

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): **February 20, 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 2.02 Results of Operations and Financial Condition

On February 20, 2024, Celanese Corporation (the "Company") issued a press release reporting the financial results for its fourth quarter and full year 2023. A copy of the press release is attached to this Current Report on Form 8-K ("Current Report") as Exhibit 99.1 and is incorporated herein solely for purposes of this Item 2.02 disclosure. Each Non-US GAAP financial measure appearing in the press release is accompanied by the most directly comparable US GAAP financial measure and is reconciled to the most comparable US GAAP financial measure in Exhibit 99.2, which includes other supplemental information of interest to investors, analysts and other parties, including the reasons why management believes such Non-US GAAP financial measures provide useful information to investors, and which is incorporated herein solely for purposes of this Item 2.02 disclosure.

Item 9.01 Financial Statements and Exhibits

(d) The following exhibits are being furnished herewith:

Exhibit Number	Description
99.1	Press Release dated February 20, 2024*
99.2	Non-US GAAP Financial Measures and Supplemental Information dated February 20, 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 2.02, the information in this Current Report, including the exhibits attached hereto, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of such section. The information in this Current Report, including the exhibits, shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any incorporation by reference language in any such filing.

SIGNATURES

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

CELANESE CORPORATION

By: /s/ MICHAEL R. SULLIVAN
Name: Michael R. Sullivan
Title: Vice President, Deputy General Counsel and Corporate Secretary

Date: February 20, 2024



Celanese Corporation Reports Full Year 2023 and Fourth Quarter Earnings

Dallas, February 20, 2024: Celanese Corporation (NYSE: CE), a global chemical and specialty materials company, today reported full year 2023 GAAP diluted earnings per share of \$18.00 and adjusted earnings per share of \$8.92. The Company generated net sales of \$10.9 billion in 2023, an increase of 13 percent from the prior year, due to an increase in volume of 23 percent reflecting the Mobility & Materials (M&M) acquisition, partially offset by a decrease in price of 10 percent. Full year 2023 volume decreased by 2 percent, excluding M&M, due to challenging demand and competitive dynamics across most of the year. Celanese took actions to reduce costs and align production and inventory levels with demand to report 2023 consolidated operating profit of \$1.7 billion, adjusted EBIT of \$1.8 billion, and operating EBITDA of \$2.4 billion, at margins of 15, 16, and 22 percent, respectively.

The difference between GAAP diluted earnings per share and adjusted earnings per share in 2023 was due to Certain Items totaling \$114 million¹ and a recorded income tax benefit of \$790 million, primarily due to restructuring related to acquired operations.

Celanese took actions in 2023 to maximize cash generation and execute its deleveraging plan. As a result, the Company:

- Reduced working capital balances by \$579 million, driven by a \$451 million reduction in inventory balances in 2023;
- Generated record operating cash flow of \$1.9 billion and record free cash flow of \$1.3 billion in 2023; and
- Reduced debt by \$995 million and increased cash by \$297 million, resulting in a \$1.3 billion reduction in net debt across 2023.

Celanese also reported fourth quarter GAAP diluted earnings per share of \$6.43 and adjusted earnings per share of \$2.24. The Company generated fourth quarter operating cash flow of \$830 million and free cash flow of \$702 million, both quarterly records.

"In a challenging backdrop across the entirety of 2023, our team decisively executed on hundreds of actions to reduce our costs, secure alternative volumes, align our production and inventory levels with demand, and maximize our cash generation," said Lori Ryerkerk, chair and chief executive officer. "With a focus on what we can control, we delivered record cash generation, exceeded our full year net debt reduction objective, and enhanced the competitiveness of our businesses going into 2024."

¹ Including the gain from the formation of the *Nutrinova* joint venture (JV), partially offset by M&A-related costs, and shutdown costs

Fourth Quarter 2023 Financial Highlights:

	Three Months Ended		
	December 31, 2023	September 30, 2023	December 31, 2022
(unaudited)			
(In \$ millions, except per share data)			
Net Sales			
Engineered Materials	1,406	1,528	1,237
Acetyl Chain	1,181	1,220	1,135
Intersegment Eliminations	(18)	(25)	(24)
Total	2,569	2,723	2,348
Operating Profit (Loss)			
Engineered Materials	122	691	25
Acetyl Chain	264	272	204
Other Activities	(127)	(121)	(173)
Total	259	842	56
Net Earnings (Loss)	701	949	769
Adjusted EBIT⁽¹⁾			
Engineered Materials	199	229	138
Acetyl Chain	300	310	242
Other Activities	(65)	(88)	(78)
Total	434	451	302
Equity Earnings and Dividend Income, Other Income (Expense)			
Engineered Materials	45	12	35
Acetyl Chain	33	33	30
Operating EBITDA ⁽¹⁾	608	624	453
Diluted EPS - continuing operations	\$ 6.43	\$ 8.70	\$ 7.03
Diluted EPS - total	\$ 6.37	\$ 8.69	\$ 7.03
Adjusted EPS ⁽¹⁾	\$ 2.24	\$ 2.50	\$ 1.44
Net cash provided by (used in) investing activities	(168)	375	(10,713)
Net cash provided by (used in) financing activities	(240)	(700)	1,944
Net cash provided by (used in) operating activities	830	403	541
Free cash flow ⁽¹⁾	702	268	395

	Year Ended December 31,	
	2023	2022
	(unaudited)	
	(In \$ millions, except per share data)	
Net Sales		
Engineered Materials	6,149	4,024
Acetyl Chain	4,884	5,743
Intersegment Eliminations	(93)	(94)
Total	10,940	9,673
Operating Profit (Loss)		
Engineered Materials	1,083	429
Acetyl Chain	1,109	1,447
Other Activities	(505)	(498)
Total	1,687	1,378
Net Earnings (Loss)	1,964	1,902
Adjusted EBIT⁽¹⁾		
Engineered Materials	848	779
Acetyl Chain	1,258	1,609
Other Activities	(353)	(217)
Total	1,753	2,171
Equity Earnings and Dividend Income, Other Income (Expense)		
Engineered Materials	87	207
Acetyl Chain	132	143
Operating EBITDA ⁽¹⁾	2,444	2,617
Diluted EPS - continuing operations	\$ 18.00	\$ 17.41
Diluted EPS - total	\$ 17.92	\$ 17.34
Adjusted EPS ⁽¹⁾	\$ 8.92	\$ 15.88
Net cash provided by (used in) investing activities	(134)	(11,141)
Net cash provided by (used in) financing activities	(1,456)	10,290
Net cash provided by (used in) operating activities	1,899	1,819
Free cash flow ⁽¹⁾	1,320	1,263

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

Recent Highlights:

- Commissioned the carbon capture and utilization (CCU) methanol expansion at the Clear Lake, Texas site, which is expected to capture 180 kt of CO₂ industrial emissions and produce 130 kt of low-carbon methanol per year.
- Completed the transition of M&M to the upgraded Celanese SAP S/4HANA ERP system as the final step to fold the entire organization onto one consolidated ERP system.
- Completed the planned closure of the Company's nylon 66 (PA66) and certain high-performance nylon (HPN) polymerization units in Uentrop, Germany. Polymerization costs at Uentrop were the highest in the Celanese global nylon network due to energy and raw material costs in the region.
- Announced a collaboration with Under Armour and development of NEOLAST™, a new fiber for performance stretch fabrics that is a recyclable alternative to spandex.
- Elected Ganesh Moorthy to the Company's Board of Directors in October. Mr. Moorthy is President, Chief Executive Officer, and a member of the Board of Directors of Microchip Technology Incorporated.

Full Year 2023 and Fourth Quarter Business Segment Overview

Acetyl Chain

The Acetyl Chain reported 2023 net sales of \$4.9 billion, a 15 percent decrease from the prior year. Net sales reflected a 17 percent decrease in pricing partially offset by a 2 percent increase in volume. The decrease in pricing resulted in an approximately \$1 billion headwind, driven by weak demand across many end-markets and a challenging competitive environment. In response, the business exercised its commercial flexibility across the year to capture opportunistic volumes during periods of high spot demand and industry production outages in China. The Acetyl Chain demonstrated additional optionality by pivoting downstream to sell incremental volume into acetate tow and redispersible powders to capture stronger demand and margins. The business flexed its global network to align production with demand by idling its highest cost facilities. Based on these actions, the Acetyl Chain was able to offset the majority of pricing headwinds to deliver foundational earnings in 2023. The Acetyl Chain generated GAAP operating profit of \$1.1 billion, adjusted EBIT of \$1.3 billion, and operating EBITDA of \$1.5 billion, at margins of 23, 26, and 30 percent, respectively.

The Acetyl Chain delivered fourth quarter net sales of \$1.2 billion due to a 3 percent sequential decrease in pricing and consistent volume. The business faced unanticipated operational disruptions in the quarter including unscheduled maintenance and supplier disruptions that resulted in over 50 kt of lost production at its most cost-advantaged facilities. To avoid any impact to its customers, the Acetyl Chain incurred additional costs from flexing production to higher cost plants in its network and sourcing volume from third parties. Despite these challenges, the Acetyl Chain delivered its second highest-ever earnings for a fourth quarter with GAAP operating profit of \$264 million, adjusted EBIT of \$300 million, and operating EBITDA of \$354 million, at margins of 22, 25, and 30 percent, respectively. The business delivered fourth quarter performance consistent with its foundational earnings power of \$1.3 billion in annual adjusted EBIT, a level of earnings which is expected to increase by approximately \$100 million annually after completion of the Clear Lake acetic acid expansion.

Engineered Materials

Engineered Materials delivered net sales of \$6.1 billion in 2023, a 53 percent increase from the prior year as a result of the M&M acquisition that closed in the fourth quarter of 2022. The business faced challenging demand and competitive conditions throughout the year, which resulted in volume and pricing decreases. Excluding the addition of M&M, Engineered Materials volume decreased by 8 percent from the prior year. The impact of demand weakness and prolonged destocking in many end-markets was partially offset by growth in automotive and medical markets and alternative volume secured in other markets. A deflationary raw material environment, weak demand, and heightened competitive dynamics resulted in negative impacts to pricing. The business responded to these challenges by aligning inventory and production levels to demand, lowering inventory balances by \$384 million across the year, and accelerating M&M synergy actions. Engineered Materials delivered 2023 GAAP operating profit of \$1.1 billion, adjusted EBIT of \$848 million, and operating EBITDA of \$1.3 billion, at margins of 18, 14, and 21 percent, respectively.

Engineered Materials reported fourth quarter net sales of \$1.4 billion, representing a sequential decrease of 8 percent. Net sales reflected a volume decrease of 5 percent and a pricing decrease of 3 percent. Pricing decreased due to continued challenging competitive dynamics and product mix headwinds in the Americas and Europe. Volume was impacted, particularly in the acquired M&M product lines, by year-end destocking in automotive and distribution in the Western Hemisphere that was partially offset by improvement in Asia. Engineered Materials reported fourth quarter GAAP operating profit of \$122 million, adjusted EBIT of \$199 million, and operating EBITDA of \$311 million at margins of 9, 14, and 22 percent, respectively. The formation of the *Nutrinova* JV resulted in a \$13 million sequential decrease in consolidated Engineered Materials earnings.

Cash Flow and Tax

Celanese reported 2023 operating cash flow of \$1.9 billion and free cash flow of \$1.3 billion which included capital expenditures of \$568 million. Celanese returned \$305 million in cash to shareholders via dividends in 2023.

The tax rate for U.S. GAAP purposes was a benefit of 67 percent for full year 2023 due to deferred tax benefits of non-recurring internal reorganization transactions to integrate acquired business operations and to centralize ownership of intellectual property with the business, the integration of the European headquarters and principal operations to Switzerland, the release of valuation allowances on U.S. foreign tax credit carryforwards, and excess of U.S. GAAP book gains over tax gains related to the formation of the *Nutrinova* JV. The effective tax rate for adjusted earnings was 9 percent for 2023 as certain benefits of the internal restructuring will be realized in future periods.

Outlook

"Early signs of demand improvement in certain products and end-markets are insufficient to improve the overall sequential backdrop we see early in 2024 and we remain focused on what we can control to sustainably lift the earnings power of Celanese," said Lori Ryerkerk. "We expect to complete several major value creation projects in the first quarter which, along with future projects, will support a significant ramp in our earnings performance across the year. We expect to deliver a significant year over year increase in our earnings per share supported by M&M synergy capture, the Clear Lake acetic acid and methanol expansions, lower interest expense due to deleveraging, and recognition of lower costs flowing through our inventory."

Reflective of sequential volume and pricing conditions that are not expected to materially improve to start 2024, the timing of major value creation projects, and significant first quarter costs related to planned outages, the Company anticipates first quarter adjusted earnings per share of \$1.75 to \$2.00, inclusive of approximately \$0.30 per share of M&M transaction amortization.

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

The Company's prepared remarks related to the fourth quarter will be posted on its website at investors.celanese.com under Financial Information/Financial Document Library on February 20, 2024. Information about Non-US GAAP measures is included in a Non-US GAAP Financial Measures and Supplemental Information document posted on our investor relations website under Financial Information/Non-GAAP Financial Measures. See also "Non-GAAP Financial Measures" below.

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Celanese Corporation is a global chemical leader in the production of differentiated chemistry solutions and specialty materials used in most major industries and consumer applications. Our businesses use the full breadth of Celanese's global chemistry, technology and commercial expertise to create value for our customers, employees, shareholders and the corporation. As we partner with our customers to solve their most critical business needs, we strive to make a positive impact on our communities and the world through The Celanese Foundation. Based in Dallas, Celanese employs approximately 12,400 employees worldwide and had 2023 net sales of \$10.9 billion. For more information about Celanese Corporation and its product offerings, visit www.celanese.com.

Forward-Looking Statements

This release may contain "forward-looking statements," which include information concerning the Company's plans, objectives, goals, strategies, future revenues, cash flow, financial performance, synergies, capital expenditures, financing needs and other information that is not historical information. All forward-looking statements are based upon current expectations and beliefs and various assumptions. There can be no assurance that the Company will realize these expectations or that these beliefs will prove correct. There are a number of risks and uncertainties that could cause actual results to differ materially from the results expressed or implied in the forward-looking statements contained in this release. These risks and uncertainties include, among other things: changes in general economic, business, political and regulatory conditions in the countries or regions in which we operate; 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.

Non-GAAP Financial Measures

Presentation

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

Use of Non-US GAAP Financial Information

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

Definitions of Non-US GAAP Financial Measures

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

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

- Free cash flow is a liquidity measure used by the Company and is defined by the Company as net cash provided by (used in) operations, less capital expenditures on property, plant and equipment, and adjusted for contributions from or distributions to our noncontrolling interest joint ventures. We do not provide reconciliations for free cash flow on a forward-looking basis (including those contained in this document) when we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amount of items such as working capital changes, fluctuations in foreign currency exchange rates, the impact and timing of potential acquisitions and divestitures, and other structural changes, that have not yet occurred, are out of our control and/or cannot be reasonably predicted. For the same reasons, we are unable to address the probable significance of the unavailable information.

Reconciliation of Non-US GAAP Financial Measures

Reconciliations of the Non-US GAAP financial measures used in this press release to the comparable US GAAP financial measure, together with information about the purposes and uses of Non-US GAAP financial measures, are included in our Non-US GAAP Financial Measures and Supplemental Information document filed as an exhibit to our Current Report on Form 8-K filed with the SEC on or about February 20, 2024 and also available on our website at investors.celanese.com, under Financial Information/Financial Document Library.

Results Unaudited

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

Supplemental Information

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

Consolidated Statements of Operations - Unaudited

	Three Months Ended		
	December 31, 2023	September 30, 2023	December 31, 2022
	(In \$ millions, except share and per share data)		
Net sales	2,569	2,723	2,348
Cost of sales	(1,956)	(2,050)	(1,964)
Gross profit	613	673	384
Selling, general and administrative expenses	(272)	(244)	(269)
Amortization of intangible assets	(40)	(41)	(30)
Research and development expenses	(32)	(32)	(37)
Other (charges) gains, net	(18)	(17)	7
Foreign exchange gain (loss), net	11	—	3
Gain (loss) on disposition of businesses and assets, net	(3)	503	(2)
Operating profit (loss)	259	842	56
Equity in net earnings (loss) of affiliates	52	12	31
Non-operating pension and other postretirement employee benefit (expense) income	(67)	(1)	(57)
Interest expense	(178)	(178)	(168)
Refinancing expense	—	(7)	—
Interest income	12	12	33
Dividend income - equity investments	31	30	30
Other income (expense), net	23	4	5
Earnings (loss) from continuing operations before tax	132	714	(70)
Income tax (provision) benefit	575	236	840
Earnings (loss) from continuing operations	707	950	770
Earnings (loss) from operation of discontinued operations	(8)	(1)	(1)
Income tax (provision) benefit from discontinued operations	2	—	—
Earnings (loss) from discontinued operations	(6)	(1)	(1)
Net earnings (loss)	701	949	769
Net (earnings) loss attributable to noncontrolling interests	(3)	2	(2)
Net earnings (loss) attributable to Celanese Corporation	698	951	767
Amounts attributable to Celanese Corporation			
Earnings (loss) from continuing operations	704	952	768
Earnings (loss) from discontinued operations	(6)	(1)	(1)
Net earnings (loss)	698	951	767
Earnings (loss) per common share - basic			
Continuing operations	6.46	8.74	7.08
Discontinued operations	(0.05)	(0.01)	(0.01)
Net earnings (loss) - basic	6.41	8.73	7.07
Earnings (loss) per common share - diluted			
Continuing operations	6.43	8.70	7.03
Discontinued operations	(0.06)	(0.01)	—
Net earnings (loss) - diluted	6.37	8.69	7.03
Weighted average shares (in millions)			
Basic	109.0	108.9	108.5
Diluted	109.5	109.4	109.2

Consolidated Statements of Operations - Unaudited

	Year Ended December 31,	
	2023	2022
	(In \$ millions, except share and per share data)	
Net sales	10,940	9,673
Cost of sales	(8,337)	(7,293)
Gross profit	2,603	2,380
Selling, general and administrative expenses	(1,075)	(824)
Amortization of intangible assets	(164)	(62)
Research and development expenses	(146)	(112)
Other (charges) gains, net	(68)	(8)
Foreign exchange gain (loss), net	32	(1)
Gain (loss) on disposition of businesses and assets, net	505	5
Operating profit (loss)	1,687	1,378
Equity in net earnings (loss) of affiliates	102	220
Non-operating pension and other postretirement employee benefit (expense) income	(69)	17
Interest expense	(720)	(405)
Refinancing expense	(7)	—
Interest income	39	69
Dividend income - equity investments	126	133
Other income (expense), net	25	9
Earnings (loss) from continuing operations before tax	1,183	1,421
Income tax (provision) benefit	790	489
Earnings (loss) from continuing operations	1,973	1,910
Earnings (loss) from operation of discontinued operations	(12)	(9)
Income tax (provision) benefit from discontinued operations	3	1
Earnings (loss) from discontinued operations	(9)	(8)
Net earnings (loss)	1,964	1,902
Net (earnings) loss attributable to noncontrolling interests	(4)	(8)
Net earnings (loss) attributable to Celanese Corporation	1,960	1,894
Amounts attributable to Celanese Corporation		
Earnings (loss) from continuing operations	1,969	1,902
Earnings (loss) from discontinued operations	(9)	(8)
Net earnings (loss)	1,960	1,894
Earnings (loss) per common share - basic		
Continuing operations	18.09	17.55
Discontinued operations	(0.08)	(0.07)
Net earnings (loss) - basic	18.01	17.48
Earnings (loss) per common share - diluted		
Continuing operations	18.00	17.41
Discontinued operations	(0.08)	(0.07)
Net earnings (loss) - diluted	17.92	17.34
Weighted average shares (in millions)		
Basic	108.8	108.4
Diluted	109.4	109.2

Consolidated Balance Sheets - Unaudited

	As of December 31, 2023	As of December 31, 2022
	(In \$ millions)	
ASSETS		
Current Assets		
Cash and cash equivalents	1,805	1,508
Trade receivables - third party and affiliates, net	1,243	1,379
Non-trade receivables, net	541	675
Inventories	2,357	2,808
Other assets	272	241
Total current assets	<u>6,218</u>	<u>6,611</u>
Investments in affiliates	1,220	1,062
Property, plant and equipment, net	5,584	5,584
Operating lease right-of-use assets	422	413
Deferred income taxes	1,677	808
Other assets	524	547
Goodwill	6,977	7,142
Intangible assets, net	3,975	4,105
Total assets	<u><u>26,597</u></u>	<u><u>26,272</u></u>
LIABILITIES AND EQUITY		
Current Liabilities		
Short-term borrowings and current installments of long-term debt - third party and affiliates	1,383	1,306
Trade payables - third party and affiliates	1,510	1,518
Other liabilities	1,154	1,201
Income taxes payable	25	43
Total current liabilities	<u>4,072</u>	<u>4,068</u>
Long-term debt, net of unamortized deferred financing costs	12,301	13,373
Deferred income taxes	999	1,242
Uncertain tax positions	300	322
Benefit obligations	457	411
Operating lease liabilities	325	364
Other liabilities	591	387
Commitments and Contingencies		
Stockholders' Equity		
Treasury stock, at cost	(5,488)	(5,491)
Additional paid-in capital	394	372
Retained earnings	12,929	11,274
Accumulated other comprehensive income (loss), net	(744)	(518)
Total Celanese Corporation stockholders' equity	<u>7,091</u>	<u>5,637</u>
Noncontrolling interests	461	468
Total equity	<u>7,552</u>	<u>6,105</u>
Total liabilities and equity	<u><u>26,597</u></u>	<u><u>26,272</u></u>

Non-US GAAP Financial Measures and Supplemental Information

February 20, 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 stockholders' equity.

Definitions

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

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

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

Supplemental Information

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

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

Results Unaudited

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

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

	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
(In \$ millions)										
Net earnings (loss) attributable to Celanese Corporation	1,960	698	951	220	91	1,894	767	191	434	502
(Earnings) loss from discontinued operations	9	6	1	(1)	3	8	1	1	6	—
Interest income	(39)	(12)	(12)	(7)	(8)	(69)	(33)	(34)	(1)	(1)
Interest expense	720	178	178	182	182	405	168	154	48	35
Refinancing expense	7	—	7	—	—	—	—	—	—	—
Income tax provision (benefit)	(790)	(575)	(236)	(4)	25	(489)	(840)	127	112	112
Certain Items attributable to Celanese Corporation (Table 8)	(114)	139	(438)	54	131	422	239	71	47	65
Adjusted EBIT	1,753	434	451	444	424	2,171	302	510	646	713
Depreciation and amortization expense ⁽¹⁾	691	174	173	172	172	446	151	97	98	100
Operating EBITDA	2,444	608	624	616	596	2,617	453	607	744	813
(In \$ millions)										
Engineered Materials	15	15	—	—	—	13	2	3	4	4
Acetyl Chain	—	—	—	—	—	2	—	—	—	2
Other Activities ⁽²⁾	—	—	—	—	—	1	—	—	1	—
Accelerated depreciation and amortization expense	15	15	—	—	—	16	2	3	5	6
Depreciation and amortization expense ⁽¹⁾	691	174	173	172	172	446	151	97	98	100
Total depreciation and amortization expense	706	189	173	172	172	462	153	100	103	106

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

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

Table 1a
M&M Adjusted EBIT and Operating EBITDA - Reconciliation of Non-GAAP Measures - Unaudited

	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23	Q4 '22
	(In \$ millions)					
Net earnings (loss) attributable to M&M	24	(22)	47	47	(48)	(69) ⁽³⁾
Income tax provision (benefit)	65	43	10	(1)	13	6
Certain Items ⁽¹⁾	151	30	17	18	86	72
Adjusted EBIT	240	51	74	64	51	9
Depreciation and amortization expense	275	69	70	68	68	47
Operating EBITDA⁽²⁾	515	120	144	132	119	56 ⁽⁴⁾

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

⁽²⁾ Excludes \$(22) million, \$(19) million, \$(23) million, \$(23) million and \$(17) million of Operating EBITDA included in Other Activities for the three months ended December 31, 2023, September 30, 2023, June 30, 2023, March 31, 2023 and December 31, 2022, respectively.

⁽³⁾ Excludes \$30 million of Net loss for the month ended October 31, 2022, prior to our acquisition of the majority of the Mobility & Materials business ("M&M Business") of DuPont de Nemours, Inc.

⁽⁴⁾ Excludes \$22 million of Operating EBITDA for the month ended October 31, 2022, prior to our acquisition of the M&M Business.

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

	2023		Q4 '23		Q3 '23		Q2 '23		Q1 '23		2022		Q4 '22		Q3 '22		Q2 '22		Q1 '22		
	(In \$ millions, except percentages)																				
Operating Profit (Loss) / Operating Margin																					
Engineered Materials	1,083	17.6 %	122	8.7 %	691	45.2 %	158	10.0 %	112	6.9 %	429	10.7 %	25	2.0 %	114	12.3 %	166	17.5 %	124	13.6 %	
Acetyl Chain	1,109	22.7 %	264	22.4 %	272	22.3 %	295	23.9 %	278	22.2 %	1,447	25.2 %	204	18.0 %	312	22.3 %	428	27.5 %	503	30.4 %	
Other Activities ⁽¹⁾	(505)		(127)		(121)		(118)		(139)		(498)		(173)		(118)		(111)		(96)		
Total	1,687	15.4 %	259	10.1 %	842	30.9 %	335	12.0 %	251	8.8 %	1,378	14.2 %	56	2.4 %	308	13.4 %	483	19.4 %	531	20.9 %	
Less: Net Earnings (Loss) Attributable to NCI for Engineered Materials	(3)		1		(2)		(2)		—		—		—		—		—		—		
Less: Net Earnings (Loss) Attributable to NCI for Acetyl Chain	7		2		—		3		2		8		2		2		2		2		
Operating Profit (Loss) Attributable to Celanese Corporation	1,683	15.4 %	256	10.0 %	844	31.0 %	334	11.9 %	249	8.7 %	1,370	14.2 %	54	2.3 %	306	13.3 %	481	19.3 %	529	20.8 %	
Operating Profit (Loss) / Operating Margin Attributable to Celanese Corporation																					
Engineered Materials	1,086	17.7 %	121	8.6 %	693	45.4 %	160	10.1 %	112	6.9 %	429	10.7 %	25	2.0 %	114	12.3 %	166	17.5 %	124	13.6 %	
Acetyl Chain	1,102	22.6 %	262	22.2 %	272	22.3 %	292	23.7 %	276	22.1 %	1,439	25.1 %	202	17.8 %	310	22.2 %	426	27.3 %	501	30.3 %	
Other Activities ⁽¹⁾	(505)		(127)		(121)		(118)		(139)		(498)		(173)		(118)		(111)		(96)		
Total	1,683	15.4 %	256	10.0 %	844	31.0 %	334	11.9 %	249	8.7 %	1,370	14.2 %	54	2.3 %	306	13.3 %	481	19.3 %	529	20.8 %	
Equity Earnings and Dividend Income, Other Income (Expense) Attributable to Celanese Corporation																					
Engineered Materials	87		45		12		20		10		207		35		70		53		49		
Acetyl Chain	132		33		33		32		34		143		30		34		39		40		
Other Activities ⁽¹⁾	34		28		1		6		(1)		12		1		4		1		6		
Total	253		106		46		58		43		362		66		108		93		95		
Non-Operating Pension and Other Post-Retirement Employee Benefit (Expense) Income Attributable to Celanese Corporation																					
Engineered Materials	(1)		(1)		—		—		—		—		—		—		—		—		
Acetyl Chain	—		—		—		—		—		—		—		—		—		—		
Other Activities ⁽¹⁾	(68)		(66)		(1)		(2)		1		17		(57)		25		25		24		
Total	(69)		(67)		(1)		(2)		1		17		(57)		25		25		24		
Certain Items Attributable to Celanese Corporation (Table 8)																					
Engineered Materials	(324)		34		(476)		25		93		143		78		22		5		38		
Acetyl Chain	24		5		5		8		6		27		10		5		10		2		
Other Activities ⁽¹⁾	186		100		33		21		32		252		151		44		32		25		
Total	(114)		139		(438)		54		131		422		239		71		47		65		
Adjusted EBIT / Adjusted EBIT Margin																					
Engineered Materials	848	13.8 %	199	14.2 %	229	15.0 %	205	12.9 %	215	13.2 %	779	19.4 %	138	11.2 %	206	22.2 %	224	23.6 %	211	23.2 %	
Acetyl Chain	1,258	25.8 %	300	25.4 %	310	25.4 %	332	26.9 %	316	25.3 %	1,609	28.0 %	242	21.3 %	349	25.0 %	475	30.5 %	543	32.9 %	
Other Activities ⁽¹⁾	(353)		(65)		(88)		(93)		(107)		(217)		(78)		(45)		(53)		(41)		
Total	1,753	16.0 %	434	16.9 %	451	16.6 %	444	15.9 %	424	14.9 %	2,171	22.4 %	302	12.9 %	510	22.2 %	646	26.0 %	713	28.1 %	

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

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

	2023		Q4 '23		Q3 '23		Q2 '23		Q1 '23		2022		Q4 '22		Q3 '22		Q2 '22		Q1 '22	
	(In \$ millions, except percentages)																			
Depreciation and Amortization Expense⁽¹⁾																				
Engineered Materials	447		112	111	112	112	112	112	112	112	213	90	40	41	42					
Acetyl Chain	217		54	55	54	54	54	54	54	54	211	52	53	52	54					
Other Activities ⁽²⁾	27		8	7	6	6	6	6	6	6	22	9	4	5	4					
Total	691		174	173	172	172	172	172	172	172	446	151	97	98	100					
Operating EBITDA / Operating EBITDA Margin																				
Engineered Materials	1,295	21.1 %	311	22.1 %	340	22.3 %	317	20.0 %	327	20.1 %	992	24.7 %	228	18.4 %	246	26.5 %	265	28.0 %	253	27.8 %
Acetyl Chain	1,475	30.2 %	354	30.0 %	365	29.9 %	386	31.3 %	370	29.6 %	1,820	31.7 %	294	25.9 %	402	28.8 %	527	33.8 %	597	36.1 %
Other Activities ⁽²⁾	(326)		(57)		(81)		(87)		(101)		(195)		(69)		(41)		(48)		(37)	
Total	2,444	22.3 %	608	23.7 %	624	22.9 %	616	22.0 %	596	20.9 %	2,617	27.1 %	453	19.3 %	607	26.4 %	744	29.9 %	813	32.0 %

⁽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

	2023		Q4 '23		Q3 '23		Q2 '23		Q1 '23		2022		Q4 '22		Q3 '22		Q2 '22		Q1 '22	
	per share		per share		per share		per share		per share		per share		per share		per share		per share		per share	
(In \$ millions, except per share data)																				
Earnings (loss) from continuing operations attributable to Celanese Corporation	1,969	18.00	704	6.43	952	8.70	219	2.00	94	0.86	1,902	17.41	768	7.03	192	1.76	440	4.03	502	4.61
Income tax provision (benefit)	(790)		(575)		(236)		(4)		25		(489)		(840)		127		112		112	
Earnings (loss) from continuing operations before tax	1,179		129		716		215		119		1,413		(72)		319		552		614	
Certain Items attributable to Celanese Corporation (Table 8)	(114)		139		(438)		54		131		422		239		71		47		65	
Refinancing and related expenses	7		—		7		—		—		158		14		104		26		14	
Adjusted earnings (loss) from continuing operations before tax	1,072		268		285		269		250		1,993		181		494		625		693	
Income tax (provision) benefit on adjusted earnings ⁽²⁾	(96)		(23)		(11)		(32)		(30)		(259)		(24)		(64)		(81)		(90)	
Adjusted earnings (loss) from continuing operations⁽³⁾	976	8.92	245	2.24	274	2.50	237	2.17	220	2.01	1,734	15.88	157	1.44	430	3.94	544	4.99	603	5.54
Diluted shares (in millions)⁽⁴⁾																				
Weighted average shares outstanding	108.8		109.0		108.9		108.9		108.6		108.4		108.5		108.4		108.4		108.2	
Incremental shares attributable to equity awards	0.6		0.5		0.5		0.4		0.6		0.8		0.7		0.7		0.7		0.7	
Total diluted shares	<u>109.4</u>		<u>109.5</u>		<u>109.4</u>		<u>109.3</u>		<u>109.2</u>		<u>109.2</u>		<u>109.2</u>		<u>109.1</u>		<u>109.1</u>		<u>108.9</u>	

(1) Includes net interest expense and certain fees related to debt issued as part of our acquisition of the M&M Business.

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

	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
Adjusted effective tax rate	9	9	4	12	12	13	13	13	13	13

(3) Excludes the immediate recognition of actuarial gains and losses and the impact of actual vs. expected plan asset returns.

	Actual Plan Asset Returns	Expected Plan Asset Returns
(In percentages)		
Q4 '23 & 2023	8.1	5.2
Q4 '22 & 2022	(18.4)	5.4

(4) Potentially dilutive shares are included in the adjusted earnings per share calculation when adjusted earnings are positive.

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

	Actual	
	2023	2022
	(In percentages)	
US GAAP annual effective tax rate	(67)	(34)
Discrete quarterly recognition of GAAP items ⁽¹⁾	2	(6)
Tax impact of other charges and adjustments ⁽²⁾	(3)	9
Changes in valuation allowances, excluding impact of other charges and adjustments ⁽³⁾	13	(1)
Other, includes effect of discrete current year transactions ⁽⁴⁾⁽⁵⁾	64	45
Adjusted tax rate	9	13

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

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

Table 4
Net Sales by Segment - Unaudited

	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
	(In \$ millions)									
Engineered Materials	6,149	1,406	1,528	1,585	1,630	4,024	1,237	929	948	910
Acetyl Chain	4,884	1,181	1,220	1,233	1,250	5,743	1,135	1,397	1,559	1,652
Intersegment eliminations ⁽¹⁾	(93)	(18)	(25)	(23)	(27)	(94)	(24)	(25)	(21)	(24)
Net sales	10,940	2,569	2,723	2,795	2,853	9,673	2,348	2,301	2,486	2,538

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

Table 4a
Factors Affecting Segment Net Sales Sequentially - Unaudited

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

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

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

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

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

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

Three Months Ended December 31, 2022 Compared to Three Months Ended September 30, 2022

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	34	(1)	—	33 ⁽¹⁾
Acetyl Chain	(9)	(10)	—	(19)
Total Company	8	(6)	—	2

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

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	(1)	2	(3)	(2)
Acetyl Chain	(3)	(5)	(2)	(10)
Total Company	(2)	(3)	(2)	(7)

Three Months Ended June 30, 2022 Compared to Three Months Ended March 31, 2022

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	1	6	(3)	4
Acetyl Chain	(6)	2	(2)	(6)
Total Company	(2)	2	(2)	(2)

Three Months Ended March 31, 2022 Compared to Three Months Ended December 31, 2021

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	23	7	(1)	29
Acetyl Chain	7	(3)	—	4
Total Company	12	1	(1)	12

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

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

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

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

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

Three Months Ended December 31, 2022 Compared to Three Months Ended December 31, 2021

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	<u>(In percentages)</u>			
Engineered Materials	67	17	(9)	75
Acetyl Chain	(12)	(14)	(3)	(29)
Total Company	13	(5)	(5)	3

Three Months Ended September 30, 2022 Compared to Three Months Ended September 30, 2021

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	<u>(In percentages)</u>			
Engineered Materials	23	25	(12)	36
Acetyl Chain	(10)	2	(5)	(13)
Total Company	(2)	9	(5)	2

Three Months Ended June 30, 2022 Compared to Three Months Ended June 30, 2021

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	<u>(In percentages)</u>			
Engineered Materials	24	24	(9)	39
Acetyl Chain	(5)	11	(4)	2
Total Company	3	14	(4)	13

Three Months Ended March 31, 2022 Compared to Three Months Ended March 31, 2021

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	<u>(In percentages)</u>			
Engineered Materials	20	25	(4)	41
Acetyl Chain	7	38	(3)	42
Total Company	12	32	(3)	41

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

Year Ended December 31, 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

Year Ended December 31, 2022 Compared to Year Ended December 31, 2021

	<u>Volume</u>	<u>Price</u>	<u>Currency</u>	<u>Total</u>
	(In percentages)			
Engineered Materials	33	23	(8)	48
Acetyl Chain	(6)	6	(3)	(3)
Total Company	6	11	(4)	13

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

	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
(In \$ millions, except percentages)										
Net cash provided by (used in) investing activities	(134)	(168)	375	(163)	(178)	(11,141)	(10,713)	(143)	(136)	(149)
Net cash provided by (used in) financing activities	(1,456)	(240)	(700)	(447)	(69)	10,290	1,944	8,600	(159)	(95)
Net cash provided by (used in) operating activities	1,899	830	403	762	(96)	1,819	541	467	495	316
Capital expenditures on property, plant and equipment	(568)	(128)	(131)	(145)	(164)	(543)	(143)	(139)	(124)	(137)
Contributions from/(Distributions) to NCI	(11)	—	(4)	(6)	(1)	(13)	(3)	(3)	(3)	(4)
Free cash flow⁽¹⁾	1,320	702	268	611	(261)	1,263	395	325	368	175
Net sales	10,940	2,569	2,723	2,795	2,853	9,673	2,348	2,301	2,486	2,538
Free cash flow as % of Net sales	12.1 %	27.3 %	9.8 %	21.9 %	(9.1)%	13.1 %	16.8 %	14.1 %	14.8 %	6.9 %

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

Table 6
Cash Dividends Received - Unaudited

	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
	(In \$ millions)									
Dividends from equity method investments	157	85	7	25	40	217	82	27	82	26
Dividends from equity investments without readily determinable fair values	126	31	30	31	34	133	30	30	36	37
Total	283	116	37	56	74	350	112	57	118	63

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

	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22
	(In \$ millions)									
Short-term borrowings and current installments of long-term debt - third party and affiliates	1,383	1,383	1,408	1,507	1,386	1,306	1,306	977	809	860
Long-term debt, net of unamortized deferred financing costs	12,301	12,301	12,291	12,889	13,396	13,373	13,373	11,360	3,022	3,132
Total debt	13,684	13,684	13,699	14,396	14,782	14,679	14,679	12,337	3,831	3,992
Cash and cash equivalents	(1,805)	(1,805)	(1,357)	(1,296)	(1,167)	(1,508)	(1,508)	(9,671)	(783)	(605)
Net debt	11,879	11,879	12,342	13,100	13,615	13,171	13,171	2,666	3,048	3,387

Table 8
Certain Items - Unaudited

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

	2023	Q4 '23	Q3 '23	Q2 '23	Q1 '23	2022	Q4 '22	Q3 '22	Q2 '22	Q1 '22	Income Statement Classification
	(In \$ millions)										
Exit and shutdown costs	89	33	9	21	26	52	2	14	29	7	Cost of sales / SG&A / Other (charges) gains, net / Gain (loss) on disposition of businesses and assets, net / Non-operating pension and other postretirement employee benefit (expense) income
Asset impairments	15	6	9	—	—	13	2	12	(1)	—	Cost of sales / Other (charges) gains, net
Impact from plant incidents and natural disasters ⁽¹⁾	6	—	—	—	6	17	17	—	—	—	Cost of sales
Mergers, acquisitions and dispositions	195	27	46	23	99	267	138	44	29	56	Cost of sales / SG&A
Actuarial (gain) loss on pension and postretirement plans	69	69	—	—	—	80	80	—	—	—	Cost of sales / SG&A / Non-operating pension and other postretirement employee benefit (expense) income
Legal settlements and commercial disputes	12	4	2	6	—	3	—	1	—	2	Cost of sales / SG&A / Other (charges) gains, net
(Gain) loss on disposition of businesses and assets	(510)	(3)	(508)	1	—	(13)	(1)	—	(12)	—	Gain (loss) on disposition of businesses and assets, net
Other	10	3	4	3	—	3	1	—	2	—	Cost of sales / SG&A
Certain Items attributable to Celanese Corporation	(114)	139	(438)	54	131	422	239	71	47	65	

⁽¹⁾ Primarily associated with Winter Storm Elliott.

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

	<u>2023</u>		<u>2022</u>			
	(In \$ millions, except percentages)		(In \$ millions, except percentages)			
Net earnings (loss) attributable to Celanese Corporation	1,960		1,894			
Adjusted EBIT (Table 1)	1,753		2,171			
Adjusted effective tax rate (Table 3a)	9 %		13 %			
Adjusted EBIT tax effected	1,595		1,889			
	<u>2023</u>	<u>2022</u>	<u>Average</u>	<u>2022</u>	<u>2021</u>	<u>Average</u>
	(In \$ millions, except percentages)					
Short-term borrowings and current installments of long-term debt - third parties and affiliates	1,383	1,306	1,345	1,306	791	1,049
Long-term debt, net of unamortized deferred financing costs	12,301	13,373	12,837	13,373	3,176	8,275
Celanese Corporation stockholders' equity	7,091	5,637	6,364	5,637	4,189	4,913
Invested capital			<u>20,546</u>			<u>14,237</u>
Return on invested capital (adjusted)			<u>7.8 %</u>			<u>13.3 %</u>
Net earnings (loss) attributable to Celanese Corporation as a percentage of invested capital			<u>9.5 %</u>			<u>13.3 %</u>