced the planned closure of the Company's nylon 66 (PA66) and high-performance nylon (HPN) polymerization units in Uentrop, Germany. Polymerization costs at Uentrop are the highest in the Celanese global nylon network due to energy and raw material costs in the region. The Company plans to cease PA66 and HPN polymerization at Uentrop by January 1, 2024 and February 1, 2024, respectively.
- Ceased production at Engineered Materials production facilities in Campo Bom, Brazil; Berazategui, Argentina; and Wehr, Germany in September and October.

Third Quarter 2023 Business Segment Overview

Acetyl Chain

The Acetyl Chain delivered third quarter net sales of \$1.2 billion, a 1 percent decrease from the prior quarter. Third quarter volume increased by 3 percent sequentially, and pricing decreased by 3 percent sequentially and 18 percent year over year as a result of lower global industry utilization, particularly in the Western Hemisphere. The business navigated weakened pricing conditions by utilizing its commercial and supply chain optionality. Amid disruptions in acetic acid industry supply in China, the business pivoted to secure 48 percent more sequential acetic acid volume in China and captured a disproportionate share of pricing strength at the end of the third quarter. The business continued to flex its production network to align with demand, including idling the Frankfurt VAM facility for the duration of the quarter, to deliver further inventory reductions. As a result of these actions, the Acetyl Chain delivered third quarter operating profit of \$272 million, adjusted EBIT of \$310 million, and operating EBITDA of \$365 million at margins of 22, 25, and 30 percent, respectively. The Acetyl Chain limited the sequential decline in each of these profit metrics to approximately \$20 million, despite a series of sequential headwinds including margin compression in Europe, a spike in U.S. Gulf Coast electricity costs, and an unfavorable earnings impact related to inventory. In a global demand environment that remains challenged, the Acetyl Chain has demonstrated the stability and resilience of its foundational earnings across each quarter of 2023.

Engineered Materials

Engineered Materials reported third quarter net sales of \$1.5 billion, a sequential decrease of 4 percent. Sequential volume declined by 1 percent as the impact of poor demand conditions across most end-markets was partially offset by sequential volume growth in automotive and medical. Third quarter pricing decreased by 3 percent sequentially as a result of challenging competitive dynamics across the year due to poor demand and raw material deflation. The business offset the impact of pricing and volume decreases by reducing costs, aligning production and inventory levels to demand, and pivoting to end-markets with relative demand strength. Engineered Materials reduced inventory by approximately \$140 million across the third quarter and has delivered inventory reductions across the first three quarters of 2023 approaching \$400 million. Engineered Materials

delivered third quarter operating profit of \$691 million, adjusted EBIT of \$229 million, and operating EBITDA of \$340 million at margins of 45, 15, and 22 percent, respectively. Sequential increases in these earnings metrics was supported by increased earnings contributions from Mobility & Materials (M&M) driven by volume growth and incremental synergies. Affiliate earnings decreased by \$10 million sequentially, primarily driven by M&M-related affiliates.

Cash Flow and Tax

Celanese reported third quarter operating cash flow of \$403 million and free cash flow of \$268 million which included cash capital expenditures of \$131 million. Celanese returned \$76 million in cash to shareholders via dividends in the quarter.

The effective income tax rate was a benefit of 33 percent for the third quarter compared to an expense of 40 percent for the same quarter in 2022. The lower effective rate was primarily due to the relocation of certain intangible assets to align with the acquired M&M foreign operations, differences in the tax and U.S. GAAP gain from the formation of the *Nutrinova* JV, decreased earnings in high taxed jurisdictions related to current demand conditions, and a decrease in valuation allowances on U.S. foreign tax credit carryforwards due to revised forecasts of foreign sourced income and expenses during the carryforward period. The effective tax rate for 2023 adjusted earnings was revised to 9 percent based on the expected jurisdictional earnings mix for the full year and consideration of other non-recurring U.S. GAAP items.

Outlook

"Our focus remains on sustainably lifting the earnings power of Celanese by taking decisive actions to control what we can in an operating environment that remains volatile and uncertain," said Lori Ryerkker. "Through the organizational, production footprint, and commercial actions we take, we are supporting near-term performance and laying the groundwork for amplified earnings growth when demand returns. We are hard at work to deliver sequential growth in the earnings contributions from our businesses in the fourth quarter, despite anticipated cold weather seasonality, and to position ourselves to enter 2024 with additional momentum."

Reflective of controllable actions, improvement in destocking conditions, and typical cold weather seasonality, the Company anticipates fourth quarter adjusted earnings per share of \$2.10 to \$2.50, inclusive of approximately \$0.30 per share of M&M transaction amortization. Consequently, Celanese anticipates full year adjusted earnings per share at the lower-end of the previous \$9.00 to \$10.00 range, inclusive of approximately \$1.20 per share of M&M transaction amortization.

Reconciliations of forecasted non-GAAP measures such as adjusted earnings per share, adjusted EBIT or free cash flow to the equivalent U.S. GAAP measures (diluted earnings per share, net earnings (loss) attributable to Celanese Corporation and net cash provided by (used in) operations, respectively), are not available without unreasonable efforts because a forecast of Certain Items, such as mark-to-market pension gains/losses, and other items is not practical. For more information, see "Non-GAAP Financial Measures" below.

The Company's prepared remarks related to the third quarter will be posted on its website at investors.celanese.com under Financial Information/Financial Document Library on November 6, 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 13,000 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 net cash provided by (used in) operations, less capital expenditures on property, plant and equipment, and adjusted for contributions from or distributions to our noncontrolling interest joint ventures. We do not provide reconciliations for free cash flow 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 items such as working capital changes, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures, and other structural changes, 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.*

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 November 6, 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		
	September 30, 2023	June 30, 2023	September 30, 2022
	(In \$ millions, except share and per share data)		
Net sales	2,723	2,795	2,301
Cost of sales	(2,050)	(2,109)	(1,755)
Gross profit	673	686	546
Selling, general and administrative expenses	(244)	(274)	(184)
Amortization of intangible assets	(41)	(42)	(10)
Research and development expenses	(32)	(40)	(25)
Other (charges) gains, net	(17)	(10)	(15)
Foreign exchange gain (loss), net	—	15	(2)
Gain (loss) on disposition of businesses and assets, net	503	—	(2)
Operating profit (loss)	842	335	308
Equity in net earnings (loss) of affiliates	12	23	73
Non-operating pension and other postretirement employee benefit (expense) income	(1)	(2)	25
Interest expense	(178)	(182)	(154)
Refinancing expense	(7)	—	—
Interest income	12	7	34
Dividend income - equity investments	30	31	30
Other income (expense), net	4	4	5
Earnings (loss) from continuing operations before tax	714	216	321
Income tax (provision) benefit	236	4	(127)
Earnings (loss) from continuing operations	950	220	194
Earnings (loss) from operation of discontinued operations	(1)	—	—
Income tax (provision) benefit from discontinued operations	—	1	(1)
Earnings (loss) from discontinued operations	(1)	1	(1)
Net earnings (loss)	949	221	193
Net (earnings) loss attributable to noncontrolling interests	2	(1)	(2)
Net earnings (loss) attributable to Celanese Corporation	951	220	191
Amounts attributable to Celanese Corporation			
Earnings (loss) from continuing operations	952	219	192
Earnings (loss) from discontinued operations	(1)	1	(1)
Net earnings (loss)	951	220	191
Earnings (loss) per common share - basic			
Continuing operations	8.74	2.01	1.77
Discontinued operations	(0.01)	0.01	(0.01)
Net earnings (loss) - basic	8.73	2.02	1.76
Earnings (loss) per common share - diluted			
Continuing operations	8.70	2.00	1.76
Discontinued operations	(0.01)	0.01	(0.01)
Net earnings (loss) - diluted	8.69	2.01	1.75
Weighted average shares (in millions)			
Basic	108.9	108.9	108.4
Diluted	109.4	109.3	109.1

Consolidated Balance Sheets - Unaudited

	As of September 30, 2023	As of December 31, 2022
(In \$ millions)		
ASSETS		
Current Assets		
Cash and cash equivalents	1,357	1,508
Trade receivables - third party and affiliates, net	1,339	1,379
Non-trade receivables, net	570	675
Inventories	2,337	2,808
Other assets	284	241
Total current assets	<u>5,887</u>	<u>6,611</u>
Investments in affiliates	1,245	1,062
Property, plant and equipment, net	5,467	5,584
Operating lease right-of-use assets	395	413
Deferred income taxes	1,074	808
Other assets	535	547
Goodwill	6,991	7,142
Intangible assets, net	3,944	4,105
Total assets	<u><u>25,538</u></u>	<u><u>26,272</u></u>
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings and current installments of long-term debt - third party and affiliates	1,408	1,306
Trade payables - third party and affiliates	1,263	1,518
Other liabilities	927	1,201
Income taxes payable	18	43
Total current liabilities	<u>3,616</u>	<u>4,068</u>
Long-term debt, net of unamortized deferred financing costs	12,291	13,373
Deferred income taxes	1,223	1,242
Uncertain tax positions	276	322
Benefit obligations	396	411
Operating lease liabilities	334	364
Other liabilities	453	387
Commitments and Contingencies		
Stockholders' Equity		
Treasury stock, at cost	(5,490)	(5,491)
Additional paid-in capital	386	372
Retained earnings	12,308	11,274
Accumulated other comprehensive income (loss), net	(713)	(518)
Total Celanese Corporation stockholders' equity	<u>6,491</u>	<u>5,637</u>
Noncontrolling interests	458	468
Total equity	<u>6,949</u>	<u>6,105</u>
Total liabilities and equity	<u><u>25,538</u></u>	<u><u>26,272</u></u>

Non-US GAAP Financial Measures and Supplemental Information

November 6, 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. We do not provide reconciliations for free cash flow on a forward-looking basis 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 items such as working capital changes, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures, and other structural changes, 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.*
- *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

	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
(In \$ millions)								
Net earnings (loss) attributable to Celanese Corporation	951	220	91	1,894	767	191	434	502
(Earnings) loss from discontinued operations	1	(1)	3	8	1	1	6	—
Interest income	(12)	(7)	(8)	(69)	(33)	(34)	(1)	(1)
Interest expense	178	182	182	405	168	154	48	35
Refinancing expense	7	—	—	—	—	—	—	—
Income tax provision (benefit)	(236)	(4)	25	(489)	(840)	127	112	112
Certain Items attributable to Celanese Corporation (Table 8)	(438)	54	131	422	239	71	47	65
Adjusted EBIT	451	444	424	2,171	302	510	646	713
Depreciation and amortization expense ⁽¹⁾	173	172	172	446	151	97	98	100
Operating EBITDA	624	616	596	2,617	453	607	744	813
(In \$ millions)								
	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
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⁾	173	172	172	446	151	97	98	100
Total depreciation and amortization expense	173	172	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

	Q3 '23	Q2 '23	Q1 '23	Q4 '22
	(In \$ millions)			
Net earnings (loss) attributable to M&M	47	47	(48)	(69) ⁽³⁾
Income tax provision (benefit)	10	(1)	13	6
Certain Items ⁽¹⁾	17	18	86	72
Adjusted EBIT	74	64	51	9
Depreciation and amortization expense	70	68	68	47
Operating EBITDA⁽²⁾	144	132	119	56 ⁽⁴⁾

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

⁽²⁾ Excludes \$(19) million, \$(23) million, \$(23) million and \$(17) million of Operating EBITDA included in Other Activities for the three months ended September 30, 2023, June 30, 2023, 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

	Q3 '23		Q2 '23		Q1 '23		2022		Q4 '22		Q3 '22		Q2 '22		Q1 '22	
	(In \$ millions, except percentages)															
Operating Profit (Loss) / Operating Margin																
Engineered Materials	691	45.2 %	158	10.0 %	112	6.9 %	429	10.7 %	25	2.0 %	114	12.3 %	166	17.5 %	124	13.6 %
Acetyl Chain	272	22.3 %	295	23.9 %	278	22.2 %	1,447	25.2 %	204	18.0 %	312	22.3 %	428	27.5 %	503	30.4 %
Other Activities ⁽¹⁾	(121)		(118)		(139)		(498)		(173)		(118)		(111)		(96)	
Total	842	30.9 %	335	12.0 %	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 for Engineered Materials	(2)		(2)		—		—		—		—		—		—	
Less: Net Earnings (Loss) Attributable to NCI for Acetyl Chain	—		3		2		8		2		2		2		2	
Operating Profit (Loss) Attributable to Celanese Corporation	844	31.0 %	334	11.9 %	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	693	45.4 %	160	10.1 %	112	6.9 %	429	10.7 %	25	2.0 %	114	12.3 %	166	17.5 %	124	13.6 %
Acetyl Chain	272	22.3 %	292	23.7 %	276	22.1 %	1,439	25.1 %	202	17.8 %	310	22.2 %	426	27.3 %	501	30.3 %
Other Activities ⁽¹⁾	(121)		(118)		(139)		(498)		(173)		(118)		(111)		(96)	
Total	844	31.0 %	334	11.9 %	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	12		20		10		207		35		70		53		49	
Acetyl Chain	33		32		34		143		30		34		39		40	
Other Activities ⁽¹⁾	1		6		(1)		12		1		4		1		6	
Total	46		58		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 ⁽¹⁾	(1)		(2)		1		17		(57)		25		25		24	
Total	(1)		(2)		1		17		(57)		25		25		24	
Certain Items Attributable to Celanese Corporation (Table 8)																
Engineered Materials	(476)		25		93		143		78		22		5		38	
Acetyl Chain	5		8		6		27		10		5		10		2	
Other Activities ⁽¹⁾	33		21		32		252		151		44		32		25	
Total	(438)		54		131		422		239		71		47		65	
Adjusted EBIT / Adjusted EBIT Margin																
Engineered Materials	229	15.0 %	205	12.9 %	215	13.2 %	779	19.4 %	138	11.2 %	206	22.2 %	224	23.6 %	211	23.2 %
Acetyl Chain	310	25.4 %	332	26.9 %	316	25.3 %	1,609	28.0 %	242	21.3 %	349	25.0 %	475	30.5 %	543	32.9 %
Other Activities ⁽¹⁾	(88)		(93)		(107)		(217)		(78)		(45)		(53)		(41)	
Total	451	16.6 %	444	15.9 %	424	14.9 %	2,171	22.4 %	302	12.9 %	510	22.2 %	646	26.0 %	713	28.1 %

⁽¹⁾ 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.)

	Q3 '23		Q2 '23		Q1 '23		2022		Q4 '22		Q3 '22		Q2 '22		Q1 '22	
	(In \$ millions, except percentages)															
Depreciation and Amortization Expense⁽¹⁾																
Engineered Materials	111		112		112		213		90		40		41		42	
Acetyl Chain	55		54		54		211		52		53		52		54	
Other Activities ⁽²⁾	7		6		6		22		9		4		5		4	
Total	<u>173</u>		<u>172</u>		<u>172</u>		<u>446</u>		<u>151</u>		<u>97</u>		<u>98</u>		<u>100</u>	
Operating EBITDA / Operating EBITDA Margin																
Engineered Materials	340	22.3 %	317	20.0 %	327	20.1 %	992	24.7 %	228	18.4 %	246	26.5 %	265	28.0 %	253	27.8 %
Acetyl Chain	365	29.9 %	386	31.3 %	370	29.6 %	1,820	31.7 %	294	25.9 %	402	28.8 %	527	33.8 %	597	36.1 %
Other Activities ⁽²⁾	(81)		(87)		(101)		(195)		(69)		(41)		(48)		(37)	
Total	<u>624</u>	<u>22.9 %</u>	<u>616</u>	<u>22.0 %</u>	<u>596</u>	<u>20.9 %</u>	<u>2,617</u>	<u>27.1 %</u>	<u>453</u>	<u>19.3 %</u>	<u>607</u>	<u>26.4 %</u>	<u>744</u>	<u>29.9 %</u>	<u>813</u>	<u>32.0 %</u>

⁽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

	Q3 '23		Q2 '23		Q1 '23		2022		Q4 '22		Q3 '22		Q2 '22		Q1 '22	
	per share		per share		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	952	8.70	219	2.00	94	0.86	1,902	17.41	768	7.03	192	1.76	440	4.03	502	4.61
Income tax provision (benefit)	(236)		(4)		25		(489)		(840)		127		112		112	
Earnings (loss) from continuing operations before tax	716		215		119		1,413		(72)		319		552		614	
Certain Items attributable to Celanese Corporation (Table 8)	(438)		54		131		422		239		71		47		65	
Refinancing and related expenses	7		—		—		158 ⁽¹⁾		14 ⁽¹⁾		104 ⁽¹⁾		26 ⁽¹⁾		14 ⁽¹⁾	
Adjusted earnings (loss) from continuing operations before tax	285		269		250		1,993		181		494		625		693	
Income tax (provision) benefit on adjusted earnings ⁽²⁾	(11)		(32)		(30)		(259)		(24)		(64)		(81)		(90)	
Adjusted earnings (loss) from continuing operations⁽³⁾	274	2.50	237	2.17	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	108.9		108.9		108.6		108.4		108.5		108.4		108.4		108.2	
Incremental shares attributable to equity awards	0.5		0.4		0.6		0.8		0.7		0.7		0.7		0.7	
Total diluted shares	<u>109.4</u>		<u>109.3</u>		<u>109.2</u>		<u>109.2</u>		<u>109.2</u>		<u>109.1</u>		<u>109.1</u>		<u>108.9</u>	

⁽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:

	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
Adjusted effective tax rate	4	12	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
2022	(18.4)	5.4

(In percentages)

⁽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	(32)	(34)
Discrete quarterly recognition of GAAP items ⁽¹⁾	(4)	(6)
Tax impact of other charges and adjustments ⁽²⁾	(1)	9
Utilization of foreign tax credits	(1)	—
Changes in valuation allowances, excluding impact of other charges and adjustments ⁽³⁾	1	(1)
Other, includes effect of discrete current year transactions ⁽⁴⁾⁽⁵⁾	46	45
Adjusted tax rate	9	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 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

	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
	(In \$ millions)							
Engineered Materials	1,528	1,585	1,630	4,024	1,237	929	948	910
Acetyl Chain	1,220	1,233	1,250	5,743	1,135	1,397	1,559	1,652
Intersegment eliminations ⁽¹⁾	(25)	(23)	(27)	(94)	(24)	(25)	(21)	(24)
Net sales	2,723	2,795	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 September 30, 2023 Compared to Three Months Ended June 30, 2023

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

Three Months Ended June 30, 2023 Compared to Three Months Ended March 31, 2023

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	2	(5)	—	(3)
Acetyl Chain	2	(3)	—	(1)
Total Company	2	(4)	—	(2)

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

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

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)

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 September 30, 2023 Compared to Three Months Ended September 30, 2022

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	<u>(In percentages)</u>			
Engineered Materials	75	(12)	1	64
Acetyl Chain	4	(18)	1	(13)
Total Company	33	(16)	1	18

Three Months Ended June 30, 2023 Compared to Three Months Ended June 30, 2022

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	<u>(In percentages)</u>			
Engineered Materials	75	(8)	—	67
Acetyl Chain	(2)	(19)	—	(21)
Total Company	27	(15)	—	12

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>
	<u>(In percentages)</u>			
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>
	<u>(In percentages)</u>			
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>
	<u>(In percentages)</u>			
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>
	<u>(In percentages)</u>			
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>
	<u>(In percentages)</u>			
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

	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
(In \$ millions, except percentages)								
Net cash provided by (used in) investing activities	375	(163)	(178)	(11,141)	(10,713)	(143)	(136)	(149)
Net cash provided by (used in) financing activities	(700)	(447)	(69)	10,290	1,944	8,600	(159)	(95)
Net cash provided by (used in) operating activities	403	762	(96)	1,819	541	467	495	316
Capital expenditures on property, plant and equipment	(131)	(145)	(164)	(543)	(143)	(139)	(124)	(137)
Contributions from/(Distributions) to NCI	(4)	(6)	(1)	(13)	(3)	(3)	(3)	(4)
Free cash flow⁽¹⁾	268	611	(261)	1,263	395	325	368	175
Net sales	2,723	2,795	2,853	9,673	2,348	2,301	2,486	2,538
Free cash flow as % of Net sales	9.8 %	21.9 %	(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

	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
	(In \$ millions)							
Dividends from equity method investments	7	25	40	217	82	27	82	26
Dividends from equity investments without readily determinable fair values	30	31	34	133	30	30	36	37
Total	37	56	74	350	112	57	118	63

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

	Q3 '23	Q2 '23	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	1,408	1,507	1,386	1,306	1,306	977	809	860
Long-term debt, net of unamortized deferred financing costs	12,291	12,889	13,396	13,373	13,373	11,360	3,022	3,132
Total debt	13,699	14,396	14,782	14,679	14,679	12,337	3,831	3,992
Cash and cash equivalents	(1,357)	(1,296)	(1,167)	(1,508)	(1,508)	(9,671)	(783)	(605)
Net debt	12,342	13,100	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:

	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22	Income Statement Classification
	(In \$ millions)								
Exit and shutdown costs	9	21	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	9	—	—	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	46	23	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	2	6	—	3	—	1	—	2	Cost of sales / SG&A / Other (charges) gains, net
(Gain) loss on disposition of businesses and assets	(508)	1	—	(13)	(1)	—	(12)	—	Gain (loss) on disposition of businesses and assets, net
Other	4	3	—	3	1	—	2	—	Cost of sales / SG&A
Certain Items attributable to Celanese Corporation	(438)	54	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 %		