CELANESE CORP

FORM 8-K
(Current report filing)

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Address	222 W. LAS COLINAS BLVD., SUITE 900N IRVING, TX, 75039-5421
Telephone	972-443-4000
CIK	0001306830
Symbol	CE
SIC Code	2820 - Plastic Material, Synthetic Resin/Rubber, Cellulos (No Glass)
Industry	Commodity Chemicals
Sector	Basic Materials
Fiscal Year	12/31

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): **April 27, 2020**

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:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
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**
2.125% Senior Notes due 2027	**CE /27**	**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 7.01 Regulation FD Disclosure

On April 28, 2020, Lori J. Ryerkerk, Chairman of the Board of Directors, Chief Executive Officer and President of Celanese Corporation (the "Company"), will make a presentation to investors and analysts via a webcast hosted by the Company at 10:00 a.m. ET (9:00 a.m. CT). The webcast, press release and prepared remarks from management may be accessed on our website at investors.celanese.com under News & Events. A copy of the prepared remarks posted for the webcast are attached to this Current Report on Form 8-K ("Current Report") as Exhibit 99.1(a) and is incorporated herein solely for purposes of this Item 7.01 disclosure. During the webcast, management may make, and management's prepared remarks contain, references to certain Non-US GAAP financial measures. Non-US GAAP financial measures appearing in management's prepared remarks are accompanied by the most directly comparable US GAAP financial measure. In addition, those Non-US GAAP financial measures are defined and reconciled to the most comparable US GAAP financial measure in our Non-US GAAP Financial Measures and Supplemental Information document filed with this Current Report as Exhibit 99.2 (and available on our website) and is incorporated herein solely for purpose of this Item 7.01 disclosure.

Item 9.01 Financial Statements and Exhibits

(d) The following exhibits are being filed herewith:

Exhibit Number	Description
99.1(a)	Prepared Remarks from Management dated April 27, 2020*
99.2	Non-US GAAP Financial Measures and Supplemental Information dated April 27, 2020*
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

* In connection with the disclosure set forth in Item 7.01, 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. This Current Report will not be deemed an admission as to the materiality of any information in this Current Report that is required to be disclosed solely by Regulation FD.

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/ JAMES R. PEACOCK III
Name:	James R. Peacock III
Title:	Vice President, Deputy General Counsel and Assistant Corporate Secretary
Date:	April 27, 2020

Exhibit 99.1(a)

Celanese

Q1 2020 Earnings Prepared Comments

Abe Paul, Celanese Corporation, Vice President, Investor Relations

This is the Celanese Corporation first quarter 2020 earnings prepared comments. The Celanese Corporation first quarter 2020 earnings release was distributed via Business Wire this afternoon and posted on our investor relations website, investors.celanese.com. As a reminder, some of the matters discussed below may include forward-looking statements concerning, for example, our future objectives and plans. Please note the cautionary language contained at the end of these comments. Also, some of the matters discussed include references to non-GAAP financial measures. Explanations of these measures and reconciliations to the comparable GAAP measures are included on our investor relations website under Financial Information/Non-GAAP Financial Measures. The earnings release and non-GAAP information and the reconciliations are being furnished to the SEC in a Current Report on Form 8-K. These prepared comments are also being furnished to the SEC in a separate Current Report on Form 8-K.

On the earnings conference call tomorrow morning, management will be available to answer questions.

Lori Ryerkerk, Celanese Corporation, Chairman of the Board and Chief Executive Officer

The current global pandemic has disrupted everyday life and presented unprecedented challenges to our customers, our businesses, and our employees. I would like to thank our Celanese employees who have overcome these significant hurdles. As a result of their efforts, today we reported solid first quarter adjusted earnings per share of $2.29 and free cash flow of $135 million. During the quarter, we also returned $224 million to shareholders through $150 million in share repurchases and $74 million in dividends.

The safety and well-being of our employees remains our first priority during this pandemic and we are closely monitoring developments around the world. The vast majority of our corporate and sales offices throughout the world, including our Dallas headquarters, are currently closed as our employees work remotely. Our manufacturing operations have been deemed essential in most jurisdictions and we continue to operate to match demand with essential on-site employees exercising social distancing and appropriate hygiene procedures globally.

We estimate the impact of COVID-19 on our first quarter adjusted EBIT across our businesses was $25 to $30 million. The primary challenges encountered were a result of immediate actions in China in February and March to stem the spread of the virus. Demand activity was reduced several weeks beyond the typical Chinese New Year and further limited by logistics availability into March. The impact of COVID-19 on our businesses in the Western Hemisphere was very limited in the first quarter.

Engineered Materials delivered its strongest performance in the last year with first quarter adjusted EBIT of $165 million, an increase of $29 million over last quarter. Net sales expanded to $563 million, driven by sequential volume growth of 4 percent and stable pricing. Due to Chinese New Year and the sweeping response to COVID-19 in China, we experienced sequential revenue declines in most application areas in Asia. Our teams offset this impact with sequential high-single digit volume growth in the Western Hemisphere across most end markets, led by volume ramp up from recent project wins in auto and electronics. Additionally, our medical and food and beverage end markets showed continued resiliency globally with sequential sales growth. As a result, we were able to limit the direct impact of COVID-19 on our first quarter adjusted EBIT to between $10 and $15 million, including the estimated impact on our affiliates. The business recorded adjusted EBIT margins that expanded sequentially by over 400 basis points to 29.3 percent, due to sustained pricing levels amid lower raw material costs and incremental contributions from affiliate earnings. Finally, we were successful in meeting our project pipeline targets despite travel and collaboration restrictions during most of the quarter.

The Acetyl Chain delivered first quarter adjusted EBIT of $139 million, solid performance considering normal seasonality, the impact of COVID-19, and the turnaround of the methanol unit at Clear Lake. Chinese acetic acid pricing declined sequentially by 12 percent, falling to below $300 per ton, close to where it remains today. Significant declines in domestic demand, lower levels of export activity, and continued weakness in underlying raw material prices prevented the expected rebound in late first quarter pricing. In anticipation of these dynamics, our teams flexed our regional optionality to place 17 percent less sequential acid tonnage in the Chinese market and diverted 27 percent more acid to the Western Hemisphere. Additionally, we continued to exercise our derivatization strategy, placing 8 percent more tonnage downstream in VAM versus the fourth quarter. While our Nanjing facility continued to operate uninterrupted, the shutdown of infrastructure in China presented significant logistical challenges. Our teams were successful in limiting the direct impact of COVID-19 in the quarter to approximately $15 million by leveraging our logistics flexibility and our commercial networks. Finally, our teams completed the inaugural turnaround of our joint venture methanol facility at Clear Lake, a four year event, at the cost of approximately $15 million to Celanese.

Acetate Tow recorded adjusted EBIT of $67 million in the quarter, in line with run-rate earnings levels over the last two years. Volume declined sequentially, primarily due to the anticipated end of a contract to supply acetate flake to China. Dividends from Chinese affiliates were $13 million higher than the previous quarter, primarily due to timing.

In the second quarter, we expect the full declines in consumer demand, particularly in the Western Hemisphere, to work through relevant value chains. In Engineered Materials, our most impacted end markets reflect a drop-off in big ticket discretionary spending among consumers for items like automobiles, electronics, and appliances. Other application areas including food and beverage, medical, pharma, and 5G infrastructure are holding up well. At this stage, we are preparing for a drop in second quarter demand in Engineered Materials of approximately 25 to 35 percent from the first quarter. This estimate is inclusive of an expected backlog of existing projects that will be held up at the testing and production qualification stage as many of our customers' labs and facilities are now running on a limited basis. We are extending our own design, testing, and processing know-how and capabilities to many customers to help resolve current limitations in their product development programs. Our teams continue to bolster our sales mix, winning differentiated business that will allow us to maintain pricing despite sequentially lower raw material costs, and offset some of the volume headwind in the second quarter. Finally, the business expects approximately $25 million in second quarter turnaround costs, primarily associated with the Bishop, Texas facility.

In the Acetyl Chain, we benefit from a highly diversified set of end-uses with less exposure, relative to others in the industry, to end markets that are more acutely impacted by COVID-19, like automotive. At the same time, we are seeing resiliency and even growth in some applications where our products are used including water bottles, packaging, hygiene products, disinfectants, pharma, and cigarettes. As a result, we anticipate second quarter demand for the Acetyl Chain will be down 15 to 25 percent sequentially amid a continuation of historically low pricing. We are closely monitoring the actions of acetic acid producers in China, whose utilization currently stands at sub-70 percent, in response to lower sequential demand across the globe. Additionally, we are watching developments in global oil markets that continue to present a deflationary backdrop for our business. Depending on movements in oil prices, we will dynamically flex our production between Nanjing and Singapore, with Singapore having a relative advantage in a low oil price environment. Additionally, we will continue to exercise our derivatization optionality to capture stronger margins in downstream products in the second quarter.

Acetate Tow demand remains resilient and is not materially impacted by COVID-19. In a majority of countries, cigarette outlets and production have been deemed as essential. We expect Acetate Tow to deliver robust 2020 cash generation and adjusted EBIT in line with last year.

While the ultimate scale and duration of the impact of COVID-19 on our businesses are still evolving, it is clear from what we can see today that previously provided guidance of 2020 adjusted earnings per share approaching $11 is unlikely in this environment. The basis for that guidance, a 2020 demand environment in line with the first three quarters of 2019, is no longer realistic. Based on the April order book and our estimates for demand declines in the second quarter, we anticipate that the sequential earnings deterioration in Engineered Materials will be about twice the level of the Acetyl Chain.

The current demand backdrop is the most challenging we have seen in over a decade. The current downturn is different than the recession of 2008-2009, primarily because we are not facing a true peak-to-trough reset following the already challenging demand landscape in 2019. Regardless, we are better positioned than ever before to meet the current macro challenges as a result of deliberate work, over many years, to improve our businesses and strengthen our balance sheet. Let me highlight a few ways we are leaner, more diversified, and financially stronger:

- Our sales today are more regionally diverse. In 2019, the Americas, Europe, and Asia represented 34, 38, and 28 percent of sales, respectively.
- Our Engineered Materials product portfolio today includes approximately 20 different polymers and has doubled in the last 5 years.
- Our energy cost per ton of production has declined by over 30 percent in the last decade driven by continuous improvements across all businesses in usage rates and sourcing over that period.
- We are running the Acetyl Chain as an integrated business and have extended both ends of the chain with methanol, carbon monoxide, and redispersible powders.
- Our businesses have significantly more diversified end-market exposure. As an example, today automotive represents a third of sales in Engineered Materials versus approximately 50 percent in past years.

- Our most resilient end-markets including medical, pharma, and food and beverage represent a larger percentage of sales. Since 2009, our Engineered Materials medical business has tripled in size.
- Over the last decade we have reduced our fixed cost intensity in the Acetyl Chain by reducing the total number of production facilities by eight while still manufacturing equivalent volumes globally.
- We have implemented unique business models in Engineered Materials and the Acetyl Chain that run on a project pipeline and network activations, respectively, to drive differentiated performance.
- Our SG&A costs in 2019 were 11 percent lower than they were at the start of the last downtown in 2008, before adjusting for inflation.
- Despite equity market losses and historically low interest rates, the Celanese US defined benefit pension plan remains fully funded as of the end of the first quarter, requiring no cash infusion.
- Celanese currently has an investment-grade credit rating. Our 2019 interest expense of $115 million was approximately half what it was a decade ago, despite higher debt levels today.
- We have improved the sustainable effective and cash tax rates over the last decade and our ability to efficiently deploy and access our global cash to fund operations and growth opportunities.

The culture at Celanese has always been one of action. We have overcome many significant obstacles in our history. To minimize the impact of the challenges we face today, we are decisively taking further controllable actions to maximize our free cash flow generation in what will be an abnormally low demand environment.

Last quarter, I outlined our 2020 productivity target to drive approximately $200 million of gross savings. In the first quarter, our teams successfully completed projects that get us a third of the way there. In addition to the $200 million, we are also working on one-time cost savings of $30 to $40 million through travel reductions, manufacturing costs, and other corporate function expense.

As part of these one-time savings, we are leveraging our manufacturing flexibility to temporarily reoptimize utilization of our global production network to align with expected demand softness in the second quarter and potentially beyond. We have selectively paused production at certain facilities or parts of facilities, impacting primarily Engineered Materials, but also the Acetyl Chain. As a result, we will reduce certain fixed costs associated with running those facilities, namely energy, maintenance, and supplies. We retain full flexibility to quickly restart production when needed and the facilities currently operating can produce the breadth of our product portfolio to continue meeting our customers' needs.

Additionally, we have extended the duration of several second quarter turnarounds including our Bishop and Nanjing facilities. Additional time will allow us to manage better the influx of contractors on site in a highly precautionary manner. Total turnaround costs are unchanged from prior guidance as savings from reduced overtime will offset additional costs to maintain the safety of the workers on site.

As a result of our production network actions, we will heavily utilize existing inventory to meet customer demand in the second quarter. We also continue to progress with several ongoing initiatives across regions to optimize our working capital needs. As the net result, we expect working capital will now contribute between $150 and $250 million in additional cash flow in 2020, versus our prior expectation of a neutral impact from working capital.

We recently completed our quarterly reassessment of all capital projects. In light of current dynamics, we have heavily prioritized productivity-based projects with near-term benefits, resulting in a reduction in 2020 capex from previous guidance of $500 million to less than $350 million.

Included in this revised capex guidance are adjustments to three key organic projects. First, the construction of a new acetic acid production unit at Clear Lake, as part of our global acetic acid reconfiguration, will be deferred by approximately 18 months, and is now expected to be complete by the middle of 2023. Engineering is complete and next steps for that project will continue at a reduced pace. Second, the associated incremental expansion of our JV methanol production unit at Clear Lake will also be deferred by approximately 18 months. Third, we have decided that further localization of Engineered Materials production in China, which I discussed last quarter, will proceed at an incremental scale for the time being. Additional capacity to meet local demand will be added, when needed, to existing Celanese sites in China. Decisions regarding the need for larger scale expansions in China have been deferred.

The actions I have outlined for productivity, working capital, and capex will contribute $300 to $400 million to our free cash flow in 2020. We are working to further position ourselves to maximize free cash flow despite significant unanticipated demand headwinds impacting Engineered Materials and the Acetyl Chain. We expect Acetate Tow to remain an exceptionally resilient generator of cash flow in this environment.

The Company benefits from tremendous balance sheet strength, liquidity, and financial flexibility today. We will remain prudent and balanced in deploying our capital in order to maintain full financial flexibility in this environment. We remain committed to our current cash dividend and will continue to generate more than adequate cash to support it. We maintain a robust pipeline of M&A targets and remain fully prepared should current dynamics incentivize new interest on the part of external parties as well as our JV partners. Our consideration of potential M&A deals, large or small, remains active and exceptionally disciplined in this environment.

In summary, our culture at Celanese has long been marked by a resolve to perform in any environment. Our teams are taking deliberate actions across the organization that will allow us to maximize our earnings and free cash flow in what will be a very challenging quarter and year. I have full confidence in our preparation and the ability of our organization to weather this difficult environment. Our culture, business models, and balance sheet will ultimately be stronger because of these challenges as we position ourselves to deliver robust growth in the future.

Scott Richardson, Celanese Corporation, Chief Financial Officer

In light of economic uncertainty, we continue to focus on maximizing cash generation and maintaining the flexibility of a strong balance sheet and ample liquidity.

The strength of our cash generation begins with resilient performance in all three business segments this past quarter. For the quarter, operating cash flow was $259 million and free cash flow was $135 million, in line with the historical average for the last several years.

Amid a challenging demand landscape, Lori outlined concrete actions we are taking that will generate $300 to $400 million in incremental free cash flow. That is sufficient cash based on our 2020 outlook to offset the impact of adjusted EBIT declines of up to approximately 40 percent in the Acetyl Chain and Engineered Materials for the remainder of the year versus 2019 levels. Because of current demand uncertainty, we are still working to do more.

The effective tax rate for the first quarter of 2020 was 22 percent compared to 12 percent in the first quarter of last year, primarily due to the impact of functional currency differences in offshore jurisdictions and changes in the jurisdictional mix of earnings. The tax rate for adjusted earnings per share was 13 percent in the quarter, unchanged from the full year 2019 adjusted tax rate. We anticipate additional cash flow relief of $40 to $50 million due to global tax relief provisions.

As Lori mentioned, we remain disciplined in considering all capital deployment opportunities. In the first quarter capex was $119 million, and we have reduced our prior guidance of capex to now less than $350 million for the full year, prioritizing those projects that continue to drive productivity for us in the near term.

At the beginning of April, we closed the acquisition of Elotex, a very modestly sized bolt-on acquisition that will drive further derivatization optionality in the Acetyl Chain. Looking forward, while we maintain a robust pipeline of targets, the actionability of most acquisitions in this environment will be more challenging.

In the quarter, we returned $224 million to shareholders, consisting of share repurchases of $150 million and dividend payments of $74 million. We remain fully committed to our current cash dividend. Because of the uncertainty ahead, we will look to maintain current liquidity levels before deploying any discretionary free cash flow to share repurchases.

Our business performance and disciplined approach to capital allocation over the last decade has improved the health of our balance sheet and our financial flexibility. We currently maintain a stable investment-grade credit rating and have no long-term debt maturities until the middle of 2021. Furthermore, the Celanese US defined benefit pension plan remains, and is expected to remain, fully funded.

We maintain wide access to credit markets and ample liquidity. In the first quarter, we completed US dollar-denominated bilateral term loans totaling $300 million at 85 basis points above LIBOR, further strengthening our liquidity position. Today, our total liquidity stands at approximately $1.5 billion in cash and current availability on our $1.25 billion revolving credit facility. This level of liquidity reflects all capital outlays to date, including the recently closed Elotex acquisition. We believe this is the appropriate level of liquidity in the current environment and are targeting to maintain this level in our capital deployment considerations for the foreseeable future.

We remain committed to ensuring we have the necessary financial wherewithal to persevere in the short-term and continue to be opportunistic in the mid- to long-term to drive shareholder value.

This concludes our prepared remarks. We look forward to discussing our first quarter results and addressing your questions.

Forward-Looking Statements

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

The extent to which COVID-19 will adversely impact our business, financial condition and results of operations will depend on numerous evolving factors, which are highly uncertain, rapidly changing and cannot be predicted, including: the duration and scope of the outbreak; governmental, business and individual actions that have been and continue to be taken in response to the outbreak, including social distancing, work-at-home, stay-at-home and shelter-in-place orders and shutdowns, travel restrictions and quarantines; the effect of the outbreak on our customers, suppliers, supply chain and other business partners; our ability during the outbreak to provide our products and services, including the health and well-being of our employees; business disruptions caused by actual or potential plant, workplace and office closures, and an increased reliance on employees working from home, disruptions to or delays in ongoing laboratory and product testing, experiments and operations, staffing shortages, travel limitations, cyber security and data accessibility, or communication or mass transit disruptions, any of which could adversely impact our business operations or delay necessary interactions with local regulators, manufacturing sites and other important agencies and contractors; the ability of our customers to pay for our products and services during and following the outbreak; the impact of the outbreak on the financial markets and economic activity generally; our ability to access usual sources of liquidity on reasonable terms; and our ability to comply with the financial covenant in our Credit Agreement if a material economic downturn results in increased indebtedness or substantially lower EBITDA.

Any forward-looking statement speaks only as of the date on which it is made, and the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

Results Unaudited

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

Non-GAAP Financial Measures

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

Celanese
Exhibit 99.2

Non-US GAAP Financial Measures and Supplemental Information

April 27, 2020

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 three business segments, Engineered Materials, Acetate Tow and 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 capital contributions from or distributions to Mitsui & Co., Ltd. ("Mitsui") related to our methanol joint venture, Fairway Methanol LLC ("Fairway"). 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.*

- *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. Beginning in 2014, this includes Fairway for which the Company's ownership percentage is 50%. 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
Adjusted EBIT and Operating EBITDA - Reconciliation of Non-GAAP Measures - Unaudited

	Q1 '20	2019	Q4 '19	Q3 '19	Q2 '19	Q1 '19
			(In $ millions)			
Net earnings (loss) attributable to Celanese Corporation	218	852	43	263	209	337
(Earnings) loss from discontinued operations	7	6	(1)	5	1	1
Interest income	(2)	(6)	(2)	(1)	(2)	(1)
Interest expense	28	115	28	27	29	31
Refinancing expense	—	4	—	—	4	—
Income tax provision (benefit)	65	124	(3)	53	28	46
Certain Items attributable to Celanese Corporation (Table 8)	26	381	238	29	107	7
Adjusted EBIT	342	1,476	303	376	376	421
Depreciation and amortization expense[1]	83	329	84	82	82	81
Operating EBITDA	425	1,805	387	458	458	502

	Q1 '20	2019	Q4 '19	Q3 '19	Q2 '19	Q1 '19
			(In $ millions)			
Engineered Materials	2	4	2	1	—	1
Acetate Tow	—	9	2	5	2	—
Acetyl Chain	—	10	3	6	—	1
Other Activities[2]	—	—	—	—	—	—
Accelerated depreciation and amortization expense	2	23	7	12	2	2
Depreciation and amortization expense[1]	83	329	84	82	82	81
Total depreciation and amortization expense	85	352	91	94	84	83

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(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, the 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

	Q1 '20		2019		Q4 '19		Q3 '19		Q2 '19		Q1 '19	
	(In $ millions, except percentages)											
Operating Profit (Loss) / Operating Margin												
Engineered Materials	102	18.1%	446	18.7%	88	16.3%	111	18.8%	103	17.4 %	144	21.7%
Acetate Tow	27	20.9%	52	8.2%	22	14.9%	34	21.5%	(44)	(26.8)%	40	24.1%
Acetyl Chain[1]	135	16.9%	678	20.0%	108	14.0%	180	20.8%	188	21.7 %	202	22.7%
Other Activities[2]	(70)		(342)		(150)		(65)		(61)		(66)	
Total	194	13.3%	834	13.2%	68	4.7%	260	16.4%	186	11.7 %	320	19.0%
Less: Net Earnings (Loss) Attributable to NCI[1]	2		6		2		2		1		1	
Operating Profit (Loss) Attributable to Celanese Corporation	192	13.2%	828	13.1%	66	4.6%	258	16.3%	185	11.6 %	319	18.9%
Operating Profit (Loss) / Operating Margin Attributable to Celanese Corporation												
Engineered Materials	102	18.1%	446	18.7%	88	16.3%	111	18.8%	103	17.4 %	144	21.7%
Acetate Tow	27	20.9%	52	8.2%	22	14.9%	34	21.5%	(44)	(26.8)%	40	24.1%
Acetyl Chain[1]	133	16.6%	672	19.8%	106	13.7%	178	20.5%	187	21.6 %	201	22.6%
Other Activities[2]	(70)		(342)		(150)		(65)		(61)		(66)	
Total	192	13.2%	828	13.1%	66	4.6%	258	16.3%	185	11.6 %	319	18.9%
Equity Earnings and Dividend Income, Other Income (Expense) Attributable to Celanese Corporation												
Engineered Materials	53		168		45		41		36		46	
Acetate Tow	37		112		24		27		29		32	
Acetyl Chain	1		5		1		2		1		1	
Other Activities[2]	5		2		—		2		1		(1)	
Total	96		287		70		72		67		78	
Non-Operating Pension and Other Post-Retirement Employee Benefit (Expense) Income Attributable to Celanese Corporation												
Engineered Materials	—		—		—		—		—		—	
Acetate Tow	—		—		—		—		—		—	
Acetyl Chain	—		—		—		—		—		—	
Other Activities[2]	28		(20)		(71)		17		17		17	
Total	28		(20)		(71)		17		17		17	
Certain Items Attributable to Celanese Corporation (Table 8)												
Engineered Materials	10		7		3		2		9		(7)	
Acetate Tow	3		104		8		10		86		—	
Acetyl Chain	5		50		37		11		1		1	
Other Activities[2]	8		220		190		6		11		13	
Total	26		381		238		29		107		7	
Adjusted EBIT / Adjusted EBIT Margin												
Engineered Materials	165	29.3%	621	26.0%	136	25.2%	154	26.1%	148	25.0 %	183	27.6%
Acetate Tow	67	51.9%	268	42.1%	54	36.5%	71	44.9%	71	43.3 %	72	43.4%
Acetyl Chain	139	17.4%	727	21.4%	144	18.7%	191	22.0%	189	21.8 %	203	22.8%
Other Activities[2]	(29)		(140)		(31)		(40)		(32)		(37)	
Total	342	23.4%	1,476	23.4%	303	21.2%	376	23.7%	376	23.6 %	421	25.0%

(1) Net earnings (loss) attributable to NCI is included within the Acetyl Chain segment.

(2) Other Activities includes corporate SG&A expenses, the 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.)

Celanese

	Q1 '20		2019		Q4 '19		Q3 '19		Q2 '19		Q1 '19	
	(In $ millions, except percentages)											
Depreciation and Amortization Expense[1]												
Engineered Materials	32		127		33		32		31		31	
Acetate Tow	8		36		8		9		9		10	
Acetyl Chain	39		151		39		37		38		37	
Other Activities[2]	4		15		4		4		4		3	
Total	83		329		84		82		82		81	
Operating EBITDA / Operating EBITDA Margin												
Engineered Materials	197	35.0%	748	31.3%	169	31.4%	186	31.5%	179	30.2%	214	32.3%
Acetate Tow	75	58.1%	304	47.8%	62	41.9%	80	50.6%	80	48.8%	82	49.4%
Acetyl Chain	178	22.3%	878	25.9%	183	23.7%	228	26.3%	227	26.2%	240	27.0%
Other Activities[2]	(25)		(125)		(27)		(36)		(28)		(34)	
Total	425	29.1%	1,805	28.7%	387	27.0%	458	28.9%	458	28.8%	502	29.8%

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(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, the 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 '20		2019		Q4 '19		Q3 '19		Q2 '19		Q1 '19	
		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	225	1.88	858	6.89	42	0.35	268	2.17	210	1.67	338	2.64
Income tax provision (benefit)	65		124		(3)		53		28		46	
Earnings (loss) from continuing operations before tax	290		982		39		321		238		384	
Certain Items attributable to Celanese Corporation (Table 8)	26		381		238		29		107		7	
Refinancing and related expenses	—		4		—		—		4		—	
Adjusted earnings (loss) from continuing operations before tax	316		1,367		277		350		349		391	
Income tax (provision) benefit on adjusted earnings[(1)]	(41)		(178)		(36)		(38)		(49)		(55)	
Adjusted earnings (loss) from continuing operations[(2)]	275	2.29	1,189	9.53	241	1.99	312	2.53	300	2.38	336	2.62
	Diluted shares (in millions)[(3)]											
Weighted average shares outstanding	119.3		123.9		120.3		122.7		125.3		127.5	
Incremental shares attributable to equity awards	0.6		0.8		0.6		0.6		0.5		0.7	
Total diluted shares	119.9		124.7		120.9		123.3		125.8		128.2	

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

	Q1 '20	2019	Q4 '19	Q3 '19	Q2 '19	Q1 '19
	(In percentages)					
Adjusted effective tax rate	13	13	13	11	14	14

(2) 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)	
2019	16.7	6.5

(3) 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 2020	Actual 2019
	(In percentages)	
US GAAP annual effective tax rate	17	13
Discrete quarterly recognition of GAAP items[1]	(2)	—
Tax impact of other charges and adjustments[2]	(1)	—
Utilization of foreign tax credits	(1)	(3)
Changes in valuation allowances, excluding impact of other charges and adjustments[3]	—	3
Adjusted tax rate	13	13

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Note: As part of the year-end reconciliation, we updated 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.

Celanese

Table 4
Net Sales by Segment - Unaudited

	Q1 '20	2019	Q4 '19	Q3 '19	Q2 '19	Q1 '19
			(In $ millions)			
Engineered Materials	563	2,386	539	591	593	663
Acetate Tow	129	636	148	158	164	166
Acetyl Chain	799	3,392	771	867	865	889
Intersegment eliminations[1]	(31)	(117)	(26)	(30)	(30)	(31)
Net sales	1,460	6,297	1,432	1,586	1,592	1,687

[1] Includes intersegment sales primarily related to the Acetyl Chain.

Table 4a
Factors Affecting Segment Net Sales Sequentially - Unaudited

Three Months Ended March 31, 2020 Compared to Three Months Ended December 31, 2019

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	4	—	—	—	4
Acetate Tow	(9)	(4)	—	—	(13)
Acetyl Chain	5	(1)	—	—	4
Total Company	**3**	**(1)**	**—**	**—**	**2**

Three Months Ended December 31, 2019 Compared to Three Months Ended September 30, 2019

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	(9)	—	—	—	(9)
Acetate Tow	(6)	—	—	—	(6)
Acetyl Chain	(11)	—	—	—	(11)
Total Company	**(10)**	**—**	**—**	**—**	**(10)**

Three Months Ended September 30, 2019 Compared to Three Months Ended June 30, 2019

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	2	(2)	(1)	—	(1)
Acetate Tow	(2)	(1)	—	—	(3)
Acetyl Chain	1	—	(1)	—	—
Total Company	**2**	**(1)**	**(1)**	**—**	**—**

Three Months Ended June 30, 2019 Compared to Three Months Ended March 31, 2019

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	(7)	(3)	(1)	—	(11)
Acetate Tow	(1)	—	—	—	(1)
Acetyl Chain	2	(4)	(1)	—	(3)
Total Company	**(2)**	**(3)**	**(1)**	**—**	**(6)**

Three Months Ended March 31, 2019 Compared to Three Months Ended December 31, 2018

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	5	2	—	—	7 [1]
Acetate Tow	1	2	—	—	3
Acetyl Chain	5	(10)	—	—	(5)
Total Company	**5**	**(5)**	**—**	**—**	**—**

[1] 2019 includes the effect of the acquisition of Next Polymers Ltd.

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

Three Months Ended March 31, 2020 Compared to Three Months Ended March 31, 2019

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	(9)	(5)	(1)	—	(15)
Acetate Tow	(17)	(5)	—	—	(22)
Acetyl Chain	(3)	(7)	(1)	1	(10)
Total Company	**(7)**	**(6)**	**(1)**	**1**	**(13)**

Three Months Ended December 31, 2019 Compared to Three Months Ended December 31, 2018

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	(9)	(3)	(1)	—	(13)
Acetate Tow	(8)	—	—	—	(8)
Acetyl Chain	(4)	(13)	(1)	—	(18)
Total Company	**(6)**	**(8)**	**(1)**	**—**	**(15)**

Three Months Ended September 30, 2019 Compared to Three Months Ended September 30, 2018

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	(4)	(2)	(2)	—	(8)
Acetate Tow	—	—	—	—	—
Acetyl Chain	6	(18)	(2)	—	(14)
Total Company	**2**	**(11)**	**(2)**	**1**	**(10)**

Three Months Ended June 30, 2019 Compared to Three Months Ended June 30, 2018

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	(8)	—	(3)	—	(11)
Acetate Tow	1	1	(1)	—	1
Acetyl Chain	(1)	(14)	(3)	—	(18)
Total Company	**(3)**	**(8)**	**(3)**	**—**	**(14)**

Three Months Ended March 31, 2019 Compared to Three Months Ended March 31, 2018

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	(3)	7	(4)	—	—
Acetate Tow	(1)	—	—	—	(1)
Acetyl Chain	(4)	(8)	(3)	—	(15)
Total Company	**(3)**	**(2)**	**(4)**	**—**	**(9)**

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

Year Ended December 31, 2019 Compared to Year Ended December 31, 2018

	Volume	Price	Currency	Other	Total
			(In percentages)		
Engineered Materials	(5)	—	(3)	—	(8)
Acetate Tow	(2)	—	—	—	(2)
Acetyl Chain	(1)	(13)	(2)	—	(16)
Total Company	**(3)**	**(7)**	**(2)**	**—**	**(12)**

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

	Q1 '20	2019	Q4 '19	Q3 '19	Q2 '19	Q1 '19
	(In $ millions, except percentages)					
Net cash provided by (used in) investing activities	(128)	(493)	(168)	(82)	(66)	(177)
Net cash provided by (used in) financing activities	(16)	(935)	(199)	(299)	(307)	(130)
Net cash provided by (used in) operating activities	259	1,454	326	397	424	307
Capital expenditures on property, plant and equipment	(119)	(370)	(144)	(82)	(65)	(79)
Distributions to NCI	(5)	(10)	(3)	—	(3)	(4)
Free cash flow[(1)(2)]	135	1,074	179	315	356	224
Net sales	1,460	6,297	1,432	1,586	1,592	1,687
Free cash flow as % of Net sales	9.2%	17.1%	12.5%	19.9%	22.4%	13.3%

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(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 capital contributions from or distributions to Mitsui & Co., Ltd. ("Mitsui") related to our joint venture, Fairway Methanol LLC ("Fairway").

(2) Excludes required debt service and finance lease payments of $26 million and $24 million for the years ended December 31, 2020 and 2019, respectively.

Table 6
Cash Dividends Received - Unaudited

	Q1 '20	2019	Q4 '19	Q3 '19	Q2 '19	Q1 '19
			(In $ millions)			
Dividends from equity method investments	46	168	42	15	41	70
Dividends from equity investments without readily determinable fair values	37	113	24	27	30	32
Total	83	281	66	42	71	102

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

	Q1 '20	2019	Q4 '19	Q3 '19	Q2 '19	Q1 '19
			(In $ millions)			
Short-term borrowings and current installments of long-term debt - third party and affiliates	749	496	496	368	319	743
Long-term debt, net of unamortized deferred financing costs	3,356	3,409	3,409	3,359	3,444	2,933
Total debt	4,105	3,905	3,905	3,727	3,763	3,676
Cash and cash equivalents	(570)	(463)	(463)	(497)	(491)	(441)
Net debt	3,535	3,442	3,442	3,230	3,272	3,235

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 '20	2019	Q4 '19	Q3 '19	Q2 '19	Q1 '19	Income Statement Classification
	(In $ millions)						
Plant/office closures	3	26	12	9	2	3	Cost of sales / SG&A / Other (charges) gains, net / Gain (loss) on disposition of businesses and assets, net
Asset impairments	4	94 (1)	2	9	83	—	Cost of sales / Other (charges) gains, net
Clear Lake incident	4	34	32	2	—	—	Cost of sales
Mergers and acquisitions	7	12	3	2	4	3	Cost of sales / SG&A
Actuarial (gain) loss on pension and postretirement plans	—	88	88	—	—	—	Cost of sales / SG&A / Non-operating pension and other postretirement employee benefit (expense) income
Restructuring	7	27	6	7	15	(1)	SG&A / Other (charges) gains, net / Non-operating pension and other postretirement employee benefit (expense) income
European Commission investigation	—	89	89	—	—	—	Other (charges) gains, net
Commercial disputes	—	10	6	—	2	2	Cost of sales / SG&A / Other (charges) gains, net
Other	1	1	—	—	1	—	SG&A / Gain (loss) on disposition of businesses and assets, net
Certain Items attributable to Celanese Corporation	26	381	238	29	107	7	

(1) Includes $5 million of asset impairments in 2019 related to the Clear Lake incident.

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

	2019
	(In $ millions, except percentages)
Net earnings (loss) attributable to Celanese Corporation	852
Adjusted EBIT (Table 1)	1,476
Adjusted effective tax rate (Table 3a)	13%
Adjusted EBIT tax effected	1,284

	2019	2018	Average
	(In $ millions, except percentages)		
Short-term borrowings and current installments of long-term debt - third parties and affiliates	496	561	529
Long-term debt, net of unamortized deferred financing costs	3,409	2,970	3,190
Celanese Corporation stockholders' equity	2,507	2,984	2,746
Invested capital			6,465
Return on invested capital (adjusted)			19.9%
Net earnings (loss) attributable to Celanese Corporation as a percentage of invested capital			13.2%