

**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): **October 21, 2021**

CELANESE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

001-32410

(Commission File
Number)

98-0420726

(IRS Employer
Identification No.)

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

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

N/A

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

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

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

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

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, par value \$0.0001 per share	CE	The New York Stock Exchange
1.125% Senior Notes due 2023	CE /23	The New York Stock Exchange
1.250% Senior Notes due 2025	CE /25	The New York Stock Exchange
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

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 October 22, 2021, 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) regarding the Company's financial results for its third quarter 2021. The webcast, press release and prepared remarks from management may be accessed on our website at investors.celanese.com under News & Events / Events Calendar. A copy of the prepared remarks posted for the webcast is 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 defined and reconciled to the most comparable US GAAP financial measure in our Non-US GAAP Financial Measures and Supplemental Information document furnished 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 furnished herewith:

Exhibit Number	Description
99.1(a)	Prepared Remarks from Management dated October 21, 2021*
99.2	Non-US GAAP Financial Measures and Supplemental Information dated October 21, 2021*
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 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/ MICHAEL R. SULLIVAN
Name: Michael R. Sullivan
Title: Vice President, Deputy General Counsel and Assistant Corporate Secretary

Date: October 21, 2021



Q3 2021 Earnings Prepared Comments

Brandon Ayache, Celanese Corporation, Vice President, Investor Relations

This is the Celanese Corporation third quarter 2021 earnings prepared comments. The Celanese Corporation third quarter 2021 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

Amid a dynamic demand and supply backdrop across 2021 year to date, Celanese has delivered the three highest quarterly adjusted earnings per share performances in its history. Today, I am very pleased to report third quarter adjusted earnings of \$4.82 per share as well as record quarterly free cash flow of \$520 million. I am also pleased to report highest-ever quarterly net sales of \$2.3 billion. Our teams have worked tremendously hard to deliver these results despite increasing supply chain constraints and over \$100 million in sequential cost inflation across our businesses. I thank them for their agility to optimize our performance in this environment and for their continued work to elevate our outlook for 2022 and beyond.

After a brief summary of our third quarter performance and fourth quarter expectations, I will focus on our 2022 outlooks for Engineered Materials (EM), the Acetyl Chain (AC), and consolidated Celanese, which are each meaningfully stronger than what we outlined at Investor Day in March.

EM delivered resilient third quarter adjusted EBIT of \$137 million as our teams successfully offset a significant portion of the widespread volume and cost headwinds that occurred, much of it in the final weeks of the quarter. Record net sales of \$684 million reflected a 3 percent sequential lift in pricing, the third consecutive quarter of pricing expansion from commercial initiatives. Volume declined 2 percent sequentially, with approximately half of the decline due to the recent divestiture of our appliance polypropylene, infill, and footwear businesses which were small components of the Softer acquisition. Our teams delivered nearly consistent volume versus the second quarter despite an estimated 8 kt of lost production due to sourcing constraints for glass fiber, flame retardants, and certain resins. EM limited the impact of an estimated 12 percent decline in global automotive build rates with offsetting growth in electric vehicle applications as well as shifts into alternative high-value applications. The combined sequential headwind of lost production and cost inflation due to sourcing and logistics challenges totaled approximately \$50 million. The majority of that headwind came from inflationary pressure which broadened to include raw materials, logistics, and energy and was most acute for natural gas and certain resins. Average sequential natural gas price increases in Europe and the US of 82 percent and 37 percent, respectively, resulted in \$20 million of the third quarter inflation. The fixed cost impact of energy spikes in the final weeks of the quarter hit the income statement almost immediately as a result of limited inventory levels. Our teams are working on broad pricing actions, including a recently announced surcharge, that will factor in competitive and regional dynamics to offset these incremental energy costs over time. I commend our EM team for their actions to offset a significant portion of these volume and cost headwinds within the third quarter and address further pressures going into the fourth quarter.

In the fourth quarter we expect to be challenged again by constrained sourcing and incremental cost inflation, led by energy costs which we anticipate will rise another \$20 million or more sequentially.

While we expect auto build rates to continue to be constrained in the quarter, our teams will find high-value applications for every pound we can produce. We anticipate fourth quarter adjusted EBIT similar to the third quarter, driven by pricing initiatives across end-markets to offset cost inflation.

AC generated third quarter adjusted EBIT of \$517 million, the highest in its history. Our teams delivered sequentially higher earnings despite approximately \$50 million in cost inflation as well as anticipated moderation in Chinese acetyls pricing. Average acetic acid pricing in China across the third quarter declined by approximately 15 percent versus the second quarter on more normalized supply. Despite moderation in China acetic acid pricing, our teams successfully lifted AC sequential pricing by 3 percent via actions in the West and in downstream emulsions, redispersible powders, and EVA globally. With elevated demand conditions across all regions, our teams delivered an incremental 3 percent volume over the prior quarter by flexing the global production network as well as sourcing the second highest-ever volume of third party acetyls to meet our customers' needs. While multiple external disruptions impacted our production network in the quarter, I commend our teams for demonstrating our nimbleness and again opportunistically accelerating turnaround activity. During the quarter, we accelerated a Bay City VAM turnaround that was scheduled for the fourth quarter while that facility was temporarily down as a precaution for Hurricane Nicholas. We also pulled forward some maintenance activity for Nanjing at the end of the third quarter while curtailed. As a result of these actions, we are better positioned to meet robust demand going forward.

In the back half of September, we were notified of a requirement from the Jiangsu provincial government to rapidly reduce our energy consumption at Nanjing. To comply, we stopped production of both VAM and acetic anhydride at Nanjing. By our estimates, perhaps as much as three quarters of Chinese acetic anhydride and half of Chinese VAM production was impacted by similar curtailments. Acetic acid production across China, including our own, appears to have been less impacted. As a result of these curtailments in an already tightened environment, pricing for acetic acid and VAM surged to new records within a few days, approximately \$1,300 and \$2,075 per ton, respectively.

As we start the fourth quarter, I am very pleased to share that all units at our Nanjing facility are currently operational with modest energy restrictions reflected in our current fourth quarter production plans. Order patterns in China coming out of Golden Week indicate seasonally strong demand for acetyls through the remainder of 2021. As a result of curtailment, we produced about 25 kt less acetyls which otherwise would have been sold in the third and fourth quarters. We anticipate that our pricing actions, amid a re-tightened Chinese industry, will allow us to offset the impact of lost production as well as further feedstock inflation to deliver fourth quarter AC adjusted EBIT consistent with the third quarter. Based on the assumption of no additional energy curtailments, we expect acetyls pricing to moderate again in the fourth quarter as it did across the third quarter.

Acetate Tow delivered third quarter adjusted EBIT of \$46 million. The business was negatively impacted by approximately \$5 million due to recently imposed US sanctions on Belarus, which resulted in lost net sales as well as a write-off of currently uncollectible accounts. The business also faced approximately \$10 million in sequential cost inflation due to elevated natural gas and acetyls costs. Affiliate dividends contributed \$34 million in the quarter.

We expect fourth quarter adjusted EBIT for Acetate Tow consistent with the third quarter despite additional raw material and energy inflation. Our teams are working to reflect this cost environment in pricing for the approximately one-third of our Acetate Tow contracts which are currently being negotiated for 2022.

To sum up current conditions, while demand remains robust, the scarcity and inflationary pressures on supply continue to be significant across our businesses. For the remainder of 2021, we expect pent-up demand across both AC and EM to more than offset any impact of typical year-end seasonality. Our teams will continue to work to deliver as much product as feasible given the sourcing and production constraints I outlined. Despite these challenges, we expect to finish the year with fourth quarter adjusted earnings per share of approximately \$5.00, a fourth quarter record.

As we look to 2022, we are confident in our ability to continue to lift the foundational earnings power of AC and EM and are encouraged by a number of longer-term backdrop dynamics.

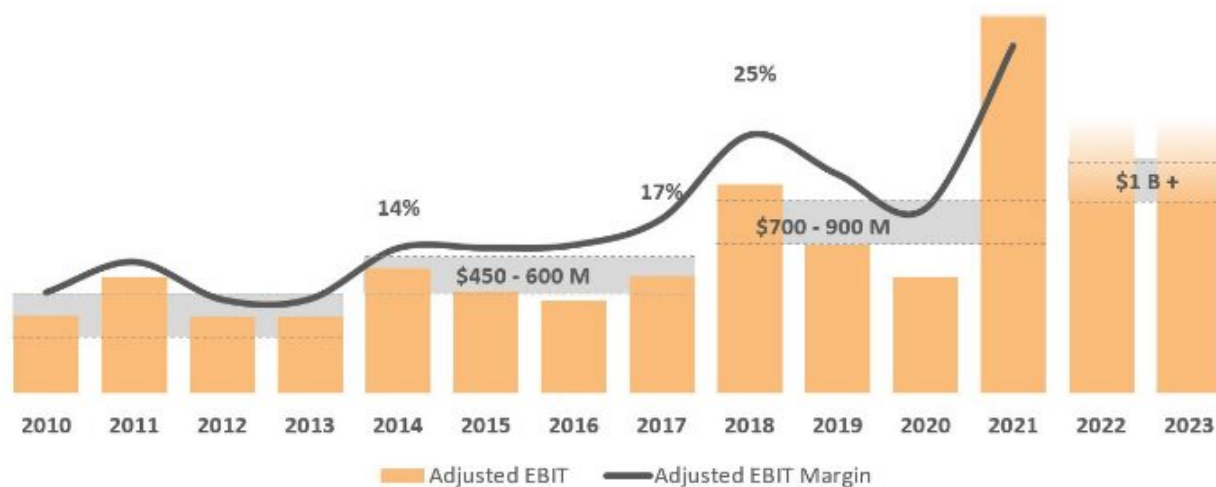
Starting with AC, we anticipate 2022 adjusted EBIT of \$1.2 to \$1.4 billion which reflects our expectation of a return to normalized acetyls pricing levels some time in the middle of 2022 and the settling of the business back to its foundational level of earnings. With the completion of the acetic acid expansion at Clear Lake in early 2023, we will take another step up in the foundational earnings level of this business to solidly north of \$1 billion. To put this in perspective, that is nearly triple the foundational earnings of this business versus a decade ago. Let me highlight a few of the drivers for the most recent step-up in our AC foundational earnings:

- **Productivity:** Productivity remains the backbone of our foundational earnings growth in AC. With higher feedstock prices across the world, our teams are particularly focused on projects that will further improve our resource efficiency across our network. As an example, we recently installed a heat recovery boiler at Nanjing that reduces emissions from our flares and utilizes the heat to generate steam for the facility. A second heat recovery boiler will be installed in 2022 at Nanjing to utilize energy from the VAE emissions on site.
- **Incremental Capacity Enhancements:** In 2022, we expect to have incremental global capacity and scale due to a significant debottleneck project across our European redispersible powders production, the completion in 2021 of catalyst changes at our Singapore and Bay City VAM facilities, and numerous smaller process enhancements across our global network. Additionally, we continue to see incremental capacity from investments we have made over recent years to strengthen our production network reliability.
- **Cost Curve:** There are a number of dynamics that have effectively lifted the global acetyls cost curve including inflation in hydrocarbon pricing across regions, catalyst (precious metals) costs, and transportation and logistics costs. Our existing resource efficiency advantages in addition to localized

production across regions allow us to capture greater relative value than our competitors amid this elevated cost curve.

- Utilization: The supply and demand backdrop for acetyls has consistently improved over the last decade and has now reached an inflection point. Disruptions which have always been a characteristic of the global acetyls industry, including weather disturbances, curtailments, and outages, will be more impactful to pricing than they were in the past.

Figure 1: Acetyl Chain Foundational Earnings Lift



There has been a lot of attention on long-term supply and demand dynamics that have supported the pricing levels we currently see.

We are often asked why we are not seeing a significant influx of new capacity, particularly in China, as we did over a decade ago.

There are a number of reasons:

- Raw Materials: Carbon monoxide (CO) and methanol, the two key raw materials to produce acetic acid, are less abundantly available in China today. The rapid industrialization of China over a decade ago based on coal gasification resulted in an abundance of by-product CO that spurred significant capacity builds for certain downstream products like acetic acid to consume available CO.

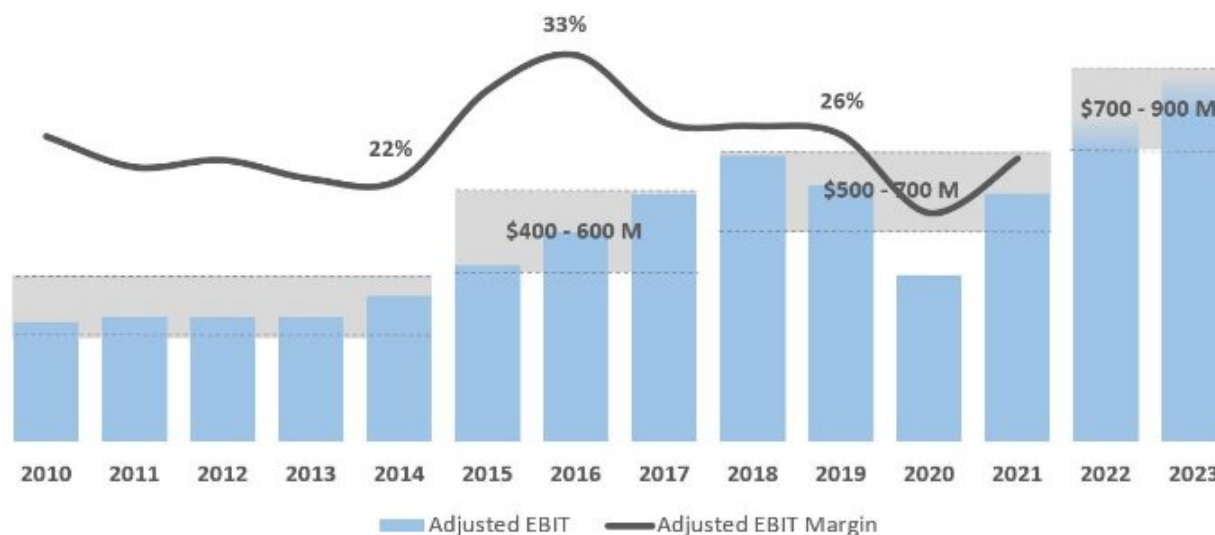
- **Capital Cost:** Any capital advantage to build capacity in China versus the US is negligible today and insufficient to offset relatively disadvantaged raw material dynamics in China. In past years, lower construction and labor costs in China resulted in significant capital arbitrage.
- **Technology:** There are a limited number of Chinese producers able to build new capacity utilizing world-scale and competitive process IP. Leading acetyls process technologies are better protected today and have evolved significantly versus past iterations of non-Celanese technology which proliferated throughout China.
- **Supply Chain:** China acetyls demand is fully met by domestic production with approximately one-tenth of China production exported. Any capacity additions in China would need to serve foreign demand and navigate an increasingly complex logistics and supply chain backdrop. A decade ago, China was a significant importer of acetyls with a push for self-sufficiency that spurred new capacity.
- **Environmental:** The permitting process in China is significantly more complex today, with far greater scrutiny on the location of new chemical complexes or further expansion of coal gasification. These were not significant decision factors a decade ago.
- **Financial:** Capital is less readily available today to support such sizable investments as a greenfield acetyls complex (over \$2 billion) and is primarily based on financial worthiness rather than social or political motivations that prevailed previously.

The environment does not exist today to support a rapid influx of new capacity in China. We are aware of no new production facilities on the horizon outside of our own acetic acid expansion at Clear Lake of 1.3 million tons and the recent start-up of one new facility in China. Global acetyls demand, which grows in line with GDP, will require an additional approximately 600 kt of acid per year - enough to consume a new world-scale production facility every year or the more likely scenario of a series of incremental expansions across our network and other existing producers.

Turning to EM, we expect 2022 adjusted EBIT of \$700 to \$800 million driven by a combination of organic growth and the addition of Santoprene™. Continued organic volume growth of mid to high-single digits will take our foundational earnings to closer to \$900 million by 2023. To highlight some of the drivers for this continued lift in EM foundational earnings:

- **Productivity:** Productivity in 2022 will be driven predominantly by supply chain efficiencies from footprint optimization, ongoing Asia localization, and enhanced systems and technology. We expect to complete the European Compounding Center of Excellence in Forli, Italy in 2022, which will be a meaningful contributor.
- **Incremental Expansions:** By the end of this year, we expect to complete the Bishop GUR expansion of 15 kt and will see a full year of benefit in 2022. We will also start to see contributions from Asia compounding expansions across three sites which will be completed over the next two years.
- **Project Pipeline:** The EM project pipeline and growth programs are expected to drive mid to high single digit organic volume growth in 2022. The growth programs, which include high-growth applications like electric vehicles, medical, and 5G, are expected to contribute project wins worth nearly \$100 million in net sales in 2022.
- **Inorganic Growth:** We are excited for the addition of the Santoprene™ acquisition, still expected to close in the fourth quarter. We continue to make progress towards closing the KEPCO restructuring and expect to finalize that in the first quarter of next year.

Figure 2: Engineered Materials Foundational Earnings Lift



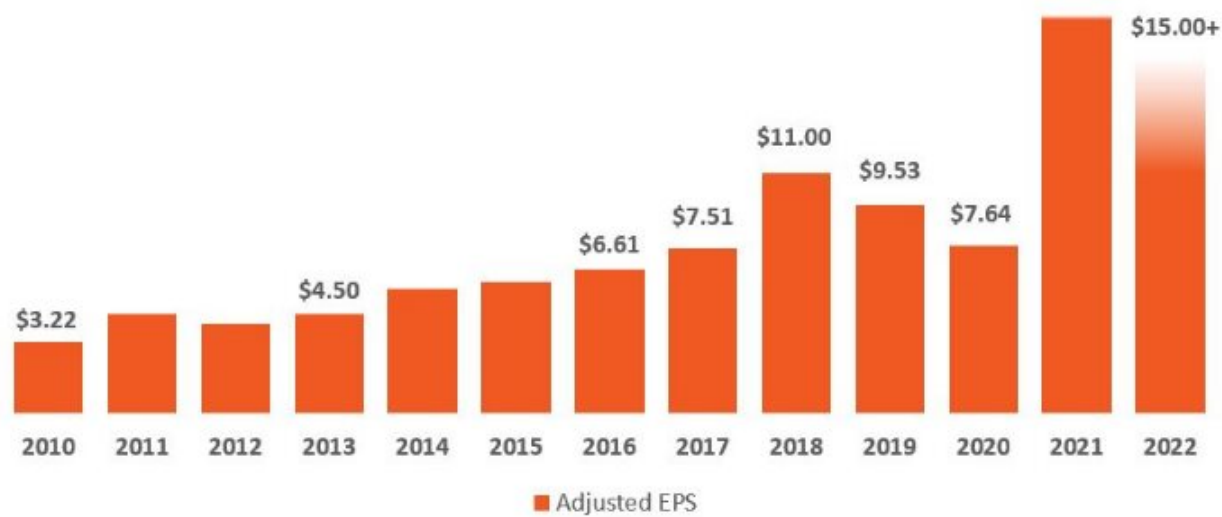
The EM project pipeline model has been the foundation for our organic earnings growth since the middle of the last decade. The addition of growth programs to our model, which have dedicated teams and resources to target high growth and high value applications, has enhanced the earnings potential of our model. Let me highlight the recent traction we see in some of these programs:

- **Electric Vehicles:** Our net sales of GUR into lithium-ion battery separators has grown by approximately 40 percent year to date versus 2020 as a result of pipeline contributions that have more than doubled over last year and a growing preference for battery-electric vehicles, which contain three to five times more GUR than plug-in hybrid electric vehicles. We expect our Bishop GUR expansion will be complete during the fourth quarter and virtually sold out going into 2022.
- **Medical:** Our medical business continues to broaden in new areas like wearable medical devices, where our pipeline for biosensor materials has nearly doubled year-to-date. Additionally, customers across a range of medical applications show strong interest in our POM ECO-B with 20 pipeline projects to reduce the CO₂ footprint of existing medical devices.

- 5G: Our early commitment and investment in this space has supported growth of approximately 25% year over year in our project pipeline model which now includes nearly every major carrier and electronic device manufacturer across the globe.
- Sustainability: Our POM ECO-B, a bio-content solution, has grown from just a few tons of sales for small trial runs in the first quarter of this year to approaching 1 KT of sales in the third quarter. Our teams are currently working on 66 project opportunities in the ECO-B pipeline to continue this growth.

I commend our teams for their continued execution of value enhancing opportunities to sustainably lift the earnings profile of Celanese. I am particularly proud of the long-term value they are creating by improving the sustainability of the company and its products and more powerfully communicating that in the recently released 2020/21 Sustainability Report and new forthcoming sustainability website. At our Investor Day in March, we outlined a growth path over the next few years that culminated with \$13.00 to \$14.00 of adjusted earnings per share in 2023. In July, we accelerated our outlook, with expectations of reaching the higher end of our our 2023 target a year early in 2022. Today, I am very pleased to share that the business scenarios I laid out for next year roll up to 2022 adjusted earnings of at least \$15.00 per share.

Figure 3: Celanese Foundational Adjusted Earnings Per Share Lift



We expect 2022 performance to also set a new foundational level for Celanese adjusted earnings per share going forward. In other words, even with a return to normalized pricing conditions in AC sometime in 2022, we are confident the growth initiatives and capital deployment we are executing today will support adjusted earnings per share of at least \$15.00 in 2023 and further growth thereafter.

Our focus remains balanced between near-term execution in the current environment and continued actions to lift the long-term earnings power of Celanese. We are confident in our ability to translate differentiated performance across 2021 and 2022 into an increased growth outlook well into this decade.

Scott Richardson, Celanese Corporation, Chief Financial Officer

Let me start by discussing the higher 2021 adjusted earnings per share we have outlined and what that means for cash generation in both 2021 and 2022.

In the third quarter, we generated a record \$520 million in free cash flow, bringing our year to date total free cash flow to \$848 million. We still expect to deliver 2021 free cash flow of over \$1.2 billion, driven by enhanced profitability for the year rather than a reduction of working capital as previously anticipated. In the third quarter, working capital remained at elevated levels due to a continued inflationary environment. This sets the stage for a stronger profile for free cash flow generation in 2022, with a potential cash inflow of \$200 to \$300 million assuming a return to normalized working capital levels.

We continue to work to deploy strong cash levels and cash generation to high-return opportunities to drive future growth. In the fourth quarter we expect to close the Santoprene acquisition which will bring our cash levels back to our base operating level going into 2022. As a testament to the work of numerous teams at Celanese, by year end we expect to have deployed a total of over \$2.7 billion in 2021 to drive future earnings per share growth, including \$500 to \$550 million in capital expenditures, \$1.2 billion in M&A, and \$1 billion in share repurchases. This is in addition to approximately \$300 million returned to shareholders in the form of dividends. As Lori highlighted, this deployment of capital significantly enhances our ability to continually lift the foundational earnings profile of Celanese across this decade.

In August, we completed an offering of \$400 million U.S. dollar-denominated 1.400% notes due 2026. This effectively replaced the \$400 million of 5.875% notes that matured in June and which were paid off using a temporary draw on our revolver. Additionally, we looked across our debt maturity profile over the next several years and took the opportunity to reduce what was a €750 million tower in total debt maturities in 2023. In September we completed a cash tender offer for €300 million of notes due 2023 and separately completed a new offering of €500 million of 0.625% notes due 2028. As a result of this series of actions, we have spread out our debt maturities more effectively and also reduced our interest expense. Following these changes, our annual interest expense going forward will be approximately \$90 million, roughly \$20 million less than it was in 2020.

This concludes our prepared remarks. We look forward to addressing our third 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: the extent to which the COVID-19 pandemic continues to adversely impact the economic environment, market demand and our operations, as well as the pace of any economic recovery; 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, mobility, textiles, medical, 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 as well as facility turnarounds; 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 complete acquisition or investment transactions consistent with the Company's strategy; the ability to identify and execute on other attractive investment opportunities towards which to deploy capital; increased price competition and the introduction of competing products by other companies; 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, cyber security incidents, terrorism or political unrest, public health crises (including, but not limited to, the COVID-19 pandemic); 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; the ability to obtain governmental approvals and to construct facilities on terms and schedules acceptable to the Company; 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; 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; tax rates and changes thereto; our ability to obtain regulatory approval for, and satisfy closing conditions to, any transactions described herein; 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 extent of any resurgence in infections and the spread of the disease, and the effectiveness of any vaccines; additional governmental, business and individual actions to contain the spread of the outbreak, including social distancing, work-at-home, stay-at-home and shelter-in-place orders and shutdowns, travel restrictions and quarantines; the extent to which these conditions depress economic activity generally and demand for our products specifically and affect the financial markets; 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; the risk that we could be exposed to liability, negative publicity or reputational harm related to any incidents of actual or perceived transmission of COVID-19 among employees at our facilities; 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 and prolonged 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 measure 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.

Non-US GAAP Financial Measures and Supplemental Information

October 21, 2021

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

	Q3 '21	Q2 '21	Q1 '21	2020	Q4 '20	Q3 '20	Q2 '20	Q1 '20
(In \$ millions)								
Net earnings (loss) attributable to Celanese Corporation	506	538	322	1,985	1,453	207	107	218
(Earnings) loss from discontinued operations	13	4	1	12	—	2	3	7
Interest income	(2)	(4)	(1)	(6)	(2)	(1)	(1)	(2)
Interest expense	21	24	25	109	26	28	27	28
Refinancing expense	9	—	—	—	—	—	—	—
Income tax provision (benefit)	102	116	85	247	117	30	35	65
Certain Items attributable to Celanese Corporation (Table 8)	(1)	13	50	(1,216)	(1,294)	24	28	26
Adjusted EBIT	648	691	482	1,131	300	290	199	342
Depreciation and amortization expense ⁽¹⁾	91	90	88	344	87	88	86	83
Operating EBITDA	739	781	570	1,475	387	378	285	425

	Q3 '21	Q2 '21	Q1 '21	2020	Q4 '20	Q3 '20	Q2 '20	Q1 '20
(In \$ millions)								
Engineered Materials	2	1	2	5	2	1	—	2
Acetate Tow	—	—	—	—	—	—	—	—
Acetyl Chain	—	—	—	1	—	—	1	—
Other Activities ⁽²⁾	—	—	—	—	—	—	—	—
Accelerated depreciation and amortization expense	2	1	2	6	2	1	1	2
Depreciation and amortization expense ⁽¹⁾	91	90	88	344	87	88	86	83
Total depreciation and amortization expense	93	91	90	350	89	89	87	85

⁽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

	Q3 '21		Q2 '21		Q1 '21		2020		Q4 '20		Q3 '20		Q2 '20		Q1 '20		
	(In \$ millions, except percentages)																
Operating Profit (Loss) / Operating Margin																	
Engineered Materials	91	13.3 %	123	18.0 %	130	20.2 %	235	11.3 %	62	10.8 %	84	16.0 %	(13)	(3.1)%	102	18.1 %	
Acetate Tow	12	9.4 %	24	17.4 %	16	13.4 %	118	22.7 %	30	22.4 %	30	23.3 %	31	24.4 %	27	20.9 %	
Acetyl Chain ⁽¹⁾	517	34.7 %	516	36.6 %	251	23.8 %	563	17.9 %	186	20.4 %	121	15.6 %	121	18.3 %	135	16.9 %	
Other Activities ⁽²⁾	(84)		(96)		(71)		(252)		(75)		(51)		(56)		(70)		
Total	536	23.7 %	567	25.8 %	326	18.1 %	664	11.7 %	203	12.8 %	184	13.0 %	83	7.0 %	194	13.3 %	
Less: Net Earnings (Loss) Attributable to NCI ⁽¹⁾	1		2		1		7		1		2		2		2		
Operating Profit (Loss) Attributable to Celanese Corporation	535	23.6 %	565	25.7 %	325	18.1 %	657	11.6 %	202	12.7 %	182	12.9 %	81	6.8 %	192	13.2 %	
Operating Profit (Loss) / Operating Margin Attributable to Celanese Corporation																	
Engineered Materials	91	13.3 %	123	18.0 %	130	20.2 %	235	11.3 %	62	10.8 %	84	16.0 %	(13)	(3.1)%	102	18.1 %	
Acetate Tow	12	9.4 %	24	17.4 %	16	13.4 %	118	22.7 %	30	22.4 %	30	23.3 %	31	24.4 %	27	20.9 %	
Acetyl Chain ⁽¹⁾	516	34.7 %	514	36.5 %	250	23.7 %	556	17.7 %	185	20.3 %	119	15.3 %	119	18.0 %	133	16.6 %	
Other Activities ⁽²⁾	(84)		(96)		(71)		(252)		(75)		(51)		(56)		(70)		
Total	535	23.6 %	565	25.7 %	325	18.1 %	657	11.6 %	202	12.7 %	182	12.9 %	81	6.8 %	192	13.2 %	
Equity Earnings and Dividend Income, Other Income (Expense) Attributable to Celanese Corporation																	
Engineered Materials	40		32		25		115		15		21		26		53		
Acetate Tow	34		37		41		126		29		28		32		37		
Acetyl Chain	2		2		2		5		2		2		—		1		
Other Activities ⁽²⁾	1		4		1		19		4		5		5		5		
Total	77		75		69		265		50		56		63		96		
Non-Operating Pension and Other Post-Retirement Employee Benefit (Expense) Income Attributable to Celanese Corporation																	
Engineered Materials	—		—		—		1		1		—		—		—		
Acetate Tow	—		—		—		—		—		—		—		—		
Acetyl Chain	—		—		—		—		—		—		—		—		
Other Activities ⁽²⁾	37		38		38		16		(67)		28		27		28		
Total	37		38		38		17		(66)		28		27		28		
Gain (Loss) On Sale of Investments in Affiliates																	
Engineered Materials	—		—		—		1,408		1,408		—		—		—		
Acetate Tow	—		—		—		—		—		—		—		—		
Acetyl Chain	—		—		—		—		—		—		—		—		
Other Activities ⁽²⁾	—		—		—		—		—		—		—		—		
Total	—		—		—		1,408		1,408		—		—		—		
Certain Items Attributable to Celanese Corporation (Table 8)																	
Engineered Materials	6		6		5		(1,356)		(1,404)		11		27		10		
Acetate Tow	—		1		4		5		—		1		1		3		
Acetyl Chain	(1)		(2)		30		7		—		5		(3)		5		
Other Activities ⁽²⁾	(6)		8		11		128		110		7		3		8		
Total	(1)		13		50		(1,216)		(1,294)		24		28		26		

⁽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.)

	Q3 '21		Q2 '21		Q1 '21		2020		Q4 '20		Q3 '20		Q2 '20		Q1 '20	
(In \$ millions, except percentages)																
Adjusted EBIT / Adjusted EBIT Margin																
Engineered Materials	137	20.0 %	161	23.6 %	160	24.8 %	403	19.4 %	82	14.3 %	116	22.1 %	40	9.5 %	165	29.3 %
Acetate Tow	46	35.9 %	62	44.9 %	61	51.3 %	249	48.0 %	59	44.0 %	59	45.7 %	64	50.4 %	67	51.9 %
Acetyl Chain	517	34.7 %	514	36.5 %	282	26.7 %	568	18.0 %	187	20.5 %	126	16.2 %	116	17.5 %	139	17.4 %
Other Activities ⁽²⁾	(52)		(46)		(21)		(89)		(28)		(11)		(21)		(29)	
Total	648	28.6 %	691	31.4 %	482	26.8 %	1,131	20.0 %	300	18.9 %	290	20.6 %	199	16.7 %	342	23.4 %
Depreciation and Amortization Expense ⁽¹⁾																
Engineered Materials	33		34		33		129		32		33		32		32	
Acetate Tow	10		9		10		36		10		9		9		8	
Acetyl Chain	44		43		41		162		41		41		41		39	
Other Activities ⁽²⁾	4		4		4		17		4		5		4		4	
Total	91		90		88		344		87		88		86		83	
Operating EBITDA / Operating EBITDA Margin																
Engineered Materials	170	24.9 %	195	28.6 %	193	29.9 %	532	25.6 %	114	19.9 %	149	28.3 %	72	17.1 %	197	35.0 %
Acetate Tow	56	43.8 %	71	51.4 %	71	59.7 %	285	54.9 %	69	51.5 %	68	52.7 %	73	57.5 %	75	58.1 %
Acetyl Chain	561	37.7 %	557	39.5 %	323	30.6 %	730	23.2 %	228	25.1 %	167	21.5 %	157	23.7 %	178	22.3 %
Other Activities ⁽²⁾	(48)		(42)		(17)		(72)		(24)		(6)		(17)		(25)	
Total	739	32.6 %	781	35.5 %	570	31.7 %	1,475	26.1 %	387	24.3 %	378	26.8 %	285	23.9 %	425	29.1 %

⁽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

	Q3 '21		Q2 '21		Q1 '21		2020		Q4 '20		Q3 '20		Q2 '20		Q1 '20	
	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	519	4.67	542	4.81	323	2.83	1,997	16.85	1,453	12.50	209	1.76	110	0.93	225	1.88
Income tax provision (benefit)	102		116		85		247		117		30		35		65	
Earnings (loss) from continuing operations before tax	621		658		408		2,244		1,570		239		145		290	
Certain Items attributable to Celanese Corporation (Table 8)	(1)		13		50		(1,216)		(1,294)		24		28		26	
Refinancing and related expenses	9		—		—		—		—		—		—		—	
Adjusted earnings (loss) from continuing operations before tax	629		671		458		1,028		276		263		173		316	
Income tax (provision) benefit on adjusted earnings ⁽¹⁾	(94)		(105)		(64)		(123)		(33)		(32)		(18)		(41)	
Adjusted earnings (loss) from continuing operations ⁽²⁾	535	4.82	566	5.02	394	3.46	905	7.64	243	2.09	231	1.95	155	1.30	275	2.29
Diluted shares (in millions) ⁽³⁾																
Weighted average shares outstanding	110.5		112.3		113.5		117.8		115.7		118.0		118.3		119.3	
Incremental shares attributable to equity awards	0.5		0.5		0.5		0.7		0.6		0.6		0.5		0.6	
Total diluted shares	111.0		112.8		114.0		118.5		116.3		118.6		118.8		119.9	

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

	Q3 '21	Q2 '21	Q1 '21	2020	Q4 '20	Q3 '20	Q2 '20	Q1 '20
(In percentages)								
Adjusted effective tax rate	15	16	14	12	12	12	10	13

⁽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)		
2020	12.4	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 2021	Actual 2020
	(In percentages)	
US GAAP annual effective tax rate	18	11
Discrete quarterly recognition of GAAP items ⁽¹⁾	—	12
Tax impact of other charges and adjustments ⁽²⁾	(1)	(9)
Utilization of foreign tax credits	(2)	(3)
Changes in valuation allowances, excluding impact of other charges and adjustments ⁽³⁾	—	—
Other ⁽⁴⁾	—	1
Adjusted tax rate	15	12

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⁾ Tax impacts related to full-year forecasted tax opportunities and related costs.

Table 4
Net Sales by Segment - Unaudited

	Q3 '21	Q2 '21	Q1 '21	2020	Q4 '20	Q3 '20	Q2 '20	Q1 '20
	(In \$ millions)							
Engineered Materials	684	682	645	2,081	572	526	420	563
Acetate Tow	128	138	119	519	134	129	127	129
Acetyl Chain	1,489	1,409	1,056	3,147	910	776	662	799
Other Activities	—	—	—	—	—	—	—	—
Intersegment eliminations ⁽¹⁾	(35)	(31)	(22)	(92)	(25)	(20)	(16)	(31)
Net sales	<u>2,266</u>	<u>2,198</u>	<u>1,798</u>	<u>5,655</u>	<u>1,591</u>	<u>1,411</u>	<u>1,193</u>	<u>1,460</u>

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

Table 4a
Factors Affecting Segment Net Sales Sequentially - Unaudited

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

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	(2)	3	(1)	—	—
Acetate Tow	(8)	—	—	—	(8)
Acetyl Chain	3	3	—	—	6
Total Company	1	3	(1)	—	3

Three Months Ended June 30, 2021 Compared to Three Months Ended March 31, 2021

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	(1)	7	—	—	6
Acetate Tow	16	—	—	—	16
Acetyl Chain	7	27	—	—	34
Total Company	4	18	—	—	22

Three Months Ended March 30, 2021 Compared to Three Months Ended December 31, 2020

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	6	6	1	—	13
Acetate Tow	(10)	(1)	—	—	(11)
Acetyl Chain	(7)	23	—	—	16
Total Company	(3)	15	1	—	13

Three Months Ended December 31, 2020 Compared to Three Months Ended September 30, 2020

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	7	—	2	—	9
Acetate Tow	4	(1)	—	—	3
Acetyl Chain	6	10	1	—	17
Total Company	7	5	1	—	13

Three Months Ended September 30, 2020 Compared to Three Months Ended June 30, 2020

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	27	(6)	4	—	25
Acetate Tow	1	1	1	—	3
Acetyl Chain	18	(2)	1	—	17
Total Company	20	(3)	2	(1)	18

Three Months Ended June 30, 2020 Compared to Three Months Ended March 31, 2020

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	(25)	—	—	—	(25)
Acetate Tow	(3)	1	—	—	(2)
Acetyl Chain	(6)	(11)	—	—	(17) ⁽¹⁾
Total Company	(13)	(6)	—	1	(18)

Three Months 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

⁽¹⁾ 2020 includes the effect of the acquisition of the Elotex® brand.

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

Three Months Ended September 30, 2021 Compared to Three Months Ended September 30, 2020

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	11	17	2	—	30
Acetate Tow	—	(2)	—	1	(1)
Acetyl Chain	11	80	1	—	92
Total Company	10	50	1	—	61

Three Months Ended June 30, 2021 Compared to Three Months Ended June 30, 2020

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	43	11	8	—	62
Acetate Tow	10	(1)	—	—	9
Acetyl Chain	27	83	3	—	113
Total Company	31	50	4	(1)	84

Three Months Ended March 31, 2021 Compared to Three Months Ended March 31, 2020

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	7	2	6	—	15
Acetate Tow	(8)	—	—	—	(8)
Acetyl Chain	5	25	2	—	32
Total Company	5	14	4	—	23

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

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	6	(4)	4	—	6
Acetate Tow	(7)	(3)	1	—	(9)
Acetyl Chain	19	(3)	2	—	18
Total Company	12	(4)	3	—	11

Three Months Ended September 30, 2020 Compared to Three Months Ended September 30, 2019

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	(10)	(3)	2	—	(11)
Acetate Tow	(15)	(3)	—	—	(18)
Acetyl Chain	(1)	(11)	1	—	(11)
Total Company	(6)	(7)	1	1	(11)

Three Months Ended June 30, 2020 Compared to Three Months Ended June 30, 2019

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	(27)	(1)	(1)	—	(29)
Acetate Tow	(18)	(5)	—	—	(23)
Acetyl Chain	(14)	(8)	(1)	—	(23)
Total Company	(20)	(5)	(1)	1	(25)

Three Months 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)

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

Year Ended December 31, 2020 Compared to Year Ended December 31, 2019

	Volume	Price	Currency	Other	Total
	(In percentages)				
Engineered Materials	(11)	(3)	1	—	(13)
Acetate Tow	(14)	(4)	—	—	(18)
Acetyl Chain	—	(8)	1	—	(7)
Total Company	(5)	(6)	—	1	(10)

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

	Q3 '21	Q2 '21	Q1 '21	2020	Q4 '20	Q3 '20	Q2 '20	Q1 '20
(In \$ millions, except percentages)								
Net cash provided by (used in) investing activities	(108)	177	98	592	979	(78)	(181)	(128)
Net cash provided by (used in) financing activities	(228)	(344)	(371)	(1,471)	(933)	(290)	(232)	(16)
Net cash provided by (used in) operating activities	630	427	116	1,343	274	431	379	259
Capital expenditures on property, plant and equipment	(102)	(110)	(92)	(364)	(85)	(72)	(88)	(119)
Distributions to NCI	(8)	(8)	(5)	(29)	(8)	(8)	(8)	(5)
Free cash flow⁽¹⁾⁽²⁾	520	309	19	950	181	351	283	135
Net sales	2,266	2,198	1,798	5,655	1,591	1,411	1,193	1,460
Free cash flow as % of Net sales	22.9 %	14.1 %	1.1 %	16.8 %	11.4 %	24.9 %	23.7 %	9.2 %

(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 or distributions to Mitsui related to our joint venture, Fairway.

(2) Excludes required debt service and finance lease payments of \$30 million and \$26 million for the years ended December 31, 2021 and 2020, respectively.

Table 6
Cash Dividends Received - Unaudited

	Q3 '21	Q2 '21	Q1 '21	2020	Q4 '20	Q3 '20	Q2 '20	Q1 '20
	(In \$ millions)							
Dividends from equity method investments	8	18	35	147	36	6	59	46
Dividends from equity investments without readily determinable fair values	35	37	42	126	28	29	32	37
Total	43	55	77	273	64	35	91	83

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

	Q3 '21	Q2 '21	Q1 '21	2020	Q4 '20	Q3 '20	Q2 '20	Q1 '20
	(In \$ millions)							
Short-term borrowings and current installments of long-term debt - third party and affiliates	103	500	497	496	496	958	1,045	749
Long-term debt, net of unamortized deferred financing costs	3,724	3,156	3,135	3,227	3,227	3,140	2,989	3,356
Total debt	3,827	3,656	3,632	3,723	3,723	4,098	4,034	4,105
Cash and cash equivalents	(1,340)	(1,054)	(791)	(955)	(955)	(615)	(539)	(570)
Net debt	2,487	2,602	2,841	2,768	2,768	3,483	3,495	3,535

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 '21	Q2 '21	Q1 '21	2020	Q4 '20	Q3 '20	Q2 '20	Q1 '20	Income Statement Classification
(In \$ millions)									
Plant/office closures	4	3	(5)	10	7	4	(4)	3	Cost of sales / SG&A / Other (charges) gains, net / Gain (loss) on disposition of businesses and assets, net
Asset impairments	—	1	1	31	—	2	25	4	Cost of sales / Other (charges) gains, net
Clear Lake incident	—	—	—	4	—	—	—	4	Cost of sales
COVID-19	—	—	—	5	2	1	1	1	Cost of sales / SG&A
Mergers, acquisitions and dispositions	4	6	—	22	5	7	3	7	Cost of sales / SG&A
Impact from natural disasters ⁽¹⁾	—	—	41	—	—	—	—	—	Cost of sales
Actuarial (gain) loss on pension and postretirement plans	—	—	—	95	95	—	—	—	Cost of sales / SG&A / Non-operating pension and other postretirement employee benefit (expense) income
Restructuring	3	2	3	25	5	11	2	7	SG&A / Other (charges) gains, net / Non-operating pension and other postretirement employee benefit (expense) income
European Commission investigation	—	—	—	2	—	—	2	—	Other (charges) gains, net
Commercial disputes	2	1	9	(1)	—	—	(1)	—	Cost of sales / SG&A / Other (charges) gains, net
(Gain) loss on sale of investments in affiliates	—	—	—	(1,408)	(1,408)	—	—	—	Gain (loss) on sale of investments in affiliates
(Gain) loss on sale of assets ⁽²⁾	(14)	—	—	—	—	—	—	—	Gain (loss) on disposition of businesses and assets, net
Other	—	—	1	(1)	—	(1)	—	—	SG&A / Gain (loss) on disposition of businesses and assets, net
Certain Items attributable to Celanese Corporation	(1)	13	50	(1,216)	(1,294)	24	28	26	

⁽¹⁾ Primarily associated with Winter Storm Uri.

⁽²⁾ Primarily associated with the sale of our Spondon site.

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

	2020		
	(In \$ millions, except percentages)		
Net earnings (loss) attributable to Celanese Corporation	1,985		
Adjusted EBIT (Table 1)	1,131		
Adjusted effective tax rate (Table 3a)	12 %		
Adjusted EBIT tax effected	995		

	2020	2019	Average
	(In \$ millions, except percentages)		
Short-term borrowings and current installments of long-term debt - third parties and affiliates	496	496	496
Long-term debt, net of unamortized deferred financing costs	3,227	3,409	3,318
Celanese Corporation stockholders' equity	3,526	2,507	3,017
Invested capital			6,831
Return on invested capital (adjusted)			14.6 %
Net earnings (loss) attributable to Celanese Corporation as a percentage of invested capital			29.1 %