

# CELANESE CORP

## **FORM 8-K** (Current report filing)

Filed 04/27/20 for the Period Ending 04/27/20

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

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

**FORM 8-K**

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

Date of Report (Date of earliest event reported): **April 27, 2020**

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

**Delaware**

**001-32410**

**98-0420726**

(State or other jurisdiction  
of incorporation)

(Commission File  
Number)

(IRS Employer  
Identification No.)

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

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

N/A

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

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

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

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

<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

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

Emerging growth company

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

## Item 2.02 Results of Operations and Financial Condition

On April 27, 2020, Celanese Corporation (the "Company") issued a press release reporting the financial results for its first quarter 2020. A copy of the press release is attached to this Current Report on Form 8-K ("Current Report") as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure. Each non-US GAAP financial measure appearing in the press release is accompanied by the most directly comparable US GAAP financial measure and is reconciled to the most comparable US GAAP financial measure in Exhibit 99.2, which includes other supplemental information of interest to investors, analysts and other parties, including the reasons why management believes such Non-US GAAP financial measures provide useful information to investors, and which is incorporated herein solely for purposes of this Item 2.02 disclosure.

## Item 9.01 Financial Statements and Exhibits

(d) The following exhibits are being filed herewith:

<b>Exhibit Number</b>	<b>Description</b>
<a href="#">99.1</a>	<a href="#">Press Release dated April 27, 2020*</a>
<a href="#">99.2</a>	<a href="#">Non-US GAAP Financial Measures and Supplemental Information dated April 27, 2020*</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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

## SIGNATURES

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

### CELANESE CORPORATION

By: /s/ JAMES R. PEACOCK III  
Name: James R. Peacock III  
Title: Vice President, Deputy General Counsel and Assistant Corporate Secretary

Date: April 27, 2020


**Celanese Corporation**

222 West Las Colinas Blvd.

Suite 900N

Irving, Texas 75039

## Celanese Corporation Reports First Quarter 2020 Earnings; Highlights Resilient Cash Generation and Strong Balance Sheet

*Dallas, April 27, 2020:* Celanese Corporation (NYSE: CE), a global chemical and specialty materials company, today reported first quarter GAAP diluted earnings per share of \$1.88 and adjusted earnings per share of \$2.29 on net sales of \$1.5 billion. Despite the impact of coronavirus (COVID-19) on already weak demand levels in China that extended beyond Chinese New Year, the Company delivered sequential growth in operating profit and adjusted EBIT due to the resiliency of the Engineered Materials and Acetyl Chain commercial models and continued stability in Acetate Tow. Celanese generated robust operating cash flow of \$259 million and free cash flow of \$135 million. The Company retains substantial financial flexibility as a result of continued liquidity and balance sheet strength. Celanese has identified and implemented structural cost and capital reduction actions and continues to execute a disciplined cash deployment strategy that will position it for growth after current challenges subside.

"Our culture at Celanese has long been action-oriented, which is even more critical in this environment. I am proud of the strong spirit of our employees across the world whose resolve and determination enabled us to deliver a healthy first quarter performance in these unprecedented times. We expect that reduced consumer activity, which started in the latter half of the first quarter, particularly in the Western Hemisphere, will work its way through relevant value chains to impact our second quarter demand more meaningfully. We continue to focus on those items within our control and will take further actions to maximize our cash generation in a weaker than anticipated demand environment and position ourselves for recovery," said Lori Ryerkerk, chairman and chief executive officer.

**First Quarter 2020 Financial Highlights:**

	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
(unaudited)			
(In \$ millions, except per share data)			
<b>Net Sales</b>			
Engineered Materials	563	539	663
Acetate Tow	129	148	166
Acetyl Chain	799	771	889
Intersegment Eliminations	(31)	(26)	(31)
<b>Total</b>	<b>1,460</b>	<b>1,432</b>	<b>1,687</b>

	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
	(unaudited)		
	(In \$ millions, except per share data)		
<b>Operating Profit (Loss)</b>			
Engineered Materials	102	88	144
Acetate Tow	27	22	40
Acetyl Chain	135	108	202
Other Activities	(70)	(150)	(66)
<b>Total</b>	<u>194</u>	<u>68</u>	<u>320</u>

	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
	(unaudited)		
	(In \$ millions, except per share data)		
<b>Net Earnings (Loss)</b>	220	45	338
<b>Adjusted EBIT<sup>(1)</sup></b>			
Engineered Materials	165	136	183
Acetate Tow	67	54	72
Acetyl Chain	139	144	203
Other Activities	(29)	(31)	(37)
<b>Total</b>	<u>342</u>	<u>303</u>	<u>421</u>

<b>Equity Earnings and Dividend Income, Other Income (Expense)</b>			
Engineered Materials	53	45	46
Acetate Tow	37	24	32
Operating EBITDA <sup>(1)</sup>	425	387	502
Diluted EPS - continuing operations	\$ 1.88	\$ 0.35	\$ 2.64
Diluted EPS - total	\$ 1.82	\$ 0.36	\$ 2.63
Adjusted EPS <sup>(1)</sup>	\$ 2.29	\$ 1.99	\$ 2.62
Net cash provided by (used in) investing activities	(128)	(168)	(177)
Net cash provided by (used in) financing activities	(16)	(199)	(130)
Net cash provided by (used in) operating activities	259	326	307
Free cash flow <sup>(1)</sup>	135	179	224

<sup>(1)</sup> See "Non-US GAAP Financial Measures" below.

**First Quarter 2020 Highlights:**

- Completed the previously announced acquisition of Nouryon's redispersible polymers powders business offered under the Elotex brand. The redispersible powders product line complements the Acetyl Chain derivatization strategy.
- The Acetyl Chain shifted the timeline associated with the acetic acid reconfiguration project and related capacity expansion in Clear Lake; mechanical completion is now estimated in 2023.
- Completed US dollar-denominated bilateral term loans totaling \$300 million with a borrowing rate of 85 basis points above LIBOR.
- Completed \$150 million of share repurchases during the first quarter.
- Successfully met our Engineered Materials project pipeline targets despite travel and collaboration restrictions through most of the first quarter, including key opportunities in electric vehicles, 5G infrastructure, and mobile devices.
- Supported many of our customers as they pivoted to respond to the COVID-19 crisis, including the supply of Laprene elastomers to produce reusable personal protective equipment face masks, EVA for respirator tubing, and Clarifoil for anti-fog protection in face shields.
- Announced the launch of *Sustainability* on Celanese.com, enabling sustainability content to be presented in the Environmental, Social, and Governance framework, focused on the Celanese culture of stewardship.
- Received the *ENERGY STAR Partner of the Year Sustained Excellence Award* for continued leadership and superior contributions to ENERGY STAR for the fifth consecutive year.
- Elected Lori Ryerkerk to succeed Mark Rohr as Chairman of the Board of Directors on April 16, 2020.

**First Quarter 2020 Business Segment Overview****Engineered Materials (EM)**

Engineered Materials generated first quarter net sales of \$563 million, an increase of 4 percent over the fourth quarter of 2019 on higher volume. The business successfully offset lower sequential volume in Asia as a result of Chinese New Year and the impact of COVID-19 with robust growth in the Western Hemisphere driven by volume ramp-up of recent project wins, which also partially offset the demand softness that began to materialize towards the end of the first quarter. The EM business was able to generate GAAP operating profit of \$102 million and adjusted EBIT of \$165 million. First quarter operating profit margin of 18.1 percent and adjusted EBIT margin of 29.3 percent, increased by 180 basis points and 410 basis points, respectively, over the prior quarter. Margin expansion was driven by sustained pricing levels amid sequentially lower raw material costs and incremental contributions from affiliate earnings. As a result, the overall business grew GAAP operating profit and adjusted EBIT on a sequential basis.

## **Acetyl Chain**

The Acetyl Chain recorded net sales of \$799 million in the first quarter, as sequential volume growth of 5 percent partially offset a continued decline in industry pricing resulting from weakness in Asian demand and underlying raw materials. GAAP operating profit of \$135 million and adjusted EBIT of \$139 million with operating profit margin of 16.9 percent and adjusted EBIT margin of 17.4 percent were lower than the prior quarter due primarily to weaker industry pricing. Income was negatively affected by the COVID-19 crisis by approximately \$15 million, largely through customer order cancellations in March. The Acetyl Chain was able to utilize its global supply network to redirect incremental acetic acid to the Western Hemisphere in response to the continued Chinese acetic acid pricing declines and lower than expected country demand. The Acetyl Chain also continued to execute its derivatization strategy to place 8 percent more tonnage downstream in VAM compared to the fourth quarter. The business was also able to successfully complete the first full turnaround of the methanol joint venture at Clear Lake within the quarter at a cost of approximately \$15 million and does not anticipate another turnaround with this unit for four years.

## **Acetate Tow**

Acetate Tow reported GAAP operating profit of \$27 million and adjusted EBIT of \$67 million in the first quarter, improvements over the fourth quarter of 2019 as demand remained resilient. The business continues to deliver consistent earnings performance over the last two years. Dividends from affiliates were \$37 million in the first quarter, higher sequentially due to the timing of dividend payments and consistent with the same period last year.

## **Cash Flow and Tax**

The Company delivered strong first quarter operating cash flow and free cash flow of \$259 million and \$135 million, respectively, driven by continued business performance and focused working capital initiatives. Capital expenditures in the quarter were \$119 million, including several growth and productivity-based projects in Engineered Materials and the Acetyl Chain. The Company now anticipates full year capital expenditures of less than \$350 million, a reduction from prior expectations of \$500 million. For the quarter, a total of \$224 million in cash was returned to shareholders, including \$150 million in share repurchases and \$74 million in dividends. The effective US GAAP tax rate was 22 percent in the first quarter compared to 12 percent in the same quarter of last year, primarily due to currency movements and changes in the jurisdictional mix of earnings. The tax rate for adjusted EPS was 13 percent in the quarter unchanged from the full year 2019 adjusted tax rate.

## **Outlook**

"As a result of our work over many years to improve our businesses and strengthen our balance sheet, we are well-positioned to meet the current macro-economic challenges," continued Ryerkerk. "We anticipate that we will generate \$300 to \$400 million of incremental cash due specifically to the actions we are currently taking on productivity, working capital management, and capital expenditures prioritization which allow us to offset meaningful demand and earnings challenges and deliver exceptionally resilient cash flow in 2020. We remain committed to keeping our employees safe, meeting our customers' needs, and delivering sustained value for our shareholders in any environment."

Due to uncertainties regarding the duration and impact of the coronavirus (COVID-19) pandemic, Celanese is suspending its previously announced annual adjusted earnings per share guidance for 2020.



The Company's prepared remarks related to the first quarter will be posted on its website at [investors.celanese.com](http://investors.celanese.com) under Financial Information/Financial Document Library after market close on April 27, 2020. Information about Non-US GAAP measures is included in a Non-US GAAP Financial Measures and Supplemental Information document posted on our website. See "Non-GAAP Financial Measures" below.

**Contacts:**

**Investor Relations**

Abe Paul

Phone: +1 972 443 4432

[abraham.paul@celanese.com](mailto:abraham.paul@celanese.com)

**Media - U.S.**

Travis Jacobsen

Phone: +1 972 443 3750

[William.Jacobsen@celanese.com](mailto:William.Jacobsen@celanese.com)

**Media - Europe**

Petra Czugler

Phone: +49 174 762 8784

[petra.czugler@celanese.com](mailto:petra.czugler@celanese.com)

*Celanese Corporation is a global chemical leader in the production of differentiated chemistry solutions and specialty materials used in most major industries and consumer applications. Our businesses use the full breadth of Celanese's global chemistry, technology and commercial expertise to create value for our customers, employees, shareholders and the corporation. As we partner with our customers to solve their most critical business needs, we strive to make a positive impact on our communities and the world through The Celanese Foundation. Based in Dallas, Celanese employs approximately 7,700 employees worldwide and had 2019 net sales of \$6.3 billion. For more information about Celanese Corporation and its product offerings, visit [www.celanese.com](http://www.celanese.com) or our blog at [www.celaneseblog.com](http://www.celaneseblog.com).*

*Forward-Looking Statements*

*This release may contain "forward-looking statements," which include information concerning the Company's plans, objectives, goals, strategies, future revenues or 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 this release. These risks and uncertainties include, among other things: changes in general economic, business, political and regulatory conditions in the countries or regions in which we operate; the length and depth of product and industry business cycles, particularly in the automotive, electrical, textiles, electronics and construction industries; changes in the price and availability of raw materials, particularly changes in the demand for, supply of, and market prices of ethylene, methanol, natural gas, wood pulp and fuel oil and the prices for electricity and other energy sources; the ability to pass increases in raw material prices on to customers or otherwise improve margins through price increases; the ability to maintain plant utilization rates and to implement planned capacity additions and expansions; the ability to reduce or maintain their current levels of production costs and to improve productivity by implementing technological improvements to existing plants; the ability to identify desirable potential acquisition targets and to consummate acquisition or investment transactions consistent with the Company's strategy; increased price competition and the introduction of competing products by other companies; market acceptance of our technology; the ability to obtain governmental approvals and to construct facilities on terms and schedules acceptable to the Company; changes in tariffs, tax rates or legislation; changes in the degree of intellectual property and other legal protection afforded to our products or technologies, or the theft of such intellectual property; compliance and other costs and potential disruption or interruption of production or operations due to accidents, interruptions in sources of raw materials, cyber security incidents, terrorism or political unrest, public health crises (including, but not limited to, the COVID-19 pandemic), or other unforeseen events or delays in construction or operation of facilities, including as a result of geopolitical conditions, the occurrence of acts of war or terrorist incidents or as a result of weather or natural disasters or other crises including public health crises; potential liability for remedial actions and increased costs under existing or future environmental regulations, including those relating to climate change; potential liability resulting from pending or future litigation, or from changes in the laws, regulations or policies of governments or other governmental activities in the countries in which we operate; changes in currency exchange rates and interest rates; our level of indebtedness, which could diminish our ability to raise additional capital to fund operations or limit our ability to react to changes in the economy or the chemicals industry; and various other factors discussed from time to time in the Company's filings with the Securities and Exchange Commission.*

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

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

*Non-GAAP Financial Measures*

*Presentation*

*This document presents the Company's three business segments, Engineered Materials, Acetate Tow and Acetyl Chain.*

## Use of Non-US GAAP Financial Information

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

### Definitions of Non-US GAAP Financial Measures

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

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

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

### Reconciliation of Non-US GAAP Financial Measures

Reconciliations of the Non-US GAAP financial measures used in this press release to the comparable US GAAP financial measure, together with information about the purposes and uses of Non-US GAAP financial measures, are included in our Non-US GAAP Financial Measures and Supplemental Information document filed as an exhibit to our Current Report on Form 8-K filed with the SEC on or about April 27, 2020 and also available on our website at [investors.celanese.com](http://investors.celanese.com) under Financial Information/Financial Document Library.

### Results Unaudited

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

### Supplemental Information

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

**Consolidated Statements of Operations - Unaudited**

	Three Months Ended		
	March 31, 2020	December 31, 2019	March 31, 2019
	(In \$ millions, except share and per share data)		
Net sales	1,460	1,432	1,687
Cost of sales	(1,112)	(1,116)	(1,234)
Gross profit	348	316	453
Selling, general and administrative expenses	(125)	(125)	(120)
Amortization of intangible assets	(5)	(6)	(6)
Research and development expenses	(17)	(17)	(16)
Other (charges) gains, net	(6)	(102)	4
Foreign exchange gain (loss), net	(1)	2	5
Operating profit (loss)	194	68	320
Equity in net earnings (loss) of affiliates	57	48	50
Non-operating pension and other postretirement employee benefit (expense) income	28	(71)	17
Interest expense	(28)	(28)	(31)
Interest income	2	2	1
Dividend income - equity investments	37	24	32
Other income (expense), net	2	(2)	(4)
Earnings (loss) from continuing operations before tax	292	41	385
Income tax (provision) benefit	(65)	3	(46)
Earnings (loss) from continuing operations	227	44	339
Earnings (loss) from operation of discontinued operations	(7)	1	(1)
Income tax (provision) benefit from discontinued operations	—	—	—
Earnings (loss) from discontinued operations	(7)	1	(1)
Net earnings (loss)	220	45	338
Net (earnings) loss attributable to noncontrolling interests	(2)	(2)	(1)
Net earnings (loss) attributable to Celanese Corporation	218	43	337
Amounts attributable to Celanese Corporation			
Earnings (loss) from continuing operations	225	42	338
Earnings (loss) from discontinued operations	(7)	1	(1)
Net earnings (loss)	218	43	337
Earnings (loss) per common share - basic			
Continuing operations	1.89	0.35	2.65
Discontinued operations	(0.06)	0.01	(0.01)
Net earnings (loss) - basic	1.83	0.36	2.64
Earnings (loss) per common share - diluted			
Continuing operations	1.88	0.35	2.64
Discontinued operations	(0.06)	0.01	(0.01)
Net earnings (loss) - diluted	1.82	0.36	2.63
Weighted average shares (in millions)			
Basic	119.3	120.3	127.5
Diluted	119.9	120.9	128.2

**Consolidated Balance Sheets - Unaudited**

	As of March 31, 2020	As of December 31, 2019
(In \$ millions)		
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	570	463
Trade receivables - third party and affiliates, net	853	850
Non-trade receivables, net	307	331
Inventories	1,036	1,038
Marketable securities	38	40
Other assets	51	43
Total current assets	2,855	2,765
Investments in affiliates	981	975
Property, plant and equipment, net	3,678	3,713
Operating lease right-of-use assets	201	203
Deferred income taxes	91	96
Other assets	381	338
Goodwill	1,056	1,074
Intangible assets, net	302	312
Total assets	9,545	9,476
<b>LIABILITIES AND EQUITY</b>		
Current Liabilities		
Short-term borrowings and current installments of long-term debt - third party and affiliates	749	496
Trade payables - third party and affiliates	724	780
Other liabilities	422	461
Income taxes payable	33	17
Total current liabilities	1,928	1,754
Long-term debt, net of unamortized deferred financing costs	3,356	3,409
Deferred income taxes	258	257
Uncertain tax positions	161	165
Benefit obligations	568	589
Operating lease liabilities	175	181
Other liabilities	263	223
Commitments and Contingencies		
Stockholders' Equity		
Treasury stock, at cost	(3,996)	(3,846)
Additional paid-in capital	242	254
Retained earnings	6,543	6,399
Accumulated other comprehensive income (loss), net	(341)	(300)
Total Celanese Corporation stockholders' equity	2,448	2,507
Noncontrolling interests	388	391
Total equity	2,836	2,898
Total liabilities and equity	9,545	9,476

**Non-US GAAP Financial Measures and Supplemental Information**

April 27, 2020

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

**Purpose**

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

**Presentation**

*This document presents the Company's three business segments, Engineered Materials, Acetate Tow and Acetyl Chain.*

**Use of Non-US GAAP Financial Measures**

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

*Non-GAAP financial measures disclosed by management are provided as additional information to investors, analysts and other parties because the Company believes them to be important supplemental measures for assessing our financial and operating results and as a means to evaluate our financial condition and period-to-period comparisons. These non-GAAP financial measures should be viewed as supplemental to, and should not be considered in isolation or as alternatives to, net earnings (loss), operating profit (loss), operating margin, cash flow from operating activities (together with cash flow from investing and financing activities), earnings per share or any other US GAAP financial measure. These non-GAAP financial measures should be considered within the context of our complete audited and unaudited financial results for the given period, which are available on the Financial Information/Financial Document Library page of our website, [investors.celanese.com](http://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](http://investors.celanese.com), to the extent practicable, the most directly comparable financial measure calculated and presented in accordance with GAAP, along with a reconciliation of the differences between the non-GAAP financial measure we reference and such comparable GAAP financial measure.*

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

**Specific Measures Used**

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

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

## Definitions

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

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

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

### **Supplemental Information**

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

- *Net sales for each of our business segments and the percentage increase or decrease in net sales attributable to price, volume, currency and other factors for each of our business segments.*
- *Cash dividends received from our equity investments.*
- *For those consolidated ventures in which the Company owns or is exposed to less than 100% of the economics, the outside stockholders' interests are shown as NCI. Beginning in 2014, this includes Fairway for which the Company's ownership percentage is 50%. Amounts referred to as "attributable to Celanese Corporation" are net of any applicable NCI.*

### **Results Unaudited**

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

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

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

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

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

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



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

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

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

<sup>(2)</sup> 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.)**

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

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

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

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

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

<sup>(1)</sup> Calculated using adjusted effective tax rates (Table 3a) as follows:

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

<sup>(2)</sup> 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
2019	16.7	6.5

(In percentages)

2019	16.7	6.5
------	------	-----

<sup>(3)</sup> Potentially dilutive shares are included in the adjusted earnings per share calculation when adjusted earnings are positive.

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

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

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

- <sup>(1)</sup> 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.
- <sup>(2)</sup> 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.
- <sup>(3)</sup> 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.

**Table 4**  
**Net Sales by Segment - Unaudited**

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

<sup>(1)</sup> Includes intersegment sales primarily related to the Acetyl Chain.

**Table 4a**  
**Factors Affecting Segment Net Sales Sequentially - Unaudited**

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

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

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

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Other</u>	<u>Total</u>
(In percentages)					
Engineered Materials	(9)	—	—	—	(9)
Acetate Tow	(6)	—	—	—	(6)
Acetyl Chain	(11)	—	—	—	(11)
<b>Total Company</b>	<b>(10)</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>(10)</b>

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

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Other</u>	<u>Total</u>
(In percentages)					
Engineered Materials	2	(2)	(1)	—	(1)
Acetate Tow	(2)	(1)	—	—	(3)
Acetyl Chain	1	—	(1)	—	—
<b>Total Company</b>	<b>2</b>	<b>(1)</b>	<b>(1)</b>	<b>—</b>	<b>—</b>

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

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

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

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Other</u>	<u>Total</u>
(In percentages)					
Engineered Materials	5	2	—	—	7 <sup>(1)</sup>
Acetate Tow	1	2	—	—	3
Acetyl Chain	5	(10)	—	—	(5)
<b>Total Company</b>	<b>5</b>	<b>(5)</b>	<b>—</b>	<b>—</b>	<b>—</b>

<sup>(1)</sup> 2019 includes the effect of the acquisition of Next Polymers Ltd.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

**Table 6**  
**Cash Dividends Received - Unaudited**

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

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

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

**Table 8**  
**Certain Items - Unaudited**

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

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

<sup>(1)</sup> Includes \$5 million of asset impairments in 2019 related to the Clear Lake incident.

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

	<b>2019</b>		
	<b>(In \$ millions, except percentages)</b>		
Net earnings (loss) attributable to Celanese Corporation	852		
Adjusted EBIT ( <a href="#">Table 1</a> )	1,476		
Adjusted effective tax rate ( <a href="#">Table 3a</a> )	13%		
Adjusted EBIT tax effected	1,284		
	<b>2019</b>	<b>2018</b>	<b>Average</b>
	<b>(In \$ millions, except percentages)</b>		
Short-term borrowings and current installments of long-term debt - third parties and affiliates	496	561	529
Long-term debt, net of unamortized deferred financing costs	3,409	2,970	3,190
Celanese Corporation stockholders' equity	2,507	2,984	2,746
Invested capital	6,465		
<b>Return on invested capital (adjusted)</b>	<b>19.9%</b>		
<b>Net earnings (loss) attributable to Celanese Corporation as a percentage of invested capital</b>	<b>13.2%</b>		