

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

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): May 8, 2024

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
1.250% Senior Notes due 2025	CE /25	The New York Stock Exchange
4.777% Senior Notes due 2026	CE /26A	The New York Stock Exchange
2.125% Senior Notes due 2027	CE /27	The New York Stock Exchange
0.625% Senior Notes due 2028	CE /28	The New York Stock Exchange
5.337% Senior Notes due 2029	CE /29A	The New York Stock Exchange

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

Emerging growth company

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

Item 7.01 Regulation FD Disclosure

On May 9, 2024, Lori J. Ryerkerk, Chair 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 11:00 a.m. ET (10:00 a.m. CT) regarding the Company's financial results for its first quarter 2024. 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 incorporated herein solely for purposes 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 May 8, 2024*
99.2	Non-US GAAP Financial Measures and Supplemental Information dated May 8, 2024*
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/ ASHLEY B. DUFFIE
Name: Ashley B. Duffie
Title: Senior Vice President, General Counsel and Corporate Secretary

Date: May 8, 2024



First Quarter 2024 Earnings Prepared Comments

Bill Cunningham, Celanese Corporation, Vice President, Investor Relations

This is the Celanese Corporation first quarter 2024 earnings prepared comments. The Celanese Corporation first quarter 2024 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, Chair of the Board and Chief Executive Officer

Today we reported first quarter 2024 adjusted earnings of \$2.08 per share (inclusive of approximately \$0.30 per share of Mobility & Materials (M&M) transaction amortization¹), reflective of our execution of controllable actions within a steady but still lackluster macroeconomic environment. I thank our teams for their determination to deliver these results while simultaneously executing multiple and diverse initiatives that will serve as building blocks for value enhancement throughout 2024 and beyond.

Consistent with the expectations we discussed on our last earnings call, first quarter demand across most of our end-markets was similar to the fourth quarter 2023 and has not yet returned to normalized levels. Despite this, the first quarter did exhibit stabilization in order patterns compared to persistently volatile commercial dynamics last year. The prolonged destocking that characterized 2023, especially for Engineered Materials (EM), has subsided and we are seeing a more typical ordering cadence from customers, though still at lower quantities. At this stage, we see limited indicators of measurable recovery

¹ Calculated as intangible amortization from the M&M transaction divided by diluted weighted average shares outstanding

in global consumer spending. In response, our teams remain committed to executing controllable actions in order to drive results and prepare for demand recovery as it develops.

Against this commercial backdrop, we made significant progress in our value creation journey through the completion of key milestones and the announcement of additional initiatives to enhance our future value. These include:

- The successful startup of our new 1.3 million ton Clear Lake acetic acid unit in March. As we previously stated, we believe this unit is the lowest-cost and lowest-carbon footprint acetic acid facility in the world.² This startup is complemented by our ISCC-certified carbon capture and utilization (CCU) expansion of our Fairway Methanol joint venture with Mitsui, which expands methanol capacity by 130 kt while capturing 180 kt of CO₂ industrial emissions. Together, these two initiatives began to contribute to the Acetyl Chain (AC) in the first quarter and as previously shared, we expect they will contribute approximately \$100 million in earnings in 2024. The acetic acid startup coincided with the successful completion of a seven week turnaround of our methanol unit, which was the largest single-unit turnaround the company has ever completed. Let me thank the Clear Lake team for accomplishing the significant achievement of starting up the new acetic acid unit while at the same time safely executing an incredibly complex turnaround.
- The successful startup of a new vinyl acetate ethylene (VAE) unit in Nanjing and the completion of global, low-capital downstream redispersible polymer powders (RDP) debottlenecking projects. The new VAE unit increases capacity by 70 kt and expands AC's ability to leverage the full breadth of its integrated product chain in Asia, addressing growing regional demand for both VAE and downstream RDP. Our Asia team completed this startup while also extending the Phase II contract with Nanjing Chengzhi Clean Energy Co., Ltd. for the supply of carbon monoxide (CO) to the facility. The extension provides reliable long-term supply of CO, which is a key feedstock in the production of acetic acid. I thank our team for increasing our AC optionality and flexibility through the new VAE and RDP capabilities as well as the CO extension.
- The closure of nylon 66 polymerization at our site in Uentrop, Germany. Exiting polymerization at Uentrop enables us to increase flexibility in our polymerization network by replacing the higher cost Uentrop site with lower cost polymer assets in our network or by purchasing from other sources. We also announced the permanent closure of all operations at our compounding facility in Mechelen, Belgium, which was acquired as part of the M&M acquisition. This was initiated in March and we anticipate the completion within the fourth quarter of 2024. Taking this action

² Based on internal estimates

follows our core principle of exiting our highest cost facilities while driving productivity through debottlenecking in our lowest cost facilities. This is a proven playbook for us, similar to actions taken at Uentrop and throughout our EM and AC operations over the years. The compounding activities currently housed in Mechelen will be consolidated into other locations within the specialty compounding network, in keeping with our strategy of maintaining a localized production presence in all regions to meet our customer needs. I thank our manufacturing, supply chain, and sales teams along with our asset footprint project integration teams for advancing these important cost improvement efforts.

- Our upgraded SAP S/4HANA ERP operating system that will support synergies through 2024 and 2025 and allow us to fully exit the IT transition services agreement with DuPont in the second quarter. Along with the successful financial close to the quarter, we are now able to analyze, operate, and report on legacy EM and M&M as one fully integrated business. My thanks to our global teams for the dedicated hours required to stand up a new ERP system, and for enabling us to rapidly exit the IT transition services agreement with DuPont approximately eighteen months after closing the acquisition.

We accomplished a great deal in the first quarter, and it is a testament to the diligence and resilience of our teams that we advanced so many critical initiatives with overlapping timelines. We are energized by our progress and I sincerely thank our teams for these results. We will continue to place strong emphasis on what we can control, and the majority of the work completed in the first quarter will serve as key building blocks for earnings contributions in 2024 and 2025. In my closing comments, I will review these building blocks and the earnings growth we anticipate across the year.

With that, let me turn it over to Scott and Chuck to further discuss our first quarter business and financial performance.

Scott Richardson, Celanese Corporation, Executive Vice President and Chief Operating Officer

Engineered Materials (EM) delivered first quarter adjusted EBIT of \$201 million and operating EBITDA of \$303 million at margins of 15 and 22 percent, respectively. The sequential increase in earnings was driven by the realization of lower raw material costs flowing through inventory across the EM portfolio as well as sales mix improvements, with both especially prominent in the nylon business. These sequential improvements offset a \$20 million impact related to the planned two-week turnaround at our Frankfurt POM facility as well as the impact of seasonal volume declines for medical implants. Contributions from

affiliates were largely consistent with the fourth quarter. I thank the EM team for delivering not only a sequential increase in adjusted EBIT, but also for achieving the highest contribution from the former M&M product portfolio since the close of the acquisition.

Sequential net sales for EM declined by 2 percent and volumes were largely consistent sequentially. Auto volumes were up 1 percent sequentially in an auto builds environment that declined 11 percent globally over the same period, reflecting our differentiated position within auto and normal first quarter seasonality in the West. The continued steadiness in customer order patterns reinforces our view that last year's destocking has wound down. Further evidence of demand stabilization came from our distribution channel, which saw some improvement after higher than usual seasonal fourth quarter softness. However, first quarter overall demand was below normal levels and did not provide a meaningful lift to the EM business. Our first quarter results highlight the importance of the actions we took last year to enhance our commercial agility and to align our production and inventory levels across our product portfolio to available demand.

In nylon, we delivered a first quarter sequential gross profit contribution increase of \$26 million, which represented the highest ever contribution from nylon since the close of the M&M transaction. The actions we took in 2023 enabled us to accomplish this, despite roughly flat sequential volumes. Through much of last year, the nylon commercial team worked to shed higher cost inventory previously built, while executing share regain activities and expanding the pipeline of future opportunities. The business began to see a rebound in margin contribution towards the end of the fourth quarter 2023 as our variable cost per unit sold peaked before trending down in the first quarter. In addition to lower raw material costs flowing through inventory, nylon also benefited from mix improvement due to increased focus on more differentiated, compounded products. The first quarter marked a key milestone in the trajectory of the M&M product portfolio in general and in the nylon business in particular.

Complementing the actions taken last year to improve the EM raw material input cost profile, we also made significant progress in other value creation projects. Two of our key synergy drivers are the shutdown of nylon 66 polymerization at our facility in Uentrop, Germany and our integration of the M&M business into our upgraded SAP S/4HANA ERP system. While both of these actions have been completed, neither contributed to EM's first quarter earnings results. We expect contributions to begin in the second quarter, and to ramp more meaningfully in the second half of the year.

As Lori discussed, we will also permanently cease all operations at our compounding facility in Mechelen, Belgium. The specialty compounds currently produced at Mechelen are products in our nylon portfolio, including high-performance nylon (HPN), as well as products in our polyester portfolio. These products

will be relocated to other sites within our specialty compounding network in Europe and other regions, following our principle to have compounding assets in proximity to our customers. The actions at Mechelen, similar to those at Uentrop, are critical to building a lower cost, contemporary nylon business with increased optionality.

As we look forward to the second quarter, we expect approximately \$20 million in continued raw material favorability from lower cost inventory in nylon. We anticipate this will be offset by sequentially higher variable costs for certain higher velocity products, including \$5 million in costs flowing to EM associated with the Fairway methanol turnaround. We expect demand to continue to stabilize and slightly improve across some end-markets in the second quarter, particularly automotive and medical implants. Despite this, we expect pricing pressure to continue due to current market dynamics. Considering these factors, we anticipate EM second quarter adjusted EBIT of \$240 to \$260 million.

For the Acetyl Chain (AC), I want to start by specifically thanking our AC manufacturing team for what they have been able to deliver. In just the last three months, they have completed the largest single unit turnaround in the history of Celanese, commissioned our new VAE unit in Nanjing China, commissioned our new Clear Lake acetic acid unit, and already demonstrated the agility to flex production across the two acid units at Clear Lake.

In the first quarter, AC delivered adjusted EBIT of \$296 million and operating EBITDA of \$353 million, at margins of 23 and 28 percent, respectively. First quarter results were at the top end of our guidance range and sequentially similar despite persistent soft demand in Europe, significant incremental turnaround costs, and continued challenges in China dynamics. The team successfully navigated these headwinds by flexing our global network and capitalizing on our new acid capacity.

While conditions in Europe have improved modestly since bottoming in mid-2023, the first quarter demand remained subdued. The marginal improvement we see thus far in our second quarter order book is not of the magnitude we would expect with typical spring seasonality. Considering the significance of U.S. based supply into Europe, we would have expected the industry production outages that occurred in the Americas for acid and VAM would have led to upward pricing momentum in both regions. However, there was no sustained pricing lift in either the U.S. or Europe which is a clear indication of weaker than normal demand conditions.

In China, we initially observed some upward momentum in acetic acid pricing in the early stages of the first quarter and into our February earnings release. This trend did not hold across the back half of the first quarter with pricing approaching the lows experienced in 2023. Across the first quarter, Chinese acetic

acid pricing averaged the lowest levels since COVID in 2020. While our China acetic acid is still profitable, variable margin contribution within the quarter was approximately 85 percent lower than its contribution in the second quarter of 2021, which was our strongest quarter for China acetic acid since the beginning of COVID. This compression in margin is being driven by new capacity that is outpacing demand growth as a result of two new world scale production units that were commissioned across the previous six months. Incremental capacity for certain downstream products was projected to have similar startup timing, but timing was delayed by a few quarters and is contributing to incremental excess supply of China acetic acid. Despite the delays, China demand in the first quarter showed sequential growth, especially when taking into account the absence of the normal seasonality we typically see around Chinese New Year. However, first quarter growth was not adequate to absorb the incremental China acetic acid capacity.

The current challenges in China upstream dynamics demonstrate why we strategically enhance our optionality across our integrated product chain and the value of adding downstream flexibility like our new VAE and RDP capacity. Though our China derivatives downstream of acetic acid have roughly half the combined capacity of our China acetic acid, in the first quarter they contributed approximately double the variable margin of China acid. To be clear, we anticipate acetic acid supply and demand balances will recover. In the meantime, we will leverage our optionality and agility, hallmarks of this team, which have enabled us to consistently deliver operating EBITDA margins greater than 25 percent every quarter for over five years.

This agility was also on display by our Clear Lake team during our Fairway methanol unit turnaround, which was scheduled to be completed in seven weeks and started in late January. Freezing weather conditions across the gulf coast forced the unit to cease production ahead of the scheduled outage, and the team quickly pulled forward our scheduled turnaround. Despite the accelerated timing, the team still executed the turnaround safely, on time, and under budget.

Staying with Clear Lake, we successfully completed the startup of our new 1.3 million ton unit concurrent with the methanol turnaround. I am excited to share that the expansion not only produced on-specification product within the quarter but also contributed approximately \$10 million to our first quarter results. The majority of contributions came from across our network that we are able to capitalize on as a result of the expanded capacity at Clear Lake; as an example, our last regular acid shipment from Asia to Europe was sent in the fourth quarter. As a reminder, the earnings lift we anticipate from our acid expansion is largely based on productivity and optionality rather than incremental volume across our global network. With the

incremental production from our expansion, across 2024, we will flex rates across the four production units in our network to meet demand more cost effectively.

In less than two months of operation, we have already been able to demonstrate the value of optionality with our new acetic acid capacity. In April we had a supplier interruption that caused a trip on our legacy acetic acid unit. Our manufacturing team was able to quickly pivot and ramp production rates with our new capacity. What historically would have been 5 kt flexed to a higher cost plant in our network was kept in region at our most cost advantaged production facility. Additionally, in the second quarter we expect to begin rebuilding certain inventory levels across the West following temporary production losses due to raw material supply as well as supply chain challenges. We anticipate additional sequential earnings expansion in the second quarter from this new Clear Lake unit, with further ramp to our anticipated average run-rate contribution in the second half supported by these actions.

In addition to higher sequential contributions from the acetic acid expansion, we expect the second quarter to benefit from approximately \$15 million in lower sequential turnaround cost as the benefits associated with the methanol turnaround are partially offset by second quarter outages at other AC sites in North America and Asia. Volumes in the second quarter are anticipated to be relatively flat due to muted seasonality from Chinese New Year and a weaker than typical seasonal uplift in the West for paints, coatings, and construction. Based on these dynamics we are forecasting second quarter AC adjusted EBIT of \$325 to \$350 million. This guidance contemplates relatively flat pricing across the chain with a moderate lift in China acetic acid pricing offset by pricing moderation elsewhere.

Chuck Kyrish, Celanese Corporation, Senior Vice President and Chief Financial Officer

Let me start by thanking our team for their continued focus on maximizing our cash generation and executing our deleveraging plan. Over the past four quarters we have delivered over \$1.5 billion in free cash flow and have reduced net debt by over \$1.6 billion. This meaningful progress against our deleveraging plan is the result of hundreds of individual actions to deliver on our shared objective.

In the first quarter we reported free cash flow of \$(40) million. We anticipated negative free cash flow in the quarter largely due to seasonal trends and timing elements related to cash interest, working capital, and capital expenditures.

- Net cash interest was \$204 million in the quarter as the first and third quarters bear a disproportionate share of our annual cash interest (approximately 30 percent each) due to the timing of coupons on a majority of our outstanding bonds. We have mitigated the concentration in

quarterly cash interest payments paid in these two quarters compared to 2023 with the refinancing transaction we completed in the third quarter of last year.

- Working capital was a \$95 million use of cash in the first quarter, largely based on typical seasonality.
- Capital expenditures were \$137 million due to several large capital projects that were completed in the first quarter, such as the SAP integration.

I thank our team for delivering these first quarter results while also executing on the major project milestones Lori highlighted. Let me now discuss some of the drivers of our 2024 free cash flow and deleveraging outlook in context of these major projects.

- Our teams are working hard to deliver a working capital benefit to free cash flow in 2024. Across the first half of the year we expect to build working capital due to seasonality, major turnarounds, and shutdowns. We are working to offset this by continued underlying working capital reduction efforts across the year including further inventory reductions. Working capital will still be a significant year over year headwind to free cash flow on a comparative basis to 2023 because of the working capital free cash flow contribution delivered last year, particularly from reduced inventories.
- Cost to achieve synergies will be higher across the balance of the year when compared to 2023 due to the previously announced acceleration of manufacturing footprint actions.
- In 2024, our cash taxes are expected to be higher than our adjusted tax expense due to some factors unique to this year, including a transfer tax payment related to previously announced debt redomiciling as well as the timing of income versus tax payments which may vary on a year to year basis. Cash taxes are expected to peak in the second quarter of 2024.
- We are working to reduce 2024 capital expenditures by \$100 to \$150 million year over year as we have completed a number of major projects early in the year.
- The earnings ramp associated with our controllable actions will be more heavily weighted to the second half of the year and lag some of the associated unfavorable cost to achieve and working capital impacts to free cash flow.

In summary, across 2024 we expect the cadence of free cash flow to be similar to last year in that the vast majority of cash generation is expected to come across the second half of the year. The proportional free

cash flow lift from the first half to the second half of 2024 may be more pronounced than last year as a result of the timing of major projects and their associated cash costs and earnings benefits I just described. Given these dynamics, our team is working hard to deliver 2024 free cash flow roughly consistent with 2023.

Our deleveraging across 2024 will be supported by strong cash generation and supplemented by the deployment of our excess cash balances across the globe. We have several projects underway to centralize our cash balances over the next few quarters, supported by our system integration and initiatives to optimize our cash management and redomicile our foreign cash balances.

As a result of these actions, over the next four quarters we expect to repay over \$2 billion in total debt maturities coming due between now and the end of the first quarter of 2025. Due to the timing of these actions and our bond maturities, we will temporarily utilize our revolver in 2024. Any use of the revolver will act only as a temporary timing bridge and is expected to be repaid with cash on hand in a very short period of time as that cash is centralized.

Our commitment to rapidly deleveraging remains unwavering. Over the remainder of 2024, we expect to make further progress towards 3X leverage as a result of EBITDA growth and net debt reduction. We will continue to aggressively work toward deploying our free cash flow to further enhance value creation under a balanced capital allocation strategy that would again include share repurchases after we achieve our targeted leverage.

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

There are three key takeaways I want to leave with all of our stakeholders as we reflect on the first quarter:

- First, our results were enabled by the intentional margin improvement actions we took last year which will continue to be important value drivers through 2024.
- Second, we are continuing to implement further initiatives, as evidenced in the first quarter, that will drive enhanced value creation for shareholders in 2024 and 2025.
- Third, we are taking the right actions to position ourselves to maximize the scalability and stability of our margin growth when demand fully recovers.

Early in the second quarter, we see a continued steadying of demand patterns and modest seasonal improvement in our order book. Our focus will remain on controllable actions, given the pace of macroeconomic improvement. Along with further improvement in the profitability of our acquired product

portfolio, we expect continued benefits from our Clear Lake expansion as well as initial improvements from the Uentrop closure and SAP S/4HANA integration, all of which are expected to meaningfully ramp in the second half of the year. Against this backdrop, we anticipate second quarter adjusted earnings per share of \$2.60 to \$3.00. Our second quarter guidance contemplates cost from Other Activities to be similar to the \$90 million realized in our first quarter results.

I remain confident that we will deliver a significant ramp in earnings through the second quarter and across 2024. Our expectations for the remainder of the year are consistent with the previous view we laid out both in terms of external conditions and our action plan. The basis of anticipated 2024 earnings remains tied to the major contributors to our year over year growth, including M&M synergies and Clear Lake and CCU contributions. These lower raw material and fixed costs will increasingly flow to the income statement over the course of the year. When considering these factors, we continue to expect 2024 earnings per share of \$11 to \$12. We remain focused on advancing our strategic plan and driving meaningful earnings and cash generation growth across 2024 and beyond.

Forward-Looking Statements

These prepared comments may contain "forward-looking statements," which include information concerning the Company's plans, objectives, goals, strategies, future revenues, cash flow, financial performance, synergies, capital expenditures, financing needs and other information that is not historical information. All forward-looking statements are based upon current expectations and beliefs and various assumptions. There can be no assurance that the Company will realize these expectations or that these beliefs will prove correct. There are a number of risks and uncertainties that could cause actual results to differ materially from the results expressed or implied in the forward-looking statements contained in 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; volatility or changes in the price and availability of raw materials and energy, particularly changes in the demand for, supply of, and market prices of ethylene, methanol, natural gas, wood pulp and fuel oil and the prices for electricity and other energy sources; the ability to pass increases in raw material prices, logistics costs and other costs on to customers or otherwise improve margins through price increases; the possibility that we will not be able to timely or effectively continue to integrate the Mobility & Materials business (the "M&M Business") we acquired from DuPont de Nemours, Inc. (the "M&M Acquisition") in order to realize the anticipated benefits of the M&M Acquisition, including synergies and growth opportunities, whether as a result of difficulties arising from the operation of the M&M Business or other unanticipated delays, costs, inefficiencies or liabilities; increased commercial, legal or regulatory complexity of entering into, or expanding our exposure to, certain end markets and geographies; risks in the global economy and equity and credit markets and their potential impact on our ability to pay down debt in the future and/or refinance at suitable rates, in a timely manner, or at all; risks and costs associated with increased leverage from the M&M Acquisition, including increased interest expense and potential reduction of business and strategic flexibility; the ability to maintain plant utilization rates and to implement planned capacity additions, expansions and maintenance; the ability to reduce or maintain current levels of production costs and to improve productivity by implementing technological improvements to existing plants; increased price competition and the introduction of competing products by other companies; the ability to identify desirable potential acquisition or divestiture opportunities and to complete such transactions, including obtaining regulatory approvals, consistent with the Company's strategy; market acceptance of our products and technology; compliance and other costs and potential disruption or interruption of production or operations due to accidents, interruptions in sources of raw materials, transportation, logistics or supply chain disruptions, cybersecurity incidents, terrorism or political unrest, public health crises (including, but not limited to, the COVID-19 pandemic), or other unforeseen events or delays in construction or operation of facilities, including as a result of geopolitical conditions, the direct or indirect consequences of acts of war or conflict (such as the Russia-Ukraine conflict or the Israel-Hamas conflict) or terrorist incidents or as a result of weather, natural disasters, or other crises; the ability to obtain governmental approvals and to construct facilities on terms and schedules acceptable to the Company; changes in applicable tariffs, duties and trade agreements, tax rates or legislation throughout the world including, but not limited to, adjustments, changes in estimates or interpretations or the resolution of tax examinations or audits that may impact recorded or future tax impacts and potential regulatory and legislative tax developments in the United States and other jurisdictions; changes in the degree of intellectual property and other legal protection afforded to our products or technologies, or the theft of such intellectual property; potential liability for remedial actions and increased costs under existing or future environmental, health and safety regulations, including those relating to climate change or other sustainability matters; potential liability resulting from pending or future claims or litigation, including investigations or enforcement actions, or from changes in the laws, regulations or policies of governments or other governmental activities in the countries in which we operate; changes in currency exchange rates and interest rates; our level of indebtedness, which could diminish our ability to raise additional capital to fund operations or limit our ability to react to changes in the economy or the chemicals industry; tax rates and changes thereto; and various other factors discussed from time to time in the Company's filings with the Securities and Exchange Commission.

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

Results Unaudited

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

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

May 8, 2024

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

Purpose

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

Presentation

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

Use of Non-US GAAP Financial Measures

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

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

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

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

Specific Measures Used

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

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

Definitions

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

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

- *Free cash flow is a liquidity measure used by the Company and is defined by the Company as net cash provided by (used in) operations, less capital expenditures on property, plant and equipment, and adjusted for contributions from or distributions to our NCI joint ventures. We believe that free cash flow provides useful information to management, investors, analysts and other parties in evaluating the Company's liquidity and credit quality assessment because it provides an indication of the long-term cash generating ability of our business. Although we use free cash flow as a measure to assess the liquidity generated by our business, the use of free cash flow has important limitations, including that free cash flow does not reflect the cash requirements necessary to service our indebtedness, lease obligations, unconditional purchase obligations or pension and postretirement funding obligations. Free cash flow is not a measure of cash available for discretionary expenditures since the Company has certain debt service and finance lease payments that are not deducted from that measure. We do not provide reconciliations for free cash flow on a forward-looking basis when we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amount of items such as working capital changes, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures, and other structural changes, that have not yet occurred, are out of our control and/or cannot be reasonably predicted. For the same reasons, we are unable to address the probable significance of the unavailable information.*
- *Net debt is defined by the Company as total debt less cash and cash equivalents. We believe that net debt provides useful information to management, investors, analysts and other parties in evaluating changes to the Company's capital structure and credit quality assessment.*
- *Return on invested capital (adjusted) is defined by the Company as adjusted EBIT, tax effected using the adjusted tax rate, divided by the sum of the average of beginning and end of the year short- and long-term debt and Celanese Corporation shareholders' 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 shareholders 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 shareholders' interests are shown as NCI. Amounts referred to as "attributable to Celanese Corporation" are net of any applicable NCI.*

Results Unaudited

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

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

	Q1 '24	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23
	(In \$ millions)					
Net earnings (loss) attributable to Celanese Corporation	121	1,960	698	951	220	91
(Earnings) loss from discontinued operations	—	9	6	1	(1)	3
Interest income	(13)	(39)	(12)	(12)	(7)	(8)
Interest expense	169	720	178	178	182	182
Refinancing expense	—	7	—	7	—	—
Income tax provision (benefit)	33	(790)	(575)	(236)	(4)	25
Certain Items attributable to Celanese Corporation (Table 8)	97	(114)	139	(438)	54	131
Adjusted EBIT	407	1,753	434	451	444	424
Depreciation and amortization expense ⁽¹⁾	176	691	174	173	172	172
Operating EBITDA	583	2,444	608	624	616	596

	Q1 '24	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23
	(In \$ millions)					
Engineered Materials	45	15	15	—	—	—
Acetyl Chain	—	—	—	—	—	—
Other Activities ⁽²⁾	—	—	—	—	—	—
Accelerated depreciation and amortization expense	45	15	15	—	—	—
Depreciation and amortization expense ⁽¹⁾	176	691	174	173	172	172
Total depreciation and amortization expense	221	706	189	173	172	172

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

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

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

	Q1 '24		2023		Q4 '23		Q3 '23		Q2 '23		Q1 '23	
	(In \$ millions, except percentages)											
Operating Profit (Loss) / Operating Margin												
Engineered Materials	89	6.5 %	1,083	17.6 %	122	8.7 %	691	45.2 %	158	10.0 %	112	6.9 %
Acetyl Chain	254	20.1 %	1,109	22.7 %	264	22.4 %	272	22.3 %	295	23.9 %	278	22.2 %
Other Activities ⁽¹⁾	(133)		(505)		(127)		(121)		(118)		(139)	
Total	210	8.0 %	1,687	15.4 %	259	10.1 %	842	30.9 %	335	12.0 %	251	8.8 %
Less: Net Earnings (Loss) Attributable to NCI for Engineered Materials	(1)		(3)		1		(2)		(2)		—	
Less: Net Earnings (Loss) Attributable to NCI for Acetyl Chain	4		7		2		—		3		2	
Operating Profit (Loss) Attributable to Celanese Corporation	207	7.9 %	1,683	15.4 %	256	10.0 %	844	31.0 %	334	11.9 %	249	8.7 %
Operating Profit (Loss) / Operating Margin Attributable to Celanese Corporation												
Engineered Materials	90	6.5 %	1,086	17.7 %	121	8.6 %	693	45.4 %	160	10.1 %	112	6.9 %
Acetyl Chain	250	19.8 %	1,102	22.6 %	262	22.2 %	272	22.3 %	292	23.7 %	276	22.1 %
Other Activities ⁽¹⁾	(133)		(505)		(127)		(121)		(118)		(139)	
Total	207	7.9 %	1,683	15.4 %	256	10.0 %	844	31.0 %	334	11.9 %	249	8.7 %
Equity Earnings and Dividend Income, Other Income (Expense) Attributable to Celanese Corporation												
Engineered Materials	50		87		45		12		20		10	
Acetyl Chain	36		132		33		33		32		34	
Other Activities ⁽¹⁾	15		34		28		1		6		(1)	
Total	101		253		106		46		58		43	
Non-Operating Pension and Other Post-Retirement Employee Benefit (Expense) Income Attributable to Celanese Corporation												
Engineered Materials	—		(1)		(1)		—		—		—	
Acetyl Chain	—		—		—		—		—		—	
Other Activities ⁽¹⁾	2		(68)		(66)		(1)		(2)		1	
Total	2		(69)		(67)		(1)		(2)		1	
Certain Items Attributable to Celanese Corporation (Table 8)												
Engineered Materials	61		(324)		34		(476)		25		93	
Acetyl Chain	10		24		5		5		8		6	
Other Activities ⁽¹⁾	26		186		100		33		21		32	
Total	97		(114)		139		(438)		54		131	
Adjusted EBIT / Adjusted EBIT Margin												
Engineered Materials	201	14.6 %	848	13.8 %	199	14.2 %	229	15.0 %	205	12.9 %	215	13.2 %
Acetyl Chain	296	23.5 %	1,258	25.8 %	300	25.4 %	310	25.4 %	332	26.9 %	316	25.3 %
Other Activities ⁽¹⁾	(90)		(353)		(65)		(88)		(93)		(107)	
Total	407	15.6 %	1,753	16.0 %	434	16.9 %	451	16.6 %	444	15.9 %	424	14.9 %

⁽¹⁾ Other Activities includes corporate SG&A expenses, results of captive insurance companies and certain components of net periodic benefit cost (interest cost, expected return on plan assets and net actuarial gains and losses).

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

	Q1 '24		2023		Q4 '23		Q3 '23		Q2 '23		Q1 '23	
	(In \$ millions, except percentages)											
Depreciation and Amortization Expense⁽¹⁾												
Engineered Materials	102		447		112		111		112		112	
Acetyl Chain	57		217		54		55		54		54	
Other Activities ⁽²⁾	17		27		8		7		6		6	
Total	<u>176</u>		<u>691</u>		<u>174</u>		<u>173</u>		<u>172</u>		<u>172</u>	
Operating EBITDA / Operating EBITDA Margin												
Engineered Materials	303	22.0 %	1,295	21.1 %	311	22.1 %	340	22.3 %	317	20.0 %	327	20.1 %
Acetyl Chain	353	28.0 %	1,475	30.2 %	354	30.0 %	365	29.9 %	386	31.3 %	370	29.6 %
Other Activities ⁽²⁾	(73)		(326)		(57)		(81)		(87)		(101)	
Total	<u>583</u>	22.3 %	<u>2,444</u>	22.3 %	<u>608</u>	23.7 %	<u>624</u>	22.9 %	<u>616</u>	22.0 %	<u>596</u>	20.9 %

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

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

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

	Q1 '24		2023		Q4 '23		Q3 '23		Q2 '23		Q1 '23	
	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	121	1.10	1,969	18.00	704	6.43	952	8.70	219	2.00	94	0.86
Income tax provision (benefit)	33		(790)		(575)		(236)		(4)		25	
Earnings (loss) from continuing operations before tax	154		1,179		129		716		215		119	
Certain Items attributable to Celanese Corporation (Table 8)	97		(114)		139		(438)		54		131	
Refinancing and related expenses	—		7		—		7		—		—	
Adjusted earnings (loss) from continuing operations before tax	251		1,072		268		285		269		250	
Income tax (provision) benefit on adjusted earnings ⁽¹⁾	(23)		(96)		(23)		(11)		(32)		(30)	
Adjusted earnings (loss) from continuing operations⁽²⁾	228	2.08	976	8.92	245	2.24	274	2.50	237	2.17	220	2.01
	Diluted shares (in millions)⁽³⁾											
Weighted average shares outstanding	109.1		108.8		109.0		108.9		108.9		108.6	
Incremental shares attributable to equity awards	0.4		0.6		0.5		0.5		0.4		0.6	
Total diluted shares	<u>109.5</u>		<u>109.4</u>		<u>109.5</u>		<u>109.4</u>		<u>109.3</u>		<u>109.2</u>	

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

	Q1 '24	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23
Adjusted effective tax rate	9	9	9	4	12	12

⁽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)	
2023	8.1	5.2

⁽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 2024	Actual 2023
	(In percentages)	
US GAAP annual effective tax rate	22	(67)
Discrete quarterly recognition of GAAP items ⁽¹⁾	—	2
Tax impact of other charges and adjustments ⁽²⁾	(1)	(3)
Changes in valuation allowances, excluding impact of other charges and adjustments ⁽³⁾	(6)	13
Other, includes effect of discrete current year transactions ⁽⁴⁾	(6)	64 ⁽⁵⁾
Adjusted tax rate	9	9

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

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

Table 4
Net Sales by Segment - Unaudited

	Q1 '24	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23
	(In \$ millions)					
Engineered Materials	1,378	6,149	1,406	1,528	1,585	1,630
Acetyl Chain	1,261	4,884	1,181	1,220	1,233	1,250
Intersegment eliminations ⁽¹⁾	(28)	(93)	(18)	(25)	(23)	(27)
Net sales	2,611	10,940	2,569	2,723	2,795	2,853

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

Table 4a
Factors Affecting Segment Net Sales Sequentially - Unaudited

Three Months Ended March 31, 2024 Compared to Three Months Ended December 31, 2023

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

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

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

Three Months Ended December 31, 2023 Compared to Three Months Ended September 30, 2023

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	<u>(In percentages)</u>			
Engineered Materials	(5)	(3)	—	(8)
Acetyl Chain	—	(3)	—	(3)
Total Company	(3)	(3)	—	(6)

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

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

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

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

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

Three Months Ended March 31, 2024 Compared to Three Months Ended March 31, 2023

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	<u>(In percentages)</u>			
Engineered Materials	(12)	(2)	(1)	(15)
Acetyl Chain	11	(10)	—	1
Total Company	(2)	(5)	(1)	(8)

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

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

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

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	<u>(In percentages)</u>			
Engineered Materials	21	(8)	1	14
Acetyl Chain	14	(11)	1	4
Total Company	18	(10)	1	9

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

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

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

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

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

Year Ended December 31, 2023 Compared to Year Ended December 31, 2022

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	54	(1)	—	53
Acetyl Chain	2	(17)	—	(15)
Total Company	23	(10)	—	13

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

	Q1 '24	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23
	(In \$ millions, except percentages)					
Net cash provided by (used in) investing activities	(151)	(134)	(168)	375	(163)	(178)
Net cash provided by (used in) financing activities	(259)	(1,456)	(240)	(700)	(447)	(69)
Net cash provided by (used in) operating activities	101	1,899	830	403	762	(96)
Capital expenditures on property, plant and equipment	(137)	(568)	(128)	(131)	(145)	(164)
Contributions from/(Distributions) to NCI	(4)	(11)	—	(4)	(6)	(1)
Free cash flow⁽¹⁾	(40)	1,320	702	268	611	(261)
Net sales	2,611	10,940	2,569	2,723	2,795	2,853
Free cash flow as % of Net sales	(1.5)%	12.1 %	27.3 %	9.8 %	21.9 %	(9.1)%

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

Table 6
Cash Dividends Received - Unaudited

	Q1 '24	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23
	(In \$ millions)					
Dividends from equity method investments	27	157	85	7	25	40
Dividends from equity investments without readily determinable fair values	34	126	31	30	31	34
Total	61	283	116	37	56	74

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

	Q1 '24	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23
	(In \$ millions)					
Short-term borrowings and current installments of long-term debt - third party and affiliates	2,439	1,383	1,383	1,408	1,507	1,386
Long-term debt, net of unamortized deferred financing costs	11,018	12,301	12,301	12,291	12,889	13,396
Total debt	13,457	13,684	13,684	13,699	14,396	14,782
Cash and cash equivalents	(1,483)	(1,805)	(1,805)	(1,357)	(1,296)	(1,167)
Net debt	11,974	11,879	11,879	12,342	13,100	13,615

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 '24	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23	Income Statement Classification
	(In \$ millions)						
Exit and shutdown costs	68	89	33	9	21	26	Cost of sales / SG&A / Other (charges) gains, net / Gain (loss) on disposition of businesses and assets, net / Non-operating pension and other postretirement employee benefit (expense) income
Asset impairments	—	15	6	9	—	—	Cost of sales / Other (charges) gains, net
Impact from plant incidents and natural disasters ⁽¹⁾	7	6	—	—	—	6	Cost of sales
Mergers, acquisitions and dispositions	25	195	27	46	23	99	Cost of sales / SG&A
Actuarial (gain) loss on pension and postretirement plans	—	69	69	—	—	—	Cost of sales / SG&A / Non-operating pension and other postretirement employee benefit (expense) income
Legal settlements and commercial disputes	(8)	12	4	2	6	—	Cost of sales / SG&A / Other (charges) gains, net
(Gain) loss on disposition of businesses and assets	—	(510)	(3)	(508)	1	—	Gain (loss) on disposition of businesses and assets, net
Other	5	10	3	4	3	—	Cost of sales / SG&A
Certain Items attributable to Celanese Corporation	97	(114)	139	(438)	54	131	

⁽¹⁾ Primarily associated with Winter Storms Heather and Elliott in 2024 and 2023, respectively.

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

	2023		
	(In \$ millions, except percentages)		
Net earnings (loss) attributable to Celanese Corporation	1,960		
Adjusted EBIT (Table 1)	1,753		
Adjusted effective tax rate (Table 3a)	9 %		
Adjusted EBIT tax effected	1,595		
	2023	2022	Average
	(In \$ millions, except percentages)		
Short-term borrowings and current installments of long-term debt - third parties and affiliates	1,383	1,306	1,345
Long-term debt, net of unamortized deferred financing costs	12,301	13,373	12,837
Celanese Corporation shareholders' equity	7,091	5,637	6,364
Invested capital	20,546		
Return on invested capital (adjusted)	7.8 %		
Net earnings (loss) attributable to Celanese Corporation as a percentage of invested capital	9.5 %		