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

# Form 10-Q

☑ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended**

**September 30, 2019**

**Or**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**Commission File Number: 001-32410**

Celanese

## CELANESE CORPORATION
*(Exact Name of Registrant as Specified in its Charter)*

| Delaware | 98-0420726 |
|---|---|
| *(State or Other Jurisdiction of Incorporation or Organization)* | *(I.R.S. Employer Identification No.)* |

**222 W. Las Colinas Blvd., Suite 900N**
**Irving, TX 75039-5421**
*(Address of Principal Executive Offices and zip code)*

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

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

| Title of Each Class | Trading Symbol(s) | Name of Each Exchange on Which Registered |
|---|---|---|
| **Common Stock, par value $0.0001 per share** | **CE** | **The New York Stock Exchange** |
| **1.125% Senior Notes due 2023** | **CE /23** | **The New York Stock Exchange** |
| **1.250% Senior Notes due 2025** | **CE /25** | **The New York Stock Exchange** |
| **2.125% Senior Notes due 2027** | **CE /27** | **The New York Stock Exchange** |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☑ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer þ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ 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. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☑

The number of outstanding shares of the registrant's common stock, $0.0001 par value, as of October 15, 2019 was 120,874,095.

**CELANESE CORPORATION AND SUBSIDIARIES**

**Form 10-Q**

**For the Quarterly Period Ended September 30, 2019**

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**Item 1.** ***Financial Statements***

## CELANESE CORPORATION AND SUBSIDIARIES
## UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF OPERATIONS

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| | (In $ millions, except share and per share data) | | | |
| Net sales | 1,586 | 1,771 | 4,865 | 5,466 |
| Cost of sales | (1,172) | (1,255) | (3,575) | (3,914) |
| Gross profit | 414 | 516 | 1,290 | 1,552 |
| Selling, general and administrative expenses | (120) | (129) | (358) | (412) |
| Amortization of intangible assets | (6) | (5) | (18) | (18) |
| Research and development expenses | (17) | (18) | (50) | (54) |
| Other (charges) gains, net | (7) | 12 | (101) | 9 |
| Foreign exchange gain (loss), net | (1) | — | 5 | 2 |
| Gain (loss) on disposition of businesses and assets, net | (3) | (2) | (2) | (4) |
| Operating profit (loss) | 260 | 374 | 766 | 1,075 |
| Equity in net earnings (loss) of affiliates | 45 | 66 | 134 | 180 |
| Non-operating pension and other postretirement employee benefit (expense) income | 17 | 25 | 51 | 77 |
| Interest expense | (27) | (30) | (87) | (95) |
| Refinancing expense | — | — | (4) | — |
| Interest income | 1 | 2 | 4 | 4 |
| Dividend income - equity investments | 27 | 26 | 89 | 92 |
| Other income (expense), net | — | (1) | (6) | 3 |
| Earnings (loss) from continuing operations before tax | 323 | 462 | 947 | 1,336 |
| Income tax (provision) benefit | (53) | (54) | (127) | (216) |
| Earnings (loss) from continuing operations | 270 | 408 | 820 | 1,120 |
| Earnings (loss) from operation of discontinued operations | (6) | (7) | (9) | (9) |
| Income tax (provision) benefit from discontinued operations | 1 | 1 | 2 | 1 |
| Earnings (loss) from discontinued operations | (5) | (6) | (7) | (8) |
| Net earnings (loss) | 265 | 402 | 813 | 1,112 |
| Net (earnings) loss attributable to noncontrolling interests | (2) | (1) | (4) | (4) |
| Net earnings (loss) attributable to Celanese Corporation | 263 | 401 | 809 | 1,108 |
| Amounts attributable to Celanese Corporation | | | | |
| Earnings (loss) from continuing operations | 268 | 407 | 816 | 1,116 |
| Earnings (loss) from discontinued operations | (5) | (6) | (7) | (8) |
| Net earnings (loss) | 263 | 401 | 809 | 1,108 |
| Earnings (loss) per common share - basic | | | | |
| Continuing operations | 2.18 | 3.02 | 6.52 | 8.25 |
| Discontinued operations | (0.04) | (0.04) | (0.06) | (0.06) |
| Net earnings (loss) - basic | 2.14 | 2.98 | 6.46 | 8.19 |
| Earnings (loss) per common share - diluted | | | | |
| Continuing operations | 2.17 | 3.00 | 6.49 | 8.18 |
| Discontinued operations | (0.04) | (0.04) | (0.06) | (0.06) |
| Net earnings (loss) - diluted | 2.13 | 2.96 | 6.43 | 8.12 |
| Weighted average shares - basic | 122,699,859 | 134,519,301 | 125,159,647 | 135,336,704 |

| | | | | |
|---|---|---|---|---|
| Weighted average shares - diluted | 123,299,664 | 135,499,390 | 125,868,829 | 136,387,703 |

See the accompanying notes to the unaudited interim consolidated financial statements.

**CELANESE CORPORATION AND SUBSIDIARIES**
**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| | (In $ millions) | | | |
| Net earnings (loss) | 265 | 402 | 813 | 1,112 |
| Other comprehensive income (loss), net of tax | | | | |
| Foreign currency translation gain (loss) | (7) | (35) | (11) | (52) |
| Gain (loss) on cash flow hedges | (32) | 4 | (48) | 9 |
| Pension and postretirement benefits gain (loss) | — | — | — | 1 |
| Total other comprehensive income (loss), net of tax | (39) | (31) | (59) | (42) |
| Total comprehensive income (loss), net of tax | 226 | 371 | 754 | 1,070 |
| Comprehensive (income) loss attributable to noncontrolling interests | (2) | (1) | (4) | (4) |
| Comprehensive income (loss) attributable to Celanese Corporation | 224 | 370 | 750 | 1,066 |

See the accompanying notes to the unaudited interim consolidated financial statements.

## CELANESE CORPORATION AND SUBSIDIARIES
## UNAUDITED CONSOLIDATED BALANCE SHEETS

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In $ millions, except share data) | |
| **ASSETS** | | |
| Current Assets | | |
| Cash and cash equivalents (variable interest entity restricted - 2019: $46; 2018: $24) | 497 | 439 |
| Trade receivables - third party and affiliates (net of allowance for doubtful accounts - 2019: $9; 2018: $10; variable interest entity restricted - 2019: $7; 2018: $6) | 947 | 1,017 |
| Non-trade receivables, net | 335 | 301 |
| Inventories | 994 | 1,046 |
| Marketable securities, at fair value | 26 | 31 |
| Other assets | 44 | 40 |
| Total current assets | 2,843 | 2,874 |
| Investments in affiliates | 970 | 979 |
| Property, plant and equipment (net of accumulated depreciation - 2019: $2,848; 2018: $2,803; variable interest entity restricted - 2019: $631; 2018: $659) | 3,585 | 3,719 |
| Operating lease right-of-use assets | 206 | — |
| Deferred income taxes | 98 | 84 |
| Other assets (variable interest entity restricted - 2019: $2; 2018: $5) | 344 | 290 |
| Goodwill | 1,054 | 1,057 |
| Intangible assets (variable interest entity restricted - 2019: $22; 2018: $23) | 314 | 310 |
| Total assets | 9,414 | 9,313 |
| **LIABILITIES AND EQUITY** | | |
| Current Liabilities | | |
| Short-term borrowings and current installments of long-term debt - third party and affiliates | 368 | 561 |
| Trade payables - third party and affiliates | 764 | 819 |
| Other liabilities | 358 | 343 |
| Income taxes payable | 43 | 56 |
| Total current liabilities | 1,533 | 1,779 |
| Long-term debt, net of unamortized deferred financing costs | 3,359 | 2,970 |
| Deferred income taxes | 269 | 255 |
| Uncertain tax positions | 169 | 158 |
| Benefit obligations | 523 | 564 |
| Operating lease liabilities | 182 | — |
| Other liabilities | 240 | 208 |
| Commitments and Contingencies | | |
| Stockholders' Equity | | |
| Preferred stock, $0.01 par value, 100,000,000 shares authorized (2019 and 2018: 0 issued and outstanding) | — | — |
| Common stock, $0.0001 par value, 400,000,000 shares authorized (2019: 168,948,063 issued and 121,333,303 outstanding; 2018: 168,418,954 issued and 128,095,849 outstanding) | — | — |
| Treasury stock, at cost (2019: 47,614,760 shares; 2018: 40,323,105 shares) | (3,622) | (2,849) |
| Additional paid-in capital | 244 | 233 |
| Retained earnings | 6,431 | 5,847 |
| Accumulated other comprehensive income (loss), net | (306) | (247) |
| Total Celanese Corporation stockholders' equity | 2,747 | 2,984 |

| | | |
|---|---|---|
| Noncontrolling interests | 392 | 395 |
| Total equity | 3,139 | 3,379 |
| Total liabilities and equity | 9,414 | 9,313 |

See the accompanying notes to the unaudited interim consolidated financial statements.

**CELANESE CORPORATION AND SUBSIDIARIES**
**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF EQUITY**

| | Three Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2019 | | 2018 | |
| | Shares | Amount | Shares | Amount |
| | (In $ millions, except share data) | | | |
| Common Stock | | | | |
| Balance as of the beginning of the period | 123,740,349 | — | 135,018,148 | — |
| Purchases of treasury stock | (2,444,278) | — | (1,292,375) | — |
| Stock awards | 37,232 | — | 5,736 | — |
| Balance as of the end of the period | 121,333,303 | — | 133,731,509 | — |
| Treasury Stock | | | | |
| Balance as of the beginning of the period | 45,170,482 | (3,347) | 33,276,096 | (2,131) |
| Purchases of treasury stock, including related fees | 2,444,278 | (275) | 1,292,375 | (150) |
| Balance as of the end of the period | 47,614,760 | (3,622) | 34,568,471 | (2,281) |
| Additional Paid-In Capital | | | | |
| Balance as of the beginning of the period | | 233 | | 208 |
| Stock-based compensation, net of tax | | 11 | | 14 |
| Stock option exercises, net of tax | | — | | — |
| Balance as of the end of the period | | 244 | | 222 |
| Retained Earnings | | | | |
| Balance as of the beginning of the period | | 6,245 | | 5,491 |
| Net earnings (loss) attributable to Celanese Corporation | | 263 | | 401 |
| Common stock dividends | | (77) | | (73) |
| Balance as of the end of the period | | 6,431 | | 5,819 |
| Accumulated Other Comprehensive Income (Loss), Net | | | | |
| Balance as of the beginning of the period | | (267) | | (188) |
| Other comprehensive income (loss), net of tax | | (39) | | (31) |
| Balance as of the end of the period | | (306) | | (219) |
| Total Celanese Corporation stockholders' equity | | 2,747 | | 3,541 |
| Noncontrolling Interests | | | | |
| Balance as of the beginning of the period | | 390 | | 407 |
| Net earnings (loss) attributable to noncontrolling interests | | 2 | | 1 |
| (Distributions to) contributions from noncontrolling interests | | — | | (6) |
| Balance as of the end of the period | | 392 | | 402 |
| Total equity | | 3,139 | | 3,943 |

See the accompanying notes to the unaudited interim consolidated financial statements.

## CELANESE CORPORATION AND SUBSIDIARIES
## UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF EQUITY

| | Nine Months Ended September 30, | | | |
|---|---|---|---|---|
| | 2019 | | 2018 | |
| | Shares | Amount | Shares | Amount |
| | (In $ millions, except share data) | | | |
| Common Stock | | | | |
| Balance as of the beginning of the period | 128,095,849 | — | 135,769,256 | — |
| Stock option exercises | 14,045 | — | — | — |
| Purchases of treasury stock | (7,334,433) | — | (2,180,758) | — |
| Stock awards | 557,842 | — | 143,011 | — |
| Balance as of the end of the period | 121,333,303 | — | 133,731,509 | — |
| Treasury Stock | | | | |
| Balance as of the beginning of the period | 40,323,105 | (2,849) | 32,387,713 | (2,031) |
| Purchases of treasury stock, including related fees | 7,334,433 | (775) | 2,180,758 | (250) |
| Issuance of treasury stock under stock plans | (42,778) | 2 | — | — |
| Balance as of the end of the period | 47,614,760 | (3,622) | 34,568,471 | (2,281) |
| Additional Paid-In Capital | | | | |
| Balance as of the beginning of the period | | 233 | | 175 |
| Stock-based compensation, net of tax | | 12 | | 47 |
| Stock option exercises, net of tax | | (1) | | — |
| Balance as of the end of the period | | 244 | | 222 |
| Retained Earnings | | | | |
| Balance as of the beginning of the period | | 5,847 | | 4,920 |
| Net earnings (loss) attributable to Celanese Corporation | | 809 | | 1,108 |
| Common stock dividends | | (225) | | (209) |
| Balance as of the end of the period | | 6,431 | | 5,819 |
| Accumulated Other Comprehensive Income (Loss), Net | | | | |
| Balance as of the beginning of the period | | (247) | | (177) |
| Other comprehensive income (loss), net of tax | | (59) | | (42) |
| Balance as of the end of the period | | (306) | | (219) |
| Total Celanese Corporation stockholders' equity | | 2,747 | | 3,541 |
| Noncontrolling Interests | | | | |
| Balance as of the beginning of the period | | 395 | | 412 |
| Net earnings (loss) attributable to noncontrolling interests | | 4 | | 4 |
| (Distributions to) contributions from noncontrolling interests | | (7) | | (14) |
| Balance as of the end of the period | | 392 | | 402 |
| Total equity | | 3,139 | | 3,943 |

See the accompanying notes to the unaudited interim consolidated financial statements.

**CELANESE CORPORATION AND SUBSIDIARIES**
**UNAUDITED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

| | Nine Months Ended September 30, | |
|---|---|---|
| | 2019 | 2018 |
| | (In $ millions) | |
| Operating Activities | | |
| Net earnings (loss) | 813 | 1,112 |
| Adjustments to reconcile net earnings (loss) to net cash provided by (used in) operating activities | | |
| Asset impairments | 83 | — |
| Depreciation, amortization and accretion | 265 | 258 |
| Pension and postretirement net periodic benefit cost | (44) | (69) |
| Pension and postretirement contributions | (35) | (35) |
| Deferred income taxes, net | (21) | 43 |
| (Gain) loss on disposition of businesses and assets, net | 2 | 5 |
| Stock-based compensation | 38 | 53 |
| Undistributed earnings in unconsolidated affiliates | (8) | (19) |
| Other, net | 15 | 18 |
| Operating cash provided by (used in) discontinued operations | 5 | 4 |
| Changes in operating assets and liabilities | | |
| Trade receivables - third party and affiliates, net | 55 | (114) |
| Inventories | 34 | (142) |
| Other assets | (36) | (60) |
| Trade payables - third party and affiliates | (44) | 44 |
| Other liabilities | 6 | 97 |
| Net cash provided by (used in) operating activities | 1,128 | 1,195 |
| Investing Activities | | |
| Capital expenditures on property, plant and equipment | (226) | (244) |
| Acquisitions, net of cash acquired | (91) | (144) |
| Proceeds from sale of businesses and assets, net | 1 | 13 |
| Other, net | (9) | (34) |
| Net cash provided by (used in) investing activities | (325) | (409) |
| Financing Activities | | |
| Net change in short-term borrowings with maturities of 3 months or less | 127 | (86) |
| Proceeds from short-term borrowings | 110 | 44 |
| Repayments of short-term borrowings | (85) | (62) |
| Proceeds from long-term debt | 499 | — |
| Repayments of long-term debt | (354) | (56) |
| Purchases of treasury stock, including related fees | (763) | (250) |
| Common stock dividends | (225) | (209) |
| (Distributions to) contributions from noncontrolling interests | (7) | (14) |
| Other, net | (38) | (6) |
| Net cash provided by (used in) financing activities | (736) | (639) |
| Exchange rate effects on cash and cash equivalents | (9) | (20) |
| Net increase (decrease) in cash and cash equivalents | 58 | 127 |
| Cash and cash equivalents as of beginning of period | 439 | 576 |
| Cash and cash equivalents as of end of period | 497 | 703 |

See the accompanying notes to the unaudited interim consolidated financial statements.

**CELANESE CORPORATION AND SUBSIDIARIES**
**NOTES TO THE UNAUDITED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

## 1. Description of the Company and Basis of Presentation

### *Description of the Company*

Celanese Corporation and its subsidiaries (collectively, the "Company") is a global chemical and specialty materials company. The Company produces high performance engineered polymers that are used in a variety of high-value applications, as well as acetyl products, which are intermediate chemicals, for nearly all major industries. The Company also engineers and manufactures a wide variety of products essential to everyday living. The Company's broad product portfolio serves a diverse set of end-use applications including automotive, chemical additives, construction, consumer and industrial adhesives, consumer and medical, energy storage, filtration, food and beverage, paints and coatings, paper and packaging, performance industrial and textiles.

### *Definitions*

In this Quarterly Report on Form 10-Q ("Quarterly Report"), the term "Celanese" refers to Celanese Corporation, a Delaware corporation, and not its subsidiaries. The term "Celanese US" refers to the Company's subsidiary, Celanese US Holdings LLC, a Delaware limited liability company, and not its subsidiaries.

### *Basis of Presentation*

The unaudited interim consolidated financial statements for the three and nine months ended September 30, 2019 and 2018 contained in this Quarterly Report were prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP") for all periods presented and include the accounts of the Company, its majority owned subsidiaries over which the Company exercises control and, when applicable, variable interest entities in which the Company is the primary beneficiary. The unaudited interim consolidated financial statements and other financial information included in this Quarterly Report, unless otherwise specified, have been presented to separately show the effects of discontinued operations.

In the opinion of management, the accompanying unaudited consolidated balance sheets and related unaudited interim consolidated statements of operations, comprehensive income (loss), cash flows and equity include all adjustments, consisting only of normal recurring items necessary for their fair presentation in conformity with US GAAP. Certain information and footnote disclosures normally included in financial statements prepared in accordance with US GAAP have been condensed or omitted in accordance with rules and regulations of the Securities and Exchange Commission ("SEC"). These unaudited interim consolidated financial statements should be read in conjunction with the Company's consolidated financial statements as of and for the year ended December 31, 2018, filed on February 7, 2019 with the SEC as part of the Company's Annual Report on Form 10-K.

Operating results for the three and nine months ended September 30, 2019 are not necessarily indicative of the results to be expected for the entire year.

In the ordinary course of business, the Company enters into contracts and agreements relative to a number of topics, including acquisitions, dispositions, joint ventures, supply agreements, product sales and other arrangements. The Company endeavors to describe those contracts or agreements that are material to its business, results of operations or financial position. The Company may also describe some arrangements that are not material but in which the Company believes investors may have an interest or which may have been included in a Form 8-K filing. Investors should not assume the Company has described all contracts and agreements relative to the Company's business in this Quarterly Report.

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 noncontrolling interests.

The Company has reclassified certain prior period amounts to conform to the presentation of the Company's current reportable segments.

***Estimates and Assumptions***

The preparation of unaudited interim consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the unaudited interim consolidated financial statements and the reported amounts of Net sales, expenses and allocated charges during the reporting period. Significant estimates pertain to impairments of goodwill, intangible assets and other long-lived assets, purchase price allocations, restructuring costs and other (charges) gains, net, income taxes, pension and other postretirement benefits, asset retirement obligations, environmental liabilities and loss contingencies, among others. Actual results could differ from those estimates.

## 2. Recent Accounting Pronouncements

The following table provides a brief description of recent Accounting Standard Updates ("ASU") issued by the Financial Accounting Standards Board ("FASB"):

| Standard | Description | Effective Date | Effect on the Financial Statements or Other Significant Matters |
|---|---|---|---|
| In August 2018, the FASB issued ASU 2018-14, Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans. | The new guidance modifies the disclosure requirements for employers that sponsor defined benefit pension or other postretirement plans by removing disclosures that no longer are considered cost beneficial, clarifying the specific requirements of disclosures and adding disclosure requirements identified as relevant. | January 1, 2020. Early adoption is permitted. | The Company is currently evaluating the impact of adoption on its financial statements and related disclosures, but does not anticipate a material impact to the consolidated financial statements. |
| In February 2018, the FASB issued ASU 2018-02, Reclassification of Certain Tax Effects from Accumulated Other Comprehensive Income. | The new guidance allows a reclassification from accumulated other comprehensive income to retained earnings for stranded tax effects resulting from the Tax Cuts and Jobs Act and will improve the usefulness of information reported to financial statement users. | January 1, 2019. | The Company adopted the new guidance effective January 1, 2019. The adoption of the new guidance did not have a material impact on the Company. |
| In June 2016, the FASB issued ASU 2016-13, Measurement of Credit Losses on Financial Instruments. Since that date, the FASB has issued additional ASUs clarifying certain aspects of ASU 2016-13. | The new guidance requires financial instruments measured at amortized cost basis to be presented at the net amount expected to be collected through application of the current expected credit losses model. The model requires an estimate of the credit losses expected over the life of an exposure or pool of exposures. The income statement will reflect the measurement of credit losses for newly recognized financial assets, as well as the expected increases or decreases of expected credit losses that have taken place during the period. | January 1, 2020. Early adoption is permitted. | The Company is currently evaluating the impact of adoption on its financial statements and related disclosures, but does not anticipate a material impact to the consolidated financial statements. |
| In February 2016, the FASB issued ASU 2016-02, Leases. Since that date, the FASB has issued additional ASUs clarifying certain aspects of ASU 2016-02. | The new guidance supersedes the lease guidance under FASB Accounting Standards Codification ("ASC") Topic 840, Leases, resulting in the creation of FASB ASC Topic 842, Leases. The guidance requires a lessee to recognize in the statement of financial position a liability to make lease payments and a right-of-use asset representing its right to use the underlying asset for the lease term for both finance and operating leases. Subsequent guidance issued | January 1, 2019. | The Company adopted the new guidance effective January 1, 2019, using the modified retrospective transition method, which did not require the Company to adjust comparative periods. See the *Adoption of ASU 2016-02* section below for additional information. |

after February 2016 did not change the core principle of ASU 2016-02.

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***Adoption of ASU 2016-02, Leases***

The Company adopted ASU 2016-02 as of January 1, 2019, using the modified retrospective approach. Prior period amounts have not been adjusted. In addition, the Company elected the following practical expedients:

- the package of practical expedients permitted under the transition guidance within the new standard, which among other things, allowed the Company to carry forward the historical lease classification;

- the land easements practical expedient, which allowed the Company to carry forward the accounting treatment for land easements on existing agreements;

- the short-term lease practical expedient, which allowed the Company to exclude short-term leases from recognition in the unaudited consolidated balance sheets; and

- the bifurcation of lease and non-lease components practical expedient, which did not require the Company to bifurcate lease and non-lease components for all classes of assets.

The adoption of this accounting standard resulted in the recording of Operating lease right-of-use ("ROU") assets and Operating lease liabilities of $223 million and $240 million, respectively, as of January 1, 2019. The difference between the operating lease assets and liabilities was recorded as an adjustment to Other liabilities, primarily related to deferred rent (lease incentives). The adoption of ASU 2016-02 had no impact on Retained earnings.

See Note 16 for additional information.

**3. Acquisitions, Dispositions and Plant Closures**

***Plant Closures***

- ***Ocotlán, Mexico***

On June 28, 2019, the Company announced it will consolidate its global acetate manufacturing capabilities with the closure of its acetate flake manufacturing operations in Ocotlán, Mexico. The Ocotlán, Mexico operations are included in the Company's Acetate Tow segment.

The exit and shutdown costs related to this closure are as follows:

| | Nine Months Ended September 30, 2019 |
|---|---|
| | (In $ millions) |
| Asset impairments[1] | 83 |
| Restructuring[1] | 3 |
| Accelerated depreciation expense | 7 |
| Loss on disposition of assets, net | 1 |
| Other[1] | 1 |
| Total | 95 |

______________________________

[1] Included in Other (charges) gains, net in the unaudited interim consolidated statement of operations (Note 14).

The Company expects to incur additional exit and shutdown costs related to Ocotlán, Mexico of approximately $12 million through the first quarter of 2020.

**4. Ventures and Variable Interest Entities**

***Consolidated Variable Interest Entities***

The Company has a joint venture, Fairway Methanol LLC ("Fairway"), with Mitsui & Co., Ltd., of Tokyo, Japan ("Mitsui"), in which the Company owns 50% of Fairway, for the production of methanol at the Company's integrated chemical plant in Clear Lake, Texas. The methanol unit utilizes natural gas in the US Gulf Coast region as a feedstock and benefits from the existing

infrastructure at the Company's Clear Lake facility. Both Mitsui and the Company supply their own natural gas to Fairway in exchange for methanol tolling under a cost-plus off-take arrangement.

The Company determined that Fairway is a variable interest entity ("VIE") in which the Company is the primary beneficiary. Under the terms of the joint venture agreements, the Company provides site services and day-to-day operations for the methanol facility. In addition, the joint venture agreements provide that the Company indemnifies Mitsui for environmental obligations that exceed a specified threshold, as well as an equity option between the partners. Accordingly, the Company consolidates the venture and records a noncontrolling interest for the share of the venture owned by Mitsui. Fairway is included in the Company's Acetyl Chain segment.

The carrying amount of the assets and liabilities associated with Fairway included in the unaudited consolidated balance sheets are as follows:

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In $ millions) | |
| Cash and cash equivalents | 46 | 24 |
| Trade receivables, net - third party and affiliates | 13 | 11 |
| Property, plant and equipment (net of accumulated depreciation - 2019: $161; 2018: $130) | 631 | 659 |
| Intangible assets (net of accumulated amortization - 2019: $4; 2018: $3) | 22 | 23 |
| Other assets | 2 | 5 |
| Total assets[1] | 714 | 722 |
| | | |
| Trade payables | 16 | 16 |
| Other liabilities[2] | 3 | 4 |
| Total debt | 4 | 5 |
| Deferred income taxes | 4 | 3 |
| Total liabilities | 27 | 28 |

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[1] Assets can only be used to settle the obligations of Fairway.

[2] Primarily represents amounts owed by Fairway to the Company for reimbursement of expenditures.

***Nonconsolidated Variable Interest Entities***

The Company holds variable interests in entities that supply certain raw materials and services to the Company. The variable interests primarily relate to cost-plus contractual arrangements with the suppliers and recovery of capital expenditures for certain plant assets plus a rate of return on such assets. Liabilities for such supplier recoveries of capital expenditures have been recorded as finance lease obligations. The entities are not consolidated because the Company is not the primary beneficiary of the entities as it does not have the power to direct the activities of the entities that most significantly impact the entities' economic performance. The Company's maximum exposure to loss as a result of its involvement with these VIEs as of September 30, 2019, relates primarily to the recovery of capital expenditures for certain property, plant and equipment.

The carrying amount of the assets and liabilities associated with the obligations to nonconsolidated VIEs, as well as the maximum exposure to loss relating to these nonconsolidated VIEs are as follows:

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In $ millions) | |
| Property, plant and equipment, net | 32 | 42 |
| | | |
| Trade payables | 30 | 27 |
| Current installments of long-term debt | 15 | 14 |
| Long-term debt | 46 | 58 |
| Total liabilities | 91 | 99 |
| | | |
| Maximum exposure to loss | 119 | 134 |

The difference between the total liabilities associated with obligations to nonconsolidated VIEs and the maximum exposure to loss primarily represents take-or-pay obligations for services included in the Company's unconditional purchase obligations (Note 19).

## 5. Marketable Securities

The Company's nonqualified trusts hold available-for-sale securities for funding requirements of the Company's nonqualified pension plans. Available-for-sale securities as of September 30, 2019 and December 31, 2018 were $26 million and $31 million, respectively, and were recorded at amortized cost, which approximates fair value.

## 6. Inventories

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In $ millions) | |
| Finished goods | 668 | 697 |
| Work-in-process | 78 | 70 |
| Raw materials and supplies | 248 | 279 |
| Total | 994 | 1,046 |

## 7. Goodwill and Intangible Assets, Net

***Goodwill***

| | Engineered Materials | Acetate Tow | Acetyl Chain | Total |
|---|---|---|---|---|
| | (In $ millions) | | | |
| As of December 31, 2018 | 707 | 148 | 202 | 1,057 |
| Acquisitions | 29 (1) | — | — | 29 |
| Exchange rate changes | (22) | (1) | (9) | (32) |
| As of September 30, 2019 | 714 | 147 | 193 | 1,054 |

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(1) Represents goodwill related to the acquisition of Next Polymers Ltd.

The Company assesses the recoverability of the carrying amount of its reporting unit goodwill either qualitatively or quantitatively annually during the third quarter of its fiscal year using June 30 balances or whenever events or changes in circumstances indicate that the carrying amount of the asset may not be fully recoverable. In connection with the Company's annual goodwill impairment assessment, the Company did not record an impairment loss to goodwill during the nine months

ended September 30, 2019 as the estimated fair value for each of the Company's reporting units exceeded the carrying amount of the underlying assets by a substantial margin.

***Intangible Assets, Net***

Finite-lived intangible assets are as follows:

| | Licenses | Customer-Related Intangible Assets | Developed Technology | Covenants Not to Compete and Other | Total |
|---|---|---|---|---|---|
| | | | (In $ millions) | | |
| **Gross Asset Value** | | | | | |
| As of December 31, 2018 | 42 | 651 | 44 | 56 | 793 |
| Acquisitions | — | 25 | — | — | 25 [1] |
| Exchange rate changes | (1) | (22) | (1) | — | (24) |
| As of September 30, 2019 | 41 | 654 | 43 | 56 | 794 |
| **Accumulated Amortization** | | | | | |
| As of December 31, 2018 | (33) | (495) | (32) | (35) | (595) |
| Amortization | (1) | (12) | (3) | (2) | (18) |
| Exchange rate changes | 2 | 18 | — | — | 20 |
| As of September 30, 2019 | (32) | (489) | (35) | (37) | (593) |
| Net book value | 9 | 165 | 8 | 19 | 201 |

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[1] Represents intangible assets acquired related to Next Polymers Ltd. with a weighted average amortization period of 13 years.

Indefinite-lived intangible assets are as follows:

| | Trademarks and Trade Names |
|---|---|
| | (In $ millions) |
| As of December 31, 2018 | 112 |
| Acquisitions | 4 [1] |
| Accumulated impairment losses | — |
| Exchange rate changes | (3) |
| As of September 30, 2019 | 113 |

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[1] Represents indefinite-lived intangible assets related to the acquisition of Next Polymers Ltd.

The Company assesses the recoverability of the carrying amount of its indefinite-lived intangible assets either qualitatively or by utilizing the relief from royalty method under the income approach annually during the third quarter of its fiscal year using June 30 balances or whenever events or changes in circumstances indicate that the carrying amount of the assets may not be fully recoverable. In connection with the Company's annual indefinite-lived intangible assets impairment assessment, the Company did not record an impairment loss to indefinite-lived intangible assets during the nine months ended September 30, 2019 as the estimated fair value of each of the Company's indefinite-lived intangible assets exceeded the carrying value of the underlying assets by a substantial margin.

During the nine months ended September 30, 2019, the Company did not renew or extend any intangible assets.

Estimated amortization expense for the succeeding five fiscal years is as follows:

| | (In $ millions) |
|---|---|
| 2020 | 21 |
| 2021 | 21 |
| 2022 | 19 |
| 2023 | 17 |
| 2024 | 16 |

**8. Current Other Liabilities**

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In $ millions) | |
| Asset retirement obligations | 9 | 3 |
| Benefit obligations (Note 11) | 30 | 30 |
| Customer rebates (Note 21) | 62 | 76 |
| Derivatives (Note 17) | 10 | 7 |
| Environmental (Note 12) | 11 | 20 |
| Insurance | 6 | 4 |
| Interest | 28 | 21 |
| Operating leases (Note 16) | 31 | — |
| Restructuring (Note 14) | 16 | 4 |
| Salaries and benefits | 80 | 119 |
| Sales and use tax/foreign withholding tax payable | 28 | 22 |
| Other | 47 | 37 |
| Total | 358 | 343 |

**9. Noncurrent Other Liabilities**

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In $ millions) | |
| Asset retirement obligations | 12 | 13 |
| Deferred proceeds | 42 | 44 |
| Deferred revenue (Note 21) | 6 | 7 |
| Derivatives (Note 17) | 58 | 11 |
| Environmental (Note 12) | 52 | 49 |
| Insurance | 42 | 37 |
| Other | 28 | 47 |
| Total | 240 | 208 |

## 10. Debt

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In $ millions) | |
| **Short-Term Borrowings and Current Installments of Long-Term Debt - Third Party and Affiliates** | | |
| Current installments of long-term debt | 26 | 367 |
| Short-term borrowings, including amounts due to affiliates[(1)] | 68 | 77 |
| Revolving credit facility[(2)] | 159 | 40 |
| Accounts receivable securitization facility[(3)] | 115 | 77 |
| Total | 368 | 561 |

[(1)] The weighted average interest rate was 2.9% and 3.2% as of September 30, 2019 and December 31, 2018, respectively.

[(2)] The weighted average interest rate was 1.3% and 6.0% as of September 30, 2019 and December 31, 2018, respectively.

[(3)] The weighted average interest rate was 2.9% and 3.1% as of September 30, 2019 and December 31, 2018, respectively.

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In $ millions) | |
| **Long-Term Debt** | | |
| Senior unsecured notes due 2019, interest rate of 3.250% | — | 343 |
| Senior unsecured notes due 2021, interest rate of 5.875% | 400 | 400 |
| Senior unsecured notes due 2022, interest rate of 4.625% | 500 | 500 |
| Senior unsecured notes due 2023, interest rate of 1.125% | 816 | 857 |
| Senior unsecured notes due 2024, interest rate of 3.500% | 499 | — |
| Senior unsecured notes due 2025, interest rate of 1.250% | 326 | 343 |
| Senior unsecured notes due 2027, interest rate of 2.125% | 541 | 568 |
| Pollution control and industrial revenue bonds due at various dates through 2030, interest rates ranging from 4.05% to 5.00% | 167 | 167 |
| Nilit bank loans due at various dates through 2026[(1)] | 9 | 10 |
| Obligations under finance leases due at various dates through 2054 | 146 | 167 |
| Subtotal | 3,404 | 3,355 |
| Unamortized debt issuance costs[(2)] | (19) | (18) |
| Current installments of long-term debt | (26) | (367) |
| Total | 3,359 | 2,970 |

[(1)] The weighted average interest rate was 1.3% and 1.3% as of September 30, 2019 and December 31, 2018, respectively.

[(2)] Related to the Company's long-term debt, excluding obligations under finance leases.

***Senior Credit Facilities***

On January 7, 2019, Celanese, Celanese US and certain subsidiary borrowers entered into a new senior credit agreement (the "Credit Agreement") consisting of a $1.25 billion senior unsecured revolving credit facility (with a letter of credit sublimit), maturing in 2024. The Credit Agreement is guaranteed by Celanese, Celanese US and substantially all of its domestic subsidiaries ("the Subsidiary Guarantors").

The Company's debt balances and amounts available for borrowing under its senior unsecured revolving credit facility are as follows:

| | As of September 30, 2019 |
|---|---|
| | (In $ millions) |
| **Revolving Credit Facility** | |
| Borrowings outstanding[1] | 159 |
| Letters of credit issued | — |
| Available for borrowing[2] | 1,091 |

(1) The Company borrowed $982 million and repaid $856 million under its senior unsecured revolving credit facility during the nine months ended September 30, 2019.

(2) The margin for borrowings under the senior unsecured revolving credit facility was 1.25% above LIBOR or EURIBOR at current Company credit ratings.

***Senior Notes***

The Company has outstanding senior unsecured notes, issued in public offerings registered under the Securities Act of 1933 ("Securities Act"), as amended (collectively, the "Senior Notes"). The Senior Notes were issued by Celanese US and are guaranteed on a senior unsecured basis by Celanese and the Subsidiary Guarantors. Celanese US may redeem some or all of each of the Senior Notes, prior to their respective maturity dates, at a redemption price of 100% of the principal amount, plus a "make-whole" premium as specified in the applicable indenture, plus accrued and unpaid interest, if any, to the redemption date.

On May 8, 2019, Celanese US completed an offering of $500 million in principal amount of 3.500% senior unsecured notes due May 8, 2024 (the "3.500% Notes") in a public offering registered under the Securities Act. The 3.500% Notes were issued at a discount to par at a price of 99.895%, which is being amortized to Interest expense in the unaudited interim consolidated statement of operations over the term of the 3.500% Notes. Net proceeds from the sale of the 3.500% Notes were used to redeem in full the 3.250% senior unsecured notes due October 15, 2019 (the "3.250 Notes"), to repay $156 million of outstanding borrowings under the senior unsecured revolving credit facility and for general corporate purposes. In connection with the issuance of the 3.500% Notes, the Company entered into a cross-currency swap to effectively convert its fixed-rate US dollar denominated debt under the 3.500% Notes, including annual interest payments and the payment of principal at maturity, to fixed-rate Euro denominated debt. See Note 17 for additional information.

***Accounts Receivable Securitization Facility***

The Company has a US accounts receivable securitization facility involving receivables of certain of its domestic subsidiaries of the Company transferred to a wholly-owned, "bankruptcy remote" special purpose subsidiary of the Company ("SPE"). The facility, which permits cash borrowings and letters of credit, was amended on July 8, 2019 to extend the maturity date to July 6, 2020 and modify certain events of default, limitations on concentrations of obligors and certain of the components used to calculate the SPE reserves. All of the SPE's assets have been pledged to the administrative agent in support of the SPE's obligations under the facility.

The Company's debt balances and amounts available for borrowing under its securitization facility are as follows:

| | As of September 30, 2019 |
|---|---|
| | (In $ millions) |
| **Accounts Receivable Securitization Facility** | |
| Borrowings outstanding | 115 |
| Letters of credit issued | — |
| Available for borrowing | 5 |
| Total borrowing base | 120 |
| | |
| Maximum borrowing base(1) | 120 |

(1) Outstanding accounts receivable transferred to the SPE was $182 million.

***Other Financing Arrangements***

In June 2018, the Company entered into a factoring agreement with a global financial institution to sell certain accounts receivable on a non-recourse basis. These transactions are treated as a sale and are accounted for as a reduction in accounts receivable because the agreement transfers effective control over and risk related to the receivables to the buyer. The Company has no continuing involvement in the transferred receivables, other than collection and administrative responsibilities and, once sold, the accounts receivable are no longer available to satisfy creditors in the event of bankruptcy. The Company de-recognized $196 million and $117 million of accounts receivable as of September 30, 2019 and December 31, 2018, respectively.

***Covenants***

The Company's material financing arrangements contain customary covenants, including the maintenance of certain financial ratios, events of default and change of control provisions. Failure to comply with these covenants, or the occurrence of any other event of default, could result in acceleration of the borrowings and other financial obligations. The Company is in compliance with all of the covenants related to its debt agreements as of September 30, 2019.

## 11. Benefit Obligations

The components of net periodic benefit cost are as follows:

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2019 | | 2018 | | 2019 | | 2018 | |
| | Pension Benefits | Post-retirement Benefits | Pension Benefits | Post-retirement Benefits | Pension Benefits | Post-retirement Benefits | Pension Benefits | Post-retirement Benefits |
| | (In $ millions) | | | | | | | |
| Service cost | 3 | — | 2 | — | 7 | — | 7 | — |
| Interest cost | 28 | 1 | 26 | 1 | 86 | 2 | 78 | 2 |
| Expected return on plan assets | (46) | — | (52) | — | (139) | — | (157) | — |
| Special termination benefit | — | — | — | — | — | — | 1 | — |
| Total | (15) | 1 | (24) | 1 | (46) | 2 | (71) | 2 |

Benefit obligation funding is as follows:

| | As of September 30, 2019 | Total Expected 2019 |
|---|---|---|
| | (In $ millions) | |
| Cash contributions to defined benefit pension plans | 16 | 22 |
| Benefit payments to nonqualified pension plans | 16 | 21 |
| Benefit payments to other postretirement benefit plans | 3 | 5 |
| Cash contributions to German multiemployer defined benefit pension plans[1] | 6 | 9 |

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(1) The Company makes contributions based on specified percentages of employee contributions.

The Company's estimates of its US defined benefit pension plan contributions reflect the provisions of the Pension Protection Act of 2006.

**12. Environmental**

The Company is subject to environmental laws and regulations worldwide that impose limitations on the discharge of pollutants into the air and water, establish standards for the treatment, storage and disposal of solid and hazardous wastes, and impose record keeping and notification requirements. Failure to timely comply with these laws and regulations may expose the Company to penalties. The Company believes that it is in substantial compliance with all applicable environmental laws and regulations and engages in an ongoing process of updating its controls to mitigate compliance risks. The Company is also subject to retained environmental obligations specified in various contractual agreements arising from the divestiture of certain businesses by the Company or one of its predecessor companies.

The components of environmental remediation liabilities are as follows:

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In $ millions) | |
| Demerger obligations (Note 19) | 24 | 26 |
| Divestiture obligations (Note 19) | 12 | 16 |
| Active sites | 13 | 14 |
| US Superfund sites | 12 | 11 |
| Other environmental remediation liabilities | 2 | 2 |
| Total | 63 | 69 |

***Remediation***

Due to its industrial history and through retained contractual and legal obligations, the Company has the obligation to remediate specific areas on its own sites as well as on divested, demerger, orphan or US Superfund sites (as defined below). In addition, as part of the demerger agreement between the Company and Hoechst AG ("Hoechst"), a specified portion of the responsibility for environmental liabilities from a number of Hoechst divestitures was transferred to the Company (Note 19). Certain of these sites, at which the Company maintains continuing involvement, were and continue to be designated as discontinued operations. The Company provides for such obligations when the event of loss is probable and reasonably estimable. The Company believes that environmental remediation costs will not have a material adverse effect on the financial position of the Company, but may have a material adverse effect on the results of operations or cash flows in any given period.

***US Superfund Sites***

In the US, the Company may be subject to substantial claims brought by US federal or state regulatory agencies or private individuals pursuant to statutory authority or common law. In particular, the Company has a potential liability under the US Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, and related state laws (collectively referred to as "Superfund") for investigation and cleanup costs at certain sites. At most of these sites, numerous companies, including the Company, or one of its predecessor companies, have been notified that the US Environmental

Protection Agency ("EPA"), state governing bodies or private individuals consider such companies to be potentially responsible parties ("PRP") under Superfund or related laws. The proceedings relating to these sites are in various stages. The cleanup process has not been completed at most sites, and the status of the insurance coverage for some of these proceedings is uncertain. Consequently, the Company cannot accurately determine its ultimate liability for investigation or cleanup costs at these sites.

As events progress at each site for which it has been named a PRP, the Company accrues, as appropriate, a liability for site cleanup. Such liabilities include all costs that are probable and can be reasonably estimated. In establishing these liabilities, the Company considers the contaminants of concern, the potential impact thereof, the relationship of the contaminants of concern to its current and historic operations, its shipment of waste to a site, its percentage of total waste shipped to the site, the types of wastes involved, the conclusions of any studies, the magnitude of any remedial actions that may be necessary and the number and viability of other PRPs. Often the Company joins with other PRPs to sign joint defense agreements that settle, among PRPs, each party's percentage allocation of costs at the site. Although the ultimate liability may differ from the estimate, the Company routinely reviews the liabilities and revises the estimate, as appropriate, based on the most current information available.

One such site is the Diamond Alkali Superfund Site, which is comprised of a number of sub-sites, including the Lower Passaic River Study Area ("LPRSA"), which is the lower 17-mile stretch of the Passaic River ("Lower Passaic River Site"), and the Newark Bay Area. The Company and 70 other companies are parties to a May 2007 Administrative Order on Consent with the EPA to perform a Remedial Investigation/Feasibility Study ("RI/FS") at the Lower Passaic River Site in order to identify the levels of contaminants and potential cleanup actions, including the potential migration of contaminants between the Lower Passaic River Site and the Newark Bay Area. Work on the RI/FS is ongoing.

In March 2016, the EPA issued its final Record of Decision concerning the remediation of the lower 8.3 miles of the Lower Passaic River Site ("Lower 8.3 Miles"). Pursuant to the EPA's Record of Decision, the Lower 8.3 Miles must be dredged bank to bank and an engineered cap must be installed at an EPA estimated cost of approximately $1.4 billion. The Company owned and/or operated facilities in the vicinity of the Lower 8.3 Miles, but has found no evidence that it contributed any of the contaminants of concern to the Passaic River. On June 30, 2018, Occidental Chemical Corporation ("OCC"), the successor to the Diamond Alkali Company, sued a subsidiary of the Company and 119 other parties alleging claims for joint and several damages, contribution and declaratory relief under Section 107 and 113 of Superfund for costs to clean up the LPRSA portion of the Diamond Alkali Superfund Site, *Occidental Chemical Corporation v. 21st Century Fox America, Inc., et al,* No. 2:18-CV-11273-JLL-JAD (U.S. District Court New Jersey), alleging that each of the defendants owned or operated a facility that contributed contamination to the LPRSA. With respect to the Company, the OCC lawsuit is limited to the former Celanese facility that Essex County, New Jersey has agreed to indemnify the Company for and does not change the Company's estimated liability for LPRSA cleanup costs. The Company is vigorously defending these matters and currently believes that its ultimate allocable share of the cleanup costs with respect to the Lower Passaic River Site, estimated at less than 1%, will not be material to the Company's results of operations, cash flows or financial position.

## 13. Stockholders' Equity

### *Common Stock*

The Company's Board of Directors follows a policy of declaring, subject to legally available funds, a quarterly cash dividend on each share of the Company's Common Stock, unless the Company's Board of Directors, in its sole discretion, determines otherwise. The amount available to the Company to pay cash dividends is not currently restricted by its existing senior credit facility and its indentures governing its senior unsecured notes. Any decision to declare and pay dividends in the future will be made at the discretion of the Company's Board of Directors and will depend on, among other things, the results of operations, cash requirements, financial condition, contractual restrictions and other factors that the Company's Board of Directors may deem relevant.

The Company's Board of Directors approved increases in the Company's Common Stock cash dividend rates as follows:

| | Increase | Quarterly Common Stock Cash Dividend | Annual Common Stock Cash Dividend | Effective Date |
|---|---|---|---|---|
| | (In percentages) | (In $ per share) | | |
| April 2018 | 17 | 0.54 | 2.16 | May 2018 |
| April 2019 | 15 | 0.62 | 2.48 | May 2019 |

The Company declared a quarterly cash dividend of $0.62 per share on its Common Stock on October 16, 2019, amounting to $75 million. The cash dividend will be paid on November 7, 2019 to holders of record as of October 28, 2019.

***Treasury Stock***

| | Nine Months Ended September 30, 2019 | Nine Months Ended September 30, 2018 | Total From February 2008 Through September 30, 2019 |
|---|---|---|---|
| Shares repurchased | 7,334,433 | 2,179,058 | 55,047,144 |
| Average purchase price per share | $ 105.67 | $ 114.73 | $ 71.35 |
| Shares repurchased (in $ millions) | $ 775 | $ 250 | $ 3,928 |
| Aggregate Board of Directors repurchase authorizations during the period (in $ millions)(1) | $ 1,500 | $ — | $ 5,366 |

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(1) These authorizations give management discretion in determining the timing and conditions under which shares may be repurchased. This repurchase program began in February 2008 and does not have an expiration date.

The purchase of treasury stock reduces the number of shares outstanding. The repurchased shares may be used by the Company for compensation programs utilizing the Company's stock and other corporate purposes. The Company accounts for treasury stock using the cost method and includes treasury stock as a component of stockholders' equity.

***Other Comprehensive Income (Loss), Net***

| | Three Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2019 | | | 2018 | | |
| | Gross Amount | Income Tax (Provision) Benefit | Net Amount | Gross Amount | Income Tax (Provision) Benefit | Net Amount |
| | (In $ millions) | | | | | |
| Foreign currency translation gain (loss) | (4) | (3) | (7) | (31) | (4) | (35) |
| Gain (loss) on cash flow hedges | (33) | 1 | (32) | 4 | — | 4 |
| Pension and postretirement benefits gain (loss) | — | — | — | — | — | — |
| Total | (37) | (2) | (39) | (27) | (4) | (31) |

| | Nine Months Ended September 30, | | | | | |
|---|---|---|---|---|---|---|
| | 2019 | | | 2018 | | |
| | Gross Amount | Income Tax (Provision) Benefit | Net Amount | Gross Amount | Income Tax (Provision) Benefit | Net Amount |
| | (In $ millions) | | | | | |
| Foreign currency translation gain (loss) | (3) | (8) | (11) | (58) | 6 | (52) |
| Gain (loss) on cash flow hedges | (55) | 7 | (48) | 8 | 1 | 9 |
| Pension and postretirement benefits gain (loss) | — | — | — | 1 | — | 1 |
| Total | (58) | (1) | (59) | (49) | 7 | (42) |

Adjustments to Accumulated other comprehensive income (loss), net, are as follows:

| | Foreign Currency Translation Gain (Loss) | Gain (Loss) on Cash Flow Hedges (Note 17) | Pension and Postretirement Benefits Gain (Loss) (Note 11) | Accumulated Other Comprehensive Income (Loss), Net |
|---|---|---|---|---|
| | (In $ millions) | | | |
| As of December 31, 2018 | (236) | (8) | (3) | (247) |
| Other comprehensive income (loss) before reclassifications | (3) | (50) | — | (53) |
| Amounts reclassified from accumulated other comprehensive income (loss) | — | (5) | — | (5) |
| Income tax (provision) benefit | (8) | 7 | — | (1) |
| As of September 30, 2019 | (247) | (56) | (3) | (306) |

## 14. Other (Charges) Gains, Net

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| | (In $ millions) | | | |
| Restructuring | (6) | (1) | (20) | (4) |
| Asset impairments | — | — | (83) | — |
| Plant/office closures | (1) | 13 | (2) | 13 |
| Commercial disputes | — | — | 4 | — |
| Total | (7) | 12 | (101) | 9 |

During the nine months ended September 30, 2019, the Company recorded an $83 million long-lived asset impairment loss related to the closure of its acetate flake manufacturing operations in Ocotlán, Mexico (Note 3). The long-lived asset impairment loss was measured at the date of impairment to write-off the related property, plant and equipment and was included in the Company's Acetate Tow segment.

During the nine months ended September 30, 2019, the Company recorded a $15 million gain within commercial disputes related to a settlement from a previous acquisition that was included within the Engineered Materials segment. The Company also recorded an $11 million loss within commercial disputes related to a settlement by the Company's captive insurer with a former third-party customer, which was included within the Other Activities segment.

During the nine months ended September 30, 2019 and September 30, 2018, the Company recorded $20 million and $4 million, respectively, of employee termination benefits primarily related to Company-wide business optimization projects.

During the nine months ended September 30, 2018, the Company recorded a $13 million gain within plant/office closures related to a non-income tax receivable refund from Nanjing, China, in its Acetyl Chain segment.

The changes in the restructuring liability by business segment are as follows:

| | Engineered Materials | Acetate Tow | Acetyl Chain | Other | Total |
|---|---|---|---|---|---|
| | | | (In $ millions) | | |
| **Employee Termination Benefits** | | | | | |
| As of December 31, 2018 | — | 2 | 2 | — | 4 |
| Additions | 9 | 3 | 1 | 8 | 21 |
| Cash payments | (4) | (2) | — | (3) | (9) |
| Other changes | — | — | (1) | — | (1) |
| Exchange rate changes | — | — | — | — | — |
| As of September 30, 2019 | 5 | 3 | 2 | 5 | 15 |
| **Plant/Office Closures** | | | | | |
| As of December 31, 2018 | — | — | — | — | — |
| Additions | — | 1 | — | — | 1 |
| Cash payments | — | — | — | — | — |
| Other changes | — | — | — | — | — |
| Exchange rate changes | — | — | — | — | — |
| As of September 30, 2019 | — | 1 | — | — | 1 |
| Total | 5 | 4 | 2 | 5 | 16 |

**15. Income Taxes**

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| | | (In percentages) | | |
| Effective income tax rate | 16 | 12 | 13 | 16 |

The higher effective income tax rate for the three months ended September 30, 2019 compared to the same period in 2018 was primarily due to the impact of functional currency differences in offshore jurisdictions, partially offset by the release of the valuation allowance on foreign tax credit carryforwards due to a change in the sourcing of US earnings between domestic and foreign sources.

The lower effective income tax rate for the nine months ended September 30, 2019 compared to the same period in 2018 was primarily due to 2019 reductions in the valuation allowance on foreign tax credits that resulted from greater forecasted utilization of credits prior to the expiration of the carryforward period. During the nine months ended September 30, 2018, and prior to the receipt of any regulatory guidance from the US Department of Treasury ("US Treasury") related to various provisions of the Tax Cuts and Jobs Act ("TCJA"), the Company recorded additional valuation allowances on prior year foreign tax credit carryforwards due to uncertainty regarding the treatment of future income and credits generated under the global low-taxed intangible income ("GILTI") provisions, which were enacted as part of TCJA.

The Company evaluates its deferred tax assets on a quarterly basis to determine whether a valuation allowance is necessary. Realization of deferred tax assets ultimately depends on the existence of sufficient taxable income in the applicable carryback or carryforward periods. Changes in the Company's estimates of future taxable income and prudent and feasible tax planning strategies will affect the estimate of the realization of the tax benefits of these foreign tax credit carryforwards. Due to the TCJA and uncertainty as to future sources of general limitation foreign source income to allow for the utilization of these credits, the Company recorded a valuation allowance on a substantial portion of its foreign tax credits upon the enactment of the TCJA. The Company is currently evaluating tax planning strategies that would utilize the Company's foreign tax credit carryforwards. Implementation of these strategies in future periods could reduce the level of valuation allowance that is needed, thereby decreasing the Company's effective tax rate.

On March 6, 2019, the US Treasury issued proposed regulations clarifying the deduction for GILTI and Foreign-Derived Intangible Income ("FDII"), which were enacted as part of the TCJA. The Company currently does not expect these regulations

to have a material impact on its tax expense upon final adoption and will evaluate the impact of final guidance once it is released.

On June 14, 2019, the US Treasury released proposed and final regulations clarifying the GILTI inclusion and temporary and proposed regulations clarifying the dividends received deduction for foreign dividends paid to the US that were enacted as part of the TCJA. The Company currently does not expect these regulations to have a material impact on tax expense and will evaluate the impact of further guidance as it is released.

During the three months ended September 30, 2019, the US Treasury released proposed regulations related to bonus depreciation, net operating loss limitations and revenue recognition rules for advanced payments. The Company does not expect these regulations to have a material impact on its tax expense and will evaluate the impact of further guidance as it is released.

In connection with the Company's US federal income tax audit for 2009 and 2010, the Company entered into a closing agreement during the three months ended March 31, 2019, which did not impact any previously recorded amounts based on settlement discussions prior to the formal closing agreement.

In January 2018, the Company received proposed pre-tax adjustments for its 2011 and 2012 audit cycle in the amount of $198 million. In the event the Company is wholly unsuccessful in its defense and absent expected offsetting adjustments from foreign tax authorities, the proposed adjustments would result in the consumption of approximately $69 million of prior foreign tax credit carryforwards, which are substantially offset with a valuation allowance due to uncertain recoverability. The Company believes these proposed adjustments to be without merit and is vigorously defending its position.

**16. Leases**

The Company leases certain real estate, fleet assets, warehouses and equipment. Leases with an initial term of 12 months or less ("short-term leases") are not recorded on the unaudited consolidated balance sheet; the Company recognizes lease expense for these leases on a straight-line basis over the lease term. The Company determines if an arrangement is a lease at inception.

Operating lease ROU assets and operating lease liabilities are recognized based on the present value of lease payments over the lease term at commencement date. Because most of the Company's leases do not provide an implicit rate of return, the Company uses its imputed collateralized rate based on the information available at commencement date in determining the present value of lease payments. Operating lease ROU assets are comprised of the lease liability plus prepaid rents and are reduced by lease incentives or deferred rents. The Company has lease agreements with non-lease components which are not bifurcated.

Most leases include one or more options to renew, with renewal terms that can extend the lease term from one to 30 years. The exercise of a lease renewal option typically occurs at the discretion of both parties. Certain leases also include options to purchase the leased property. For purposes of calculating operating lease liabilities, lease terms are deemed not to include options to extend the lease termination until it is reasonably certain that the Company will exercise that option. Certain of the Company's lease agreements include payments adjusted periodically for inflation based on the consumer price index. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The components of lease expense are as follows:

| | Three Months Ended September 30, | Nine Months Ended September 30, | Statement of Operations Classification |
|---|---|---|---|
| | 2019 | | |
| | (In $ millions) | | |
| **Lease Cost** | | | |
| Operating lease cost | 10 | 30 | Cost of sales / Selling, general and administrative expenses |
| Short-term lease cost | 6 | 16 | Cost of sales / Selling, general and administrative expenses |
| Variable lease cost | 2 | 6 | Cost of sales / Selling, general and administrative expenses |
| Finance lease cost | | | |
| Amortization of leased assets | 5 | 14 | Cost of sales |
| Interest on lease liabilities | 4 | 14 | Interest expense |
| Sublease income | — | — | Other income (expense), net |
| Total net lease cost | 27 | 80 | |

Supplemental unaudited consolidated balance sheet information related to leases is as follows:

| | As of September 30, 2019 | Balance Sheet Classification |
|---|---|---|
| | (In $ millions) | |
| **Leases** | | |
| Assets | | |
| Operating lease assets | 206 | Operating lease ROU assets |
| Finance lease assets | 87 | Property, plant and equipment, net |
| Total leased assets | 293 | |
| | | |
| Liabilities | | |
| Current | | |
| Operating | 31 | Current Other liabilities |
| Finance | 24 | Short-term borrowings and current installments of long-term debt |
| Noncurrent | | |
| Operating | 182 | Operating lease liabilities |
| Finance | 122 | Long-term debt |
| Total lease liabilities | 359 | |

| | As of September 30, 2019 |
|---|---|
| **Weighted-Average Remaining Lease Term (years)** | |
| Operating leases | 14.9 |
| Finance leases | 7.0 |
| | |
| **Weighted-Average Discount Rate** | |
| Operating leases | 2.7% |

| | |
|---|---|
| Finance leases | 11.6% |

Supplemental unaudited interim consolidated cash flow information related to leases is as follows:

| | Nine Months Ended September 30, 2019 |
|---|---|
| | (In $ millions) |
| Cash paid for amounts included in the measurement of lease liabilities | |
| Operating cash flows from operating leases | 28 |
| Operating cash flows from finance leases | 15 |
| Financing cash flows from finance leases | 17 |
| | |
| ROU assets obtained in exchange for finance lease liabilities | — |
| ROU assets obtained in exchange for operating lease liabilities | 9 |

Maturities of lease liabilities are as follows:

| | As of September 30, 2019 | |
|---|---|---|
| | Operating Leases | Finance Leases |
| | (In $ millions) | |
| 2019 | 10 | 11 |
| 2020 | 34 | 40 |
| 2021 | 26 | 39 |
| 2022 | 23 | 30 |
| 2023 | 20 | 22 |
| Later years | 146 | 86 |
| Sublease income | — | — |
| Total lease payments | 259 | 228 |
| Less amounts representing interest | (46) | (82) |
| Total lease obligations | 213 | 146 |

As of September 30, 2019, there were no additional operating or financing lease commitments that have not yet commenced.

***Disclosures related to periods prior to adoption of ASU 2016-02***

Operating lease rent expense was approximately $96 million for the year ended December 31, 2018. Future minimum lease payments under non-cancelable rental and lease agreements which had initial or remaining terms in excess of one year are as follows:

| | As of December 31, 2018 | |
|---|---|---|
| | Operating Leases | Capital Leases |
| | (In $ millions) | |
| 2019 | 43 | 42 |
| 2020 | 34 | 42 |
| 2021 | 25 | 40 |
| 2022 | 23 | 32 |
| 2023 | 21 | 23 |
| Later years | 130 | 88 |
| Sublease income | — | — |
| Minimum lease commitments | 276 | 267 |
| Less amounts representing interest | | (100) |
| Present value of net minimum lease obligations | | 167 |

## 17. Derivative Financial Instruments

### Derivatives Designated As Hedges

#### *Net Investment Hedges*

The total notional amount of foreign currency denominated debt and cross-currency swaps designated as net investment hedges are as follows:

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In € millions) | |
| Total | 1,478 | 1,550 |

#### *Cash Flow Hedges*

The total notional amount of the forward-starting interest rate swap designated as a cash flow hedge is as follows:

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In $ millions) | |
| Total | 400 | 400 |

### Derivatives Not Designated As Hedges

#### *Foreign Currency Forwards and Swaps*

Gross notional values of the foreign currency forwards and swaps not designated as hedges are as follows:

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In $ millions) | |
| Total | 803 | 1,071 |

Information regarding changes in the fair value of the Company's derivative and non-derivative instruments is as follows:

| | Gain (Loss) Recognized in Other Comprehensive Income (Loss) | | Gain (Loss) Recognized in Earnings (Loss) | | Statement of Operations Classification |
|---|---|---|---|---|---|
| | Three Months Ended September 30, | | | | |
| | 2019 | 2018 | 2019 | 2018 | |
| | (In $ millions) | | | | |
| **Designated as Cash Flow Hedges** | | | | | |
| Commodity swaps | (13) | 2 | 1 | — | Cost of sales |
| Interest rate swaps | (19) | 2 | — | — | Interest expense |
| Total | (32) | 4 | 1 | — | |
| **Designated as Net Investment Hedges** | | | | | |
| Foreign currency denominated debt (Note 10) | 48 | 9 | — | — | N/A |
| Cross-currency swaps (Note 10) | 22 | — | — | — | N/A |
| Total | 70 | 9 | — | — | |
| **Not Designated as Hedges** | | | | | |
| Foreign currency forwards and swaps | — | — | 9 | (2) | Foreign exchange gain (loss), net; Other income (expense), net |
| Total | — | — | 9 | (2) | |

| | Gain (Loss) Recognized in Other Comprehensive Income (Loss) | | Gain (Loss) Recognized in Earnings (Loss) | | Statement of Operations Classification |
|---|---|---|---|---|---|
| | Nine Months Ended September 30, | | | | |
| | 2019 | 2018 | 2019 | 2018 | |
| | (In $ millions) | | | | |
| **Designated as Cash Flow Hedges** | | | | | |
| Commodity swaps | (5) | 6 | 5 | 1 | Cost of sales |
| Interest rate swaps | (45) | 2 | — | — | Interest expense |
| Foreign currency forwards | — | 1 | — | — | Cost of sales |
| Total | (50) | 9 | 5 | 1 | |
| **Designated as Net Investment Hedges** | | | | | |
| Foreign currency denominated debt (Note 10) | 74 | 44 | — | — | N/A |
| Cross-currency swaps (Note 10) | 16 | — | — | — | N/A |
| Total | 90 | 44 | — | — | |
| **Not Designated as Hedges** | | | | | |
| Foreign currency forwards and swaps | — | — | 9 | 15 | Foreign exchange gain (loss), net; Other income (expense), net |
| Total | — | — | 9 | 15 | |

See Note 18 for additional information regarding the fair value of the Company's derivative instruments.

Certain of the Company's commodity swaps, interest rate swaps, cross-currency swaps and foreign currency forwards and swaps permit the Company to net settle all contracts with the counterparty through a single payment in an agreed upon currency in the event of default or early termination of the contract, similar to a master netting arrangement.

Information regarding the gross amounts of the Company's derivative instruments and the amounts offset in the unaudited consolidated balance sheets is as follows:

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In $ millions) | |
| **Derivative Assets** | | |
| Gross amount recognized | 28 | 11 |
| Gross amount offset in the consolidated balance sheets | 2 | 2 |
| Net amount presented in the consolidated balance sheets | 26 | 9 |
| Gross amount not offset in the consolidated balance sheets | 1 | 3 |
| Net amount | 25 | 6 |

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (In $ millions) | |
| **Derivative Liabilities** | | |
| Gross amount recognized | 70 | 20 |
| Gross amount offset in the consolidated balance sheets | 2 | 2 |
| Net amount presented in the consolidated balance sheets | 68 | 18 |
| Gross amount not offset in the consolidated balance sheets | 1 | 3 |
| Net amount | 67 | 15 |

## 18. Fair Value Measurements

The Company's financial assets and liabilities are measured at fair value on a recurring basis as follows:

*Derivatives.* Derivative financial instruments include interest rate swaps, commodity swaps, cross-currency swaps and foreign currency forwards and swaps and are valued in the market using discounted cash flow techniques. These techniques incorporate Level 1 and Level 2 fair value measurement inputs such as interest rates and foreign currency exchange rates. These market inputs are utilized in the discounted cash flow calculation considering the instrument's term, notional amount, discount rate and credit risk. Significant inputs to the derivative valuation for interest rate swaps, commodity swaps, cross-currency swaps and foreign currency forwards and swaps are observable in the active markets and are classified as Level 2 in the fair value measurement hierarchy.

| | Fair Value Measurement | | | |
| --- | --- | --- | --- | --- |
| | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Total | Balance Sheet Classification |
| | (In $ millions) | | | |
| **As of September 30, 2019** | | | | |
| **Designated as Net Investment Hedges** | | | | |
| Cross-currency swaps | — | 16 | 16 | Noncurrent Other assets |
| **Derivatives Not Designated as Hedges** | | | | |
| Foreign currency forwards and swaps | — | 10 | 10 | Current Other assets |
| Total assets | — | 26 | 26 | |
| **Derivatives Designated as Cash Flow Hedges** | | | | |
| Interest rate swaps | — | (55) | (55) | Noncurrent Other liabilities |
| Commodity swaps | — | (6) | (6) | Current Other liabilities |
| Commodity swaps | — | (3) | (3) | Noncurrent Other liabilities |
| **Derivatives Designated as Net Investment Hedges** | | | | |
| Cross-currency swaps | — | (2) | (2) | Current Other liabilities |
| **Derivatives Not Designated as Hedges** | | | | |
| Foreign currency forwards and swaps | — | (2) | (2) | Current Other liabilities |
| Total liabilities | — | (68) | (68) | |
| **As of December 31, 2018** | | | | |
| **Derivatives Designated as Cash Flow Hedges** | | | | |
| Commodity swaps | — | 1 | 1 | Current Other assets |
| **Derivatives Not Designated as Hedges** | | | | |
| Foreign currency forwards and swaps | — | 8 | 8 | Current Other assets |
| Total assets | — | 9 | 9 | |
| **Derivatives Designated as Cash Flow Hedges** | | | | |
| Commodity swaps | — | (1) | (1) | Noncurrent Other liabilities |
| Interest rate swaps | — | (10) | (10) | Noncurrent Other liabilities |
| **Derivatives Not Designated as Hedges** | | | | |
| Foreign currency forwards and swaps | — | (7) | (7) | Current Other liabilities |
| Total liabilities | — | (18) | (18) | |

Carrying values and fair values of financial instruments that are not carried at fair value are as follows:

| | | Fair Value Measurement | | |
|---|---|---|---|---|
| | Carrying Amount | Significant Other Observable Inputs (Level 2) | Unobservable Inputs (Level 3) | Total |
| | | (In $ millions) | | |
| **As of September 30, 2019** | | | | |
| Equity investments without readily determinable fair values | 170 | — | — | — |
| Insurance contracts in nonqualified trusts | 35 | 35 | — | 35 |
| Long-term debt, including current installments of long-term debt | 3,404 | 3,420 | 146 | 3,566 |
| **As of December 31, 2018** | | | | |
| Equity investments without readily determinable fair values | 164 | — | — | — |
| Insurance contracts in nonqualified trusts | 37 | 37 | — | 37 |
| Long-term debt, including current installments of long-term debt | 3,355 | 3,204 | 167 | 3,371 |

In general, the equity investments included in the table above are not publicly traded and their fair values are not readily determinable. The Company believes the carrying values approximate fair value. Insurance contracts in nonqualified trusts consist of long-term fixed income securities, which are valued using independent vendor pricing models with observable inputs in the active market and therefore represent a Level 2 fair value measurement. The fair value of long-term debt is based on valuations from third-party banks and market quotations and is classified as Level 2 in the fair value measurement hierarchy. The fair value of obligations under finance leases, which are included in long-term debt, is based on lease payments and discount rates, which are not observable in the market and therefore represents a Level 3 fair value measurement.

As of September 30, 2019, and December 31, 2018, the fair values of cash and cash equivalents, receivables, trade payables, short-term borrowings and the current installments of long-term debt approximate carrying values due to the short-term nature of these instruments. These items have been excluded from the table with the exception of the current installments of long-term debt.

## 19. Commitments and Contingencies

### Commitments

#### *Guarantees*

The Company has agreed to guarantee or indemnify third parties for environmental and other liabilities pursuant to a variety of agreements, including asset and business divestiture agreements, leases, settlement agreements and various agreements with affiliated companies. Although many of these obligations contain monetary and/or time limitations, others do not provide such limitations. The Company has accrued for all probable and reasonably estimable losses associated with all known matters or claims. These known obligations include the following:

- ***Demerger Obligations***

In connection with the Hoechst demerger, the Company agreed to indemnify Hoechst, and its legal successors, for various liabilities under the demerger agreement, including for environmental liabilities associated with contamination arising either from environmental damage in general ("Category A") or under 19 divestiture agreements entered into by Hoechst prior to the demerger ("Category B") (Note 12).

The Company's obligation to indemnify Hoechst, and its legal successors, is capped under Category B at €250 million. If and to the extent the environmental damage should exceed €750 million in aggregate, the Company's obligation to indemnify Hoechst and its legal successors applies, but is then limited to 33.33% of the remediation cost without further limitations. Cumulative payments under the divestiture agreements as of September 30, 2019, are $91 million. Though the Company is significantly under its obligation cap under Category B, most of the divestiture agreements have become time barred and/or any notified environmental damage claims have been partially settled.

The Company has also undertaken in the demerger agreement to indemnify Hoechst and its legal successors for (i) 33.33% of any and all Category A liabilities that result from Hoechst being held as the responsible party pursuant to public law or current or future environmental law or by third parties pursuant to private or public law related to contamination and (ii) liabilities that Hoechst is required to discharge, including tax liabilities, which are associated with businesses that were included in the demerger but were not demerged due to legal restrictions on the transfers of such items. These indemnities do not provide for any monetary or time limitations. The Company has not been requested by Hoechst to make any payments in connection with this indemnification. Accordingly, the Company has not made any payments to Hoechst and its legal successors.

Based on the Company's evaluation of currently available information, including the lack of requests for indemnification, the Company cannot estimate the remaining demerger obligations, if any, in excess of amounts accrued.

- ***Divestiture Obligations***

The Company and its predecessor companies agreed to indemnify third-party purchasers of former businesses and assets for various pre-closing conditions, as well as for breaches of representations, warranties and covenants. Such liabilities also include environmental liability, product liability, antitrust and other liabilities. These indemnifications and guarantees represent standard contractual terms associated with typical divestiture agreements and, other than environmental liabilities, the Company does not believe that they expose the Company to significant risk (Note 12).

The Company has divested numerous businesses, investments and facilities through agreements containing indemnifications or guarantees to the purchasers. Many of the obligations contain monetary and/or time limitations, which extend through 2037. The aggregate amount of outstanding indemnifications and guarantees provided for under these agreements is $116 million as of September 30, 2019. Other agreements do not provide for any monetary or time limitations.

Based on the Company's evaluation of currently available information, including the number of requests for indemnification or other payment received by the Company, the Company cannot estimate the remaining divestiture obligations, if any, in excess of amounts accrued.

***Purchase Obligations***

In the normal course of business, the Company enters into various purchase commitments for goods and services. The Company maintains a number of "take-or-pay" contracts for purchases of raw materials, utilities and other services. Certain of the contracts contain a contract termination buy-out provision that allows for the Company to exit the contracts for amounts less than the remaining take-or-pay obligations. Additionally, the Company has other outstanding commitments representing maintenance and service agreements, energy and utility agreements, consulting contracts and software agreements. As of September 30, 2019, the Company had unconditional purchase obligations of $1.2 billion, which extend through 2036.

**Contingencies**

The Company is involved in legal and regulatory proceedings, lawsuits, claims and investigations incidental to the normal conduct of business, relating to such matters as product liability, land disputes, insurance coverage disputes, contracts, employment, antitrust or competition compliance, intellectual property, personal injury and other actions in tort, workers' compensation, chemical exposure, asbestos exposure, taxes, trade compliance, acquisitions and divestitures, claims of legacy stockholders, past waste disposal practices and release of chemicals into the environment. The Company is actively defending those matters where the Company is named as a defendant and, based on the current facts, does not believe the outcomes from these matters would be material to the Company's results of operations, cash flows or financial position.

***European Commission Investigation***

In May 2017, the Company learned that the European Commission opened a competition law investigation involving certain subsidiaries of the Company with respect to certain ethylene purchases. The Company is cooperating with the European Commission. Because the investigation is on-going, and the many uncertainties and variables involved, the Company is unable at this time to determine the outcome of this investigation and whether, and in what amount, any potential fines would be assessed.

## 20. Segment Information

| | Engineered Materials | Acetate Tow | Acetyl Chain | Other Activities | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| | (In $ millions) | | | | | |
| | Three Months Ended September 30, 2019 | | | | | |
| Net sales | 591 | 158 | 867 | — | (30) (1) | 1,586 |
| Other (charges) gains, net (Note 14) | (1) | (3) | — | (3) | — | (7) |
| Operating profit (loss) | 111 | 34 | 180 | (65) | — | 260 |
| Equity in net earnings (loss) of affiliates | 41 | — | 1 | 3 | — | 45 |
| Depreciation and amortization | 33 | 14 | 43 | 4 | — | 94 |
| Capital expenditures | 23 | 9 | 47 | 8 | — | 87 (2) |
| | Three Months Ended September 30, 2018 | | | | | |
| Net sales | 642 | 158 | 1,006 | — | (35) (1) | 1,771 |
| Other (charges) gains, net (Note 14) | — | (1) | 12 | 1 | — | 12 |
| Operating profit (loss) | 124 | 26 | 287 | (63) | — | 374 |
| Equity in net earnings (loss) of affiliates | 62 | — | 2 | 2 | — | 66 |
| Depreciation and amortization | 31 | 21 | 36 | 2 | — | 90 |
| Capital expenditures | 25 | 9 | 39 | 2 | — | 75 (2) |

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

(2) Includes an increase in accrued capital expenditures of $5 million and a decrease of $4 million for the three months ended September 30, 2019 and 2018, respectively.

| | Engineered Materials | Acetate Tow | Acetyl Chain | Other Activities | Eliminations | Consolidated |
|---|---|---|---|---|---|---|
| | (In $ millions) | | | | | |
| | Nine Months Ended September 30, 2019 | | | | | |
| Net sales | 1,847 | 488 | 2,621 | — | (91) (1) | 4,865 |
| Other (charges) gains, net (Note 14) | 6 | (87) | (1) | (19) | — | (101) |
| Operating profit (loss) | 358 | 30 | 570 | (192) | — | 766 |
| Equity in net earnings (loss) of affiliates | 123 | — | 3 | 8 | — | 134 |
| Depreciation and amortization | 96 | 35 | 119 | 11 | — | 261 |
| Capital expenditures | 60 | 28 | 108 | 19 | — | 215 (2) |
| | As of September 30, 2019 | | | | | |
| Goodwill and intangible assets, net | 988 | 152 | 228 | — | — | 1,368 |
| Total assets | 4,081 | 967 | 3,448 | 918 | — | 9,414 |
| | Nine Months Ended September 30, 2018 | | | | | |
| Net sales | 1,971 | 488 | 3,106 | — | (99) (1) | 5,466 |
| Other (charges) gains, net (Note 14) | — | (2) | 10 | 1 | — | 9 |
| Operating profit (loss) | 365 | 111 | 813 | (214) | — | 1,075 |
| Equity in net earnings (loss) of affiliates | 169 | — | 5 | 6 | — | 180 |
| Depreciation and amortization | 96 | 44 | 107 | 8 | — | 255 |
| Capital expenditures | 72 | 19 | 122 | 7 | — | 220 (2) |
| | As of December 31, 2018 | | | | | |
| Goodwill and intangible assets, net | 974 | 153 | 240 | — | — | 1,367 |
| Total assets | 4,012 | 1,032 | 3,471 | 798 | — | 9,313 |

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

(2) Includes a decrease in accrued capital expenditures of $11 million and $24 million for the nine months ended September 30, 2019 and 2018, respectively.

## 21. Revenue Recognition

The Company has certain contracts that represent take-or-pay revenue arrangements in which the Company's performance obligations extend over multiple years. As of September 30, 2019, the Company had $666 million of remaining performance obligations related to take-or-pay contracts. The Company expects to recognize approximately $87 million of its remaining performance obligations as Net sales in 2019, $197 million in 2020, $151 million in 2021 and the balance thereafter.

### Contract Balances

Contract liabilities primarily relate to advances or deposits received from the Company's customers before revenue is recognized. These amounts are recorded as deferred revenue and are included in Noncurrent Other liabilities in the unaudited consolidated balance sheets (Note 9).

The Company does not have any material contract assets as of September 30, 2019.

### Disaggregated Revenue

In general, the Company's business segmentation is aligned according to the nature and economic characteristics of its products and customer relationships and provides meaningful disaggregation of each business segment's results of operations.

The Company manages its Engineered Materials business segment through its project management pipeline, which is comprised of a broad range of projects which are solutions-based and are tailored to each customers' unique needs. Projects are identified and selected based on success rate and may involve a number of different polymers per project for use in multiple end-use applications. Therefore, the Company is agnostic toward products and end-use markets for the Engineered Materials business segment.

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Within the Acetate Tow business segment, the Company's primary product is acetate tow, which is managed through contracts with a few major tobacco companies and accounts for a significant amount of filters used in cigarette production worldwide.

The Company manages its Acetyl Chain business segment by leveraging its ability to sell chemicals externally to end-use markets or downstream to its emulsion polymers business. Decisions to sell externally and geographically or downstream and along the Acetyl Chain are based on market demand, trade flows and maximizing the value of its chemicals. Therefore, the Company's strategic focus is on executing within this integrated chain model and less on driving product-specific revenue.

Further disaggregation of Net sales by business segment and geographic destination is as follows:

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| | (In $ millions) | | | |
| **Engineered Materials** | | | | |
| North America | 195 | 197 | 571 | 567 |
| Europe and Africa | 251 | 277 | 822 | 945 |
| Asia-Pacific | 126 | 145 | 400 | 403 |
| South America | 19 | 23 | 54 | 56 |
| Total | 591 | 642 | 1,847 | 1,971 |
| **Acetate Tow** | | | | |
| North America | 30 | 30 | 97 | 98 |
| Europe and Africa | 63 | 78 | 193 | 196 |
| Asia-Pacific | 60 | 44 | 176 | 163 |
| South America | 5 | 6 | 22 | 31 |
| Total | 158 | 158 | 488 | 488 |
| **Acetyl Chain** | | | | |
| North America | 273 | 298 | 837 | 873 |
| Europe and Africa | 280 | 302 | 856 | 958 |
| Asia-Pacific | 264 | 341 | 772 | 1,081 |
| South America | 20 | 30 | 65 | 95 |
| Total[1] | 837 | 971 | 2,530 | 3,007 |

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(1) Excludes intersegment sales of $30 million and $35 million for the three months ended September 30, 2019 and 2018, respectively. Excludes intersegment sales of $91 million and $99 million for the nine months ended September 30, 2019 and 2018, respectively.

## 22. Earnings (Loss) Per Share

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| | (In $ millions, except share data) | | | |
| **Amounts attributable to Celanese Corporation** | | | | |
| Earnings (loss) from continuing operations | 268 | 407 | 816 | 1,116 |
| Earnings (loss) from discontinued operations | (5) | (6) | (7) | (8) |
| Net earnings (loss) | 263 | 401 | 809 | 1,108 |
| Weighted average shares - basic | 122,699,859 | 134,519,301 | 125,159,647 | 135,336,704 |
| Incremental shares attributable to equity awards | 599,805 | 980,089 | 709,182 | 1,050,999 |
| Weighted average shares - diluted | | | | |

| | | | | |
|---|---|---|---|---|
| | 123,299,664 | 135,499,390 | 125,868,829 | 136,387,703 |

During the three and nine months ended September 30, 2019 and 2018, there were no anti-dilutive equity awards excluded from the computation of diluted net earnings per share.

**23. Consolidating Guarantor Financial Information**

The Senior Notes were issued by Celanese US ("Issuer") and are guaranteed by Celanese Corporation ("Parent Guarantor") and the Subsidiary Guarantors (Note 10). The Issuer and Subsidiary Guarantors are 100% owned subsidiaries of the Parent Guarantor. The Parent Guarantor and Subsidiary Guarantors have guaranteed the Notes fully and unconditionally and jointly and severally.

For cash management purposes, the Company transfers cash between the Parent Guarantor, Issuer, Subsidiary Guarantors and non-guarantors through intercompany financing arrangements, contributions or declaration of dividends between the respective parent and its subsidiaries. The transfer of cash under these activities facilitates the ability of the recipient to make specified third-party payments for principal and interest on the Company's outstanding debt, Common Stock dividends and Common Stock repurchases. The unaudited interim consolidating statements of cash flows for the nine months ended September 30, 2019 and 2018 present such intercompany financing activities, contributions and dividends consistent with how such activity would be presented in a stand-alone statement of cash flows.

The Company has not presented separate financial information and other disclosures for each of its Subsidiary Guarantors because it believes such financial information and other disclosures would not provide investors with any additional information that would be material in evaluating the sufficiency of the guarantees.

The unaudited interim consolidating financial statements for the Parent Guarantor, the Issuer, the Subsidiary Guarantors and the non-guarantors are as follows:

## CELANESE CORPORATION AND SUBSIDIARIES
## UNAUDITED INTERIM CONSOLIDATING STATEMENT OF OPERATIONS

| | Three Months Ended September 30, 2019 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Guarantor | Issuer | Subsidiary Guarantors | Non-Guarantors | Eliminations | Consolidated |
| | (In $ millions) | | | | | |
| Net sales | — | — | 570 | 1,292 | (276) | 1,586 |
| Cost of sales | — | — | (444) | (1,011) | 283 | (1,172) |
| Gross profit | — | — | 126 | 281 | 7 | 414 |
| Selling, general and administrative expenses | — | — | (46) | (74) | — | (120) |
| Amortization of intangible assets | — | — | (2) | (4) | — | (6) |
| Research and development expenses | — | — | (7) | (10) | — | (17) |
| Other (charges) gains, net | — | — | (1) | (6) | — | (7) |
| Foreign exchange gain (loss), net | — | — | — | (1) | — | (1) |
| Gain (loss) on disposition of businesses and assets, net | — | — | (3) | — | — | (3) |
| Operating profit (loss) | — | — | 67 | 186 | 7 | 260 |
| Equity in net earnings (loss) of affiliates | 277 | 267 | 183 | 43 | (725) | 45 |
| Non-operating pension and other postretirement employee benefit (expense) income | — | — | 15 | 2 | — | 17 |
| Interest expense | (20) | (5) | (37) | (9) | 44 | (27) |
| Interest income | — | 18 | 23 | 4 | (44) | 1 |
| Dividend income - equity investments | — | — | — | 27 | — | 27 |
| Other income (expense), net | — | — | 1 | (1) | — | — |
| Earnings (loss) from continuing operations before tax | 257 | 280 | 252 | 252 | (718) | 323 |
| Income tax (provision) benefit | 6 | (3) | 2 | (57) | (1) | (53) |
| Earnings (loss) from continuing operations | 263 | 277 | 254 | 195 | (719) | 270 |
| Earnings (loss) from operation of discontinued operations | — | — | (6) | — | — | (6) |
| Income tax (provision) benefit from discontinued operations | — | — | 1 | — | — | 1 |
| Earnings (loss) from discontinued operations | — | — | (5) | — | — | (5) |
| Net earnings (loss) | 263 | 277 | 249 | 195 | (719) | 265 |
| Net (earnings) loss attributable to noncontrolling interests | — | — | — | (2) | — | (2) |
| Net earnings (loss) attributable to Celanese Corporation | 263 | 277 | 249 | 193 | (719) | 263 |

## CELANESE CORPORATION AND SUBSIDIARIES
## UNAUDITED INTERIM CONSOLIDATING STATEMENT OF OPERATIONS

| | Three Months Ended September 30, 2018 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Guarantor | Issuer | Subsidiary Guarantors | Non-Guarantors | Eliminations | Consolidated |
| | (In $ millions) | | | | | |
| Net sales | — | — | 565 | 1,483 | (277) | 1,771 |
| Cost of sales | — | — | (432) | (1,105) | 282 | (1,255) |
| Gross profit | — | — | 133 | 378 | 5 | 516 |
| Selling, general and administrative expenses | — | — | (46) | (83) | — | (129) |
| Amortization of intangible assets | — | — | (1) | (4) | — | (5) |
| Research and development expenses | — | — | (7) | (11) | — | (18) |
| Other (charges) gains, net | — | — | — | 12 | — | 12 |
| Foreign exchange gain (loss), net | — | (3) | — | 3 | — | — |
| Gain (loss) on disposition of businesses and assets, net | — | — | (3) | 1 | — | (2) |
| Operating profit (loss) | — | (3) | 76 | 296 | 5 | 374 |
| Equity in net earnings (loss) of affiliates | 401 | 411 | 286 | 64 | (1,096) | 66 |
| Non-operating pension and other postretirement employee benefit (expense) income | — | — | 23 | 3 | (1) | 25 |
| Interest expense | — | (5) | (33) | (8) | 16 | (30) |
| Interest income | — | 13 | 1 | 3 | (15) | 2 |
| Dividend income - equity investments | — | — | — | 25 | 1 | 26 |
| Other income (expense), net | — | — | 1 | (1) | (1) | (1) |
| Earnings (loss) from continuing operations before tax | 401 | 416 | 354 | 382 | (1,091) | 462 |
| Income tax (provision) benefit | — | (15) | (10) | (28) | (1) | (54) |
| Earnings (loss) from continuing operations | 401 | 401 | 344 | 354 | (1,092) | 408 |
| Earnings (loss) from operation of discontinued operations | — | — | (1) | (6) | — | (7) |
| Income tax (provision) benefit from discontinued operations | — | — | — | 1 | — | 1 |
| Earnings (loss) from discontinued operations | — | — | (1) | (5) | — | (6) |
| Net earnings (loss) | 401 | 401 | 343 | 349 | (1,092) | 402 |
| Net (earnings) loss attributable to noncontrolling interests | — | — | — | (1) | — | (1) |
| Net earnings (loss) attributable to Celanese Corporation | 401 | 401 | 343 | 348 | (1,092) | 401 |

**CELANESE CORPORATION AND SUBSIDIARIES**
**UNAUDITED INTERIM CONSOLIDATING STATEMENT OF OPERATIONS**

| | Nine Months Ended September 30, 2019 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Guarantor | Issuer | Subsidiary Guarantors | Non-Guarantors | Eliminations | Consolidated |
| | (In $ millions) | | | | | |
| Net sales | — | — | 1,780 | 3,963 | (878) | 4,865 |
| Cost of sales | — | — | (1,345) | (3,108) | 878 | (3,575) |
| Gross profit | — | — | 435 | 855 | — | 1,290 |
| Selling, general and administrative expenses | — | — | (125) | (233) | — | (358) |
| Amortization of intangible assets | — | — | (6) | (12) | — | (18) |
| Research and development expenses | — | — | (20) | (30) | — | (50) |
| Other (charges) gains, net | — | — | (6) | (95) | — | (101) |
| Foreign exchange gain (loss), net | — | — | — | 5 | — | 5 |
| Gain (loss) on disposition of businesses and assets, net | — | — | (7) | 5 | — | (2) |
| Operating profit (loss) | — | — | 271 | 495 | — | 766 |
| Equity in net earnings (loss) of affiliates | 823 | 814 | 522 | 120 | (2,145) | 134 |
| Non-operating pension and other postretirement employee benefit (expense) income | — | — | 46 | 5 | — | 51 |
| Interest expense | (20) | (24) | (103) | (29) | 89 | (87) |
| Refinancing expense | — | (4) | — | — | — | (4) |
| Interest income | — | 49 | 36 | 8 | (89) | 4 |
| Dividend income - equity investments | — | — | — | 89 | — | 89 |
| Other income (expense), net | — | (3) | 1 | (4) | — | (6) |
| Earnings (loss) from continuing operations before tax | 803 | 832 | 773 | 684 | (2,145) | 947 |
| Income tax (provision) benefit | 6 | (9) | (28) | (96) | — | (127) |
| Earnings (loss) from continuing operations | 809 | 823 | 745 | 588 | (2,145) | 820 |
| Earnings (loss) from operation of discontinued operations | — | — | (9) | — | — | (9) |
| Income tax (provision) benefit from discontinued operations | — | — | 2 | — | — | 2 |
| Earnings (loss) from discontinued operations | — | — | (7) | — | — | (7) |
| Net earnings (loss) | 809 | 823 | 738 | 588 | (2,145) | 813 |
| Net (earnings) loss attributable to noncontrolling interests | — | — | — | (4) | — | (4) |
| Net earnings (loss) attributable to Celanese Corporation | 809 | 823 | 738 | 584 | (2,145) | 809 |

# CELANESE CORPORATION AND SUBSIDIARIES
# UNAUDITED INTERIM CONSOLIDATING STATEMENT OF OPERATIONS

| | Nine Months Ended September 30, 2018 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Guarantor | Issuer | Subsidiary Guarantors | Non-Guarantors | Eliminations | Consolidated |
| | (In $ millions) | | | | | |
| Net sales | — | — | 1,733 | 4,621 | (888) | 5,466 |
| Cost of sales | — | — | (1,337) | (3,470) | 893 | (3,914) |
| Gross profit | — | — | 396 | 1,151 | 5 | 1,552 |
| Selling, general and administrative expenses | — | — | (156) | (256) | — | (412) |
| Amortization of intangible assets | — | — | (3) | (15) | — | (18) |
| Research and development expenses | — | — | (22) | (32) | — | (54) |
| Other (charges) gains, net | — | — | — | 9 | — | 9 |
| Foreign exchange gain (loss), net | — | (3) | — | 5 | — | 2 |
| Gain (loss) on disposition of businesses and assets, net | — | — | (8) | 4 | — | (4) |
| Operating profit (loss) | — | (3) | 207 | 866 | 5 | 1,075 |
| Equity in net earnings (loss) of affiliates | 1,108 | 1,112 | 872 | 170 | (3,082) | 180 |
| Non-operating pension and other postretirement employee benefit (expense) income | — | — | 70 | 8 | (1) | 77 |
| Interest expense | — | (15) | (93) | (25) | 38 | (95) |
| Interest income | — | 31 | 5 | 7 | (39) | 4 |
| Dividend income - equity investments | — | — | — | 89 | 3 | 92 |
| Other income (expense), net | — | — | 1 | 3 | (1) | 3 |
| Earnings (loss) from continuing operations before tax | 1,108 | 1,125 | 1,062 | 1,118 | (3,077) | 1,336 |
| Income tax (provision) benefit | — | (17) | (115) | (83) | (1) | (216) |
| Earnings (loss) from continuing operations | 1,108 | 1,108 | 947 | 1,035 | (3,078) | 1,120 |
| Earnings (loss) from operation of discontinued operations | — | — | (2) | (7) | — | (9) |
| Income tax (provision) benefit from discontinued operations | — | — | — | 1 | — | 1 |
| Earnings (loss) from discontinued operations | — | — | (2) | (6) | — | (8) |
| Net earnings (loss) | 1,108 | 1,108 | 945 | 1,029 | (3,078) | 1,112 |
| Net (earnings) loss attributable to noncontrolling interests | — | — | — | (4) | — | (4) |
| Net earnings (loss) attributable to Celanese Corporation | 1,108 | 1,108 | 945 | 1,025 | (3,078) | 1,108 |

## CELANESE CORPORATION AND SUBSIDIARIES
## UNAUDITED INTERIM CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

| | Three Months Ended September 30, 2019 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Guarantor | Issuer | Subsidiary Guarantors | Non-Guarantors | Eliminations | Consolidated |
| | (In $ millions) | | | | | |
| Net earnings (loss) | 263 | 277 | 249 | 195 | (719) | 265 |
| Other comprehensive income (loss), net of tax | | | | | | |
| Foreign currency translation gain (loss) | (7) | (7) | (52) | (67) | 126 | (7) |
| Gain (loss) on cash flow hedges | (32) | (32) | (12) | (12) | 56 | (32) |
| Total other comprehensive income (loss), net of tax | (39) | (39) | (64) | (79) | 182 | (39) |
| Total comprehensive income (loss), net of tax | 224 | 238 | 185 | 116 | (537) | 226 |
| Comprehensive (income) loss attributable to noncontrolling interests | — | — | — | (2) | — | (2) |
| Comprehensive income (loss) attributable to Celanese Corporation | 224 | 238 | 185 | 114 | (537) | 224 |

| | Three Months Ended September 30, 2018 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Guarantor | Issuer | Subsidiary Guarantors | Non-Guarantors | Eliminations | Consolidated |
| | (In $ millions) | | | | | |
| Net earnings (loss) | 401 | 401 | 343 | 349 | (1,092) | 402 |
| Other comprehensive income (loss), net of tax | | | | | | |
| Unrealized gain (loss) on marketable securities | — | — | 1 | — | (1) | — |
| Foreign currency translation gain (loss) | (35) | (35) | (31) | (37) | 103 | (35) |
| Gain (loss) on cash flow hedges | 4 | 4 | 2 | 2 | (8) | 4 |
| Total other comprehensive income (loss), net of tax | (31) | (31) | (28) | (35) | 94 | (31) |
| Total comprehensive income (loss), net of tax | 370 | 370 | 315 | 314 | (998) | 371 |
| Comprehensive (income) loss attributable to noncontrolling interests | — | — | — | (1) | — | (1) |
| Comprehensive income (loss) attributable to Celanese Corporation | 370 | 370 | 315 | 313 | (998) | 370 |

**CELANESE CORPORATION AND SUBSIDIARIES**
**UNAUDITED INTERIM CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**

| | Nine Months Ended September 30, 2019 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Guarantor | Issuer | Subsidiary Guarantors | Non-Guarantors | Eliminations | Consolidated |
| | (In $ millions) | | | | | |
| Net earnings (loss) | 809 | 823 | 738 | 588 | (2,145) | 813 |
| Other comprehensive income (loss), net of tax | | | | | | |
| Foreign currency translation gain (loss) | (11) | (11) | (68) | (87) | 166 | (11) |
| Gain (loss) on cash flow hedges | (48) | (48) | (9) | (7) | 64 | (48) |
| Total other comprehensive income (loss), net of tax | (59) | (59) | (77) | (94) | 230 | (59) |
| Total comprehensive income (loss), net of tax | 750 | 764 | 661 | 494 | (1,915) | 754 |
| Comprehensive (income) loss attributable to noncontrolling interests | — | — | — | (4) | — | (4) |
| Comprehensive income (loss) attributable to Celanese Corporation | 750 | 764 | 661 | 490 | (1,915) | 750 |

| | Nine Months Ended September 30, 2018 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Guarantor | Issuer | Subsidiary Guarantors | Non-Guarantors | Eliminations | Consolidated |
| | (In $ millions) | | | | | |
| Net earnings (loss) | 1,108 | 1,108 | 945 | 1,029 | (3,078) | 1,112 |
| Other comprehensive income (loss), net of tax | | | | | | |
| Unrealized gain (loss) on marketable securities | — | — | 6 | 13 | (19) | — |
| Foreign currency translation gain (loss) | (52) | (52) | (77) | (95) | 224 | (52) |
| Gain (loss) on cash flow hedges | 9 | 9 | 6 | 7 | (22) | 9 |
| Pension and postretirement benefits gain (loss) | 1 | 1 | 1 | 1 | (3) | 1 |
| Total other comprehensive income (loss), net of tax | (42) | (42) | (64) | (74) | 180 | (42) |
| Total comprehensive income (loss), net of tax | 1,066 | 1,066 | 881 | 955 | (2,898) | 1,070 |
| Comprehensive (income) loss attributable to noncontrolling interests | — | — | — | (4) | — | (4) |
| Comprehensive income (loss) attributable to Celanese Corporation | 1,066 | 1,066 | 881 | 951 | (2,898) | 1,066 |

**CELANESE CORPORATION AND SUBSIDIARIES**
**UNAUDITED CONSOLIDATING BALANCE SHEET**

| | As of September 30, 2019 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Guarantor | Issuer | Subsidiary Guarantors | Non-Guarantors | Eliminations | Consolidated |
| | (In $ millions) | | | | | |
| **ASSETS** | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | — | — | 87 | 410 | — | 497 |
| Trade receivables - third party and affiliates | — | — | 102 | 958 | (113) | 947 |
| Non-trade receivables, net | 46 | 1,082 | 1,771 | 705 | (3,269) | 335 |
| Inventories, net | — | — | 337 | 706 | (49) | 994 |
| Marketable securities, at fair value | — | — | 26 | — | — | 26 |
| Other assets | — | 31 | 17 | 73 | (77) | 44 |
| Total current assets | 46 | 1,113 | 2,340 | 2,852 | (3,508) | 2,843 |
| Investments in affiliates | 4,006 | 5,135 | 4,241 | 839 | (13,251) | 970 |
| Property, plant and equipment, net | — | — | 1,373 | 2,212 | — | 3,585 |
| Operating lease right-of-use assets | — | — | 54 | 152 | — | 206 |
| Deferred income taxes | — | — | — | 100 | (2) | 98 |
| Other assets | 1 | 1,674 | 194 | 426 | (1,951) | 344 |
| Goodwill | — | — | 399 | 655 | — | 1,054 |
| Intangible assets, net | — | — | 127 | 187 | — | 314 |
| Total assets | 4,053 | 7,922 | 8,728 | 7,423 | (18,712) | 9,414 |
| **LIABILITIES AND EQUITY** | | | | | | |
| Current Liabilities | | | | | | |
| Short-term borrowings and current installments of long-term debt - third party and affiliates | 1,280 | 251 | 914 | 555 | (2,632) | 368 |
| Trade payables - third party and affiliates | 25 | 1 | 295 | 556 | (113) | 764 |
| Other liabilities | — | 79 | 190 | 297 | (208) | 358 |
| Income taxes payable | 1 | — | 495 | 53 | (506) | 43 |
| Total current liabilities | 1,306 | 331 | 1,894 | 1,461 | (3,459) | 1,533 |
| Noncurrent Liabilities | | | | | | |
| Long-term debt | — | 3,502 | 1,678 | 104 | (1,925) | 3,359 |
| Deferred income taxes | — | 26 | 84 | 161 | (2) | 269 |
| Uncertain tax positions | — | 2 | 6 | 161 | — | 169 |
| Benefit obligations | — | — | 237 | 286 | — | 523 |
| Operating lease liabilities | — | — | 43 | 139 | — | 182 |
| Other liabilities | — | 55 | 94 | 126 | (35) | 240 |
| Total noncurrent liabilities | — | 3,585 | 2,142 | 977 | (1,962) | 4,742 |
| Total Celanese Corporation stockholders' equity | 2,747 | 4,006 | 4,692 | 4,593 | (13,291) | 2,747 |
| Noncontrolling interests | — | — | — | 392 | — | 392 |
| Total equity | 2,747 | 4,006 | 4,692 | 4,985 | (13,291) | 3,139 |
| Total liabilities and equity | 4,053 | 7,922 | 8,728 | 7,423 | (18,712) | 9,414 |

**CELANESE CORPORATION AND SUBSIDIARIES**
**UNAUDITED CONSOLIDATING BALANCE SHEET**

| | As of December 31, 2018 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Guarantor | Issuer | Subsidiary Guarantors | Non-Guarantors | Eliminations | Consolidated |
| | (In $ millions) | | | | | |
| **ASSETS** | | | | | | |
| Current Assets | | | | | | |
| Cash and cash equivalents | — | — | 30 | 409 | — | 439 |
| Trade receivables - third party and affiliates | — | — | 96 | 1,040 | (119) | 1,017 |
| Non-trade receivables, net | 40 | 551 | 797 | 697 | (1,784) | 301 |
| Inventories, net | — | — | 329 | 765 | (48) | 1,046 |
| Marketable securities, at fair value | — | — | 31 | — | — | 31 |
| Other assets | — | 24 | 10 | 37 | (31) | 40 |
| Total current assets | 40 | 575 | 1,293 | 2,948 | (1,982) | 2,874 |
| Investments in affiliates | 3,503 | 4,820 | 4,678 | 855 | (12,877) | 979 |
| Property, plant and equipment, net | — | — | 1,289 | 2,430 | — | 3,719 |
| Deferred income taxes | — | — | — | 86 | (2) | 84 |
| Other assets | — | 1,658 | 142 | 461 | (1,971) | 290 |
| Goodwill | — | — | 399 | 658 | — | 1,057 |
| Intangible assets, net | — | — | 132 | 178 | — | 310 |
| Total assets | 3,543 | 7,053 | 7,933 | 7,616 | (16,832) | 9,313 |
| **LIABILITIES AND EQUITY** | | | | | | |
| Current Liabilities | | | | | | |
| Short-term borrowings and current installments of long-term debt - third party and affiliates | 544 | 333 | 465 | 258 | (1,039) | 561 |
| Trade payables - third party and affiliates | 13 | 1 | 342 | 583 | (120) | 819 |
| Other liabilities | 1 | 87 | 267 | 258 | (270) | 343 |
| Income taxes payable | — | — | 475 | 88 | (507) | 56 |
| Total current liabilities | 558 | 421 | 1,549 | 1,187 | (1,936) | 1,779 |
| Noncurrent Liabilities | | | | | | |
| Long-term debt | — | 3,104 | 1,679 | 127 | (1,940) | 2,970 |
| Deferred income taxes | — | 15 | 85 | 157 | (2) | 255 |
| Uncertain tax positions | — | — | 6 | 152 | — | 158 |
| Benefit obligations | — | — | 250 | 314 | — | 564 |
| Other liabilities | 1 | 10 | 99 | 138 | (40) | 208 |
| Total noncurrent liabilities | 1 | 3,129 | 2,119 | 888 | (1,982) | 4,155 |
| Total Celanese Corporation stockholders' equity | 2,984 | 3,503 | 4,265 | 5,146 | (12,914) | 2,984 |
| Noncontrolling interests | — | — | — | 395 | — | 395 |
| Total equity | 2,984 | 3,503 | 4,265 | 5,541 | (12,914) | 3,379 |
| Total liabilities and equity | 3,543 | 7,053 | 7,933 | 7,616 | (16,832) | 9,313 |

## CELANESE CORPORATION AND SUBSIDIARIES
## UNAUDITED INTERIM CONSOLIDATING STATEMENT OF CASH FLOWS

| | Nine Months Ended September 30, 2019 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Guarantor | Issuer | Subsidiary Guarantors | Non-Guarantors | Eliminations | Consolidated |
| | (In $ millions) | | | | | |
| Net cash provided by (used in) operating activities | 988 | (47) | 1,132 | 616 | (1,561) | 1,128 |
| Investing Activities | | | | | | |
| Capital expenditures on property, plant and equipment | — | — | (137) | (89) | — | (226) |
| Acquisitions, net of cash acquired | — | — | (31) | (60) | — | (91) |
| Proceeds from sale of businesses and assets, net | — | — | 6 | — | (5) | 1 |
| Return of capital from subsidiary | — | — | 7 | — | (7) | — |
| Intercompany loan receipts (disbursements) | — | — | (649) | — | 649 | — |
| Other, net | — | — | 1 | (15) | 5 | (9) |
| Net cash provided by (used in) investing activities | — | — | (803) | (164) | 642 | (325) |
| Financing Activities | | | | | | |
| Net change in short-term borrowings with maturities of 3 months or less | — | 165 | 4 | (3) | (39) | 127 |
| Proceeds from short-term borrowings | — | — | — | 720 | (610) | 110 |
| Repayments of short-term borrowings | — | — | — | (85) | — | (85) |
| Proceeds from long-term debt | — | 499 | — | — | — | 499 |
| Repayments of long-term debt | — | (335) | (1) | (18) | — | (354) |
| Purchases of treasury stock, including related fees | (763) | — | — | — | — | (763) |
| Dividends to parent | — | (272) | (251) | (1,038) | 1,561 | — |
| Common stock dividends | (225) | — | — | — | — | (225) |
| Return of capital to parent | — | — | — | (7) | 7 | — |
| (Distributions to) contributions from noncontrolling interests | — | — | — | (7) | — | (7) |
| Other, net | — | (10) | (24) | (4) | — | (38) |
| Net cash provided by (used in) financing activities | (988) | 47 | (272) | (442) | 919 | (736) |
| Exchange rate effects on cash and cash equivalents | — | — | — | (9) | — | (9) |
| Net increase (decrease) in cash and cash equivalents | — | — | 57 | 1 | — | 58 |
| Cash and cash equivalents as of beginning of period | — | — | 30 | 409 | — | 439 |
| Cash and cash equivalents as of end of period | — | — | 87 | 410 | — | 497 |

**CELANESE CORPORATION AND SUBSIDIARIES**
**UNAUDITED INTERIM CONSOLIDATING STATEMENT OF CASH FLOWS**

| | Nine Months Ended September 30, 2018 | | | | | |
|---|---|---|---|---|---|---|
| | Parent Guarantor | Issuer | Subsidiary Guarantors | Non-Guarantors | Eliminations | Consolidated |
| | (In $ millions) | | | | | |
| Net cash provided by (used in) operating activities | 459 | 567 | 224 | 1,015 | (1,070) | 1,195 |
| Investing Activities | | | | | | |
| Capital expenditures on property, plant and equipment | — | — | (163) | (81) | — | (244) |
| Acquisitions, net of cash acquired | — | — | (144) | — | — | (144) |
| Proceeds from sale of businesses and assets, net | — | — | — | 13 | — | 13 |
| Return of capital from subsidiary | — | — | 225 | — | (225) | — |
| Contributions to subsidiary | — | — | (16) | — | 16 | — |
| Intercompany loan receipts (disbursements) | — | (327) | (12) | (285) | 624 | — |
| Other, net | — | — | (7) | (27) | — | (34) |
| Net cash provided by (used in) investing activities | — | (327) | (117) | (380) | 415 | (409) |
| Financing Activities | | | | | | |
| Net change in short-term borrowings with maturities of 3 months or less | — | (33) | 11 | (52) | (12) | (86) |
| Proceeds from short-term borrowings | — | — | — | 44 | — | 44 |
| Repayments of short-term borrowings | — | — | — | (62) | — | (62) |
| Proceeds from long-term debt | — | 285 | 327 | — | (612) | — |
| Repayments of long-term debt | — | (19) | (13) | (24) | — | (56) |
| Purchases of treasury stock, including related fees | (250) | — | — | — | — | (250) |
| Dividends to parent | — | (459) | (611) | — | 1,070 | — |
| Contributions from parent | — | — | — | 16 | (16) | — |
| Common stock dividends | (209) | — | — | — | — | (209) |
| Return of capital to parent | — | — | — | (225) | 225 | — |
| (Distributions to) contributions from noncontrolling interests | — | — | — | (14) | — | (14) |
| Other, net | — | — | (5) | (1) | — | (6) |
| Net cash provided by (used in) financing activities | (459) | (226) | (291) | (318) | 655 | (639) |
| Exchange rate effects on cash and cash equivalents | — | — | — | (20) | — | (20) |
| Net increase (decrease) in cash and cash equivalents | — | 14 | (184) | 297 | — | 127 |
| Cash and cash equivalents as of beginning of period | — | — | 230 | 346 | — | 576 |
| Cash and cash equivalents as of end of period | — | 14 | 46 | 643 | — | 703 |

**Item 2.** ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

*In this Quarterly Report on Form 10-Q ("Quarterly Report"), the term "Celanese" refers to Celanese Corporation, a Delaware corporation, and not its subsidiaries. The terms the "Company," "we," "our" and "us," refer to Celanese and its subsidiaries on a consolidated basis. The term "Celanese US" refers to the Company's subsidiary, Celanese US Holdings LLC, a Delaware limited liability company, and not its subsidiaries.*

*The following discussion should be read in conjunction with the Celanese Corporation and Subsidiaries consolidated financial statements as of and for the year ended December 31, 2018 filed on February 7, 2019 with the Securities and Exchange Commission ("SEC") as part of the Company's Annual Reporting on Form 10-K ("2018 Form 10-K") and the unaudited interim consolidated financial statements and notes to the unaudited interim consolidated financial statements, which are prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").*

*Investors are cautioned that the forward-looking statements contained in this section and other parts of this Quarterly Report involve both risk and uncertainty. Several important factors could cause actual results to differ materially from those anticipated by these statements. Many of these statements are macroeconomic in nature and are, therefore, beyond the control of management. See "Forward-Looking Statements" below and at the beginning of our 2018 Form 10-K.*

**Forward-Looking Statements**

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and other parts of this Quarterly Report contain certain forward-looking statements and information relating to us that are based on the beliefs of our management as well as assumptions made by, and information currently available to, us. Generally, words such as "believe," "expect," "intend," "estimate," "anticipate," "project," "plan," "may," "can," "could," "might," and "will," and similar expressions, as they relate to us are intended to identify forward-looking statements. These statements reflect our current views and beliefs with respect to future events at the time that the statements are made, are not historical facts or guarantees of future performance and involve risks and uncertainties that are difficult to predict and many of which are outside of our control. Further, certain forward-looking statements are based upon assumptions as to future events that may not prove to be accurate. All forward-looking statements made in this Quarterly Report are made as of the date hereof, and the risk that actual results will differ materially from expectations expressed in this Quarterly Report will increase with the passage of time. We undertake no obligation, and disclaim any duty, to publicly update or revise any forward-looking statements, whether as a result of new information, future events, changes in our expectations or otherwise.

**Risk Factors**

See *Part I - Item 1A. Risk Factors* of our 2018 Form 10-K and subsequent periodic filings we make with the SEC for a description of certain risk factors that you should consider which could significantly affect our financial results. In addition, the following factors could cause our actual results to differ materially from those results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors 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, 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 targets and to consummate acquisition or investment transactions, including obtaining regulatory approvals, consistent with our strategy;

- market acceptance of our technology;
- the ability to obtain governmental approvals and to construct facilities on terms and schedules acceptable to us;
- 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 that may impact recorded or future tax impacts associated with the Tax Cuts and Jobs Act (the "TCJA");
- 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, 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;
- 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 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; and
- various other factors, both referenced and not referenced in this Quarterly Report.

Many of these factors are macroeconomic in nature and are, therefore, beyond our control. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, our actual results, performance or achievements may vary materially from those described in this Quarterly Report as anticipated, believed, estimated, expected, intended, planned or projected. We neither intend nor assume any obligation to update these forward-looking statements, which speak only as of their dates.

***Overview***

We are a global chemical and specialty materials company. We are a leading global producer of high performance engineered polymers that are used in a variety of high-value applications, as well as one of the world's largest producers of acetyl products, which are intermediate chemicals, for nearly all major industries. As a recognized innovator in the chemicals industry, we engineer and manufacture a wide variety of products essential to everyday living. Our broad product portfolio serves a diverse set of end-use applications including automotive, chemical additives, construction, consumer and industrial adhesives, consumer and medical, energy storage, filtration, food and beverage, paints and coatings, paper and packaging, performance industrial and textiles. Our products enjoy leading global positions due to our differentiated business models, large global production capacity, operating efficiencies, proprietary technology and competitive cost structures.

Our large and diverse global customer base primarily consists of major companies in a broad array of industries. We hold geographically balanced global positions and participate in diversified end-use applications. We combine a demonstrated track record of execution, strong performance built on differentiated business models and a clear focus on growth and value creation. Known for operational excellence, reliability and execution of our business strategies, we partner with our customers around the globe to deliver best-in-class technologies and solutions.

***Results of Operations***

*Financial Highlights*

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|---|---|---|---|---|---|---|
| | 2019 | 2018 | Change | 2019 | 2018 | Change |
| | (unaudited) (In $ millions, except percentages) | | | | | |
| **Statement of Operations Data** | | | | | | |
| Net sales | 1,586 | 1,771 | (185) | 4,865 | 5,466 | (601) |
| Gross profit | 414 | 516 | (102) | 1,290 | 1,552 | (262) |
| Selling, general and administrative ("SG&A") expenses | (120) | (129) | 9 | (358) | (412) | 54 |
| Other (charges) gains, net | (7) | 12 | (19) | (101) | 9 | (110) |
| Operating profit (loss) | 260 | 374 | (114) | 766 | 1,075 | (309) |
| Equity in net earnings (loss) of affiliates | 45 | 66 | (21) | 134 | 180 | (46) |
| Non-operating pension and other postretirement employee benefit (expense) income | 17 | 25 | (8) | 51 | 77 | (26) |
| Interest expense | (27) | (30) | 3 | (87) | (95) | 8 |
| Refinancing expense | — | — | — | (4) | — | (4) |
| Dividend income - equity investments | 27 | 26 | 1 | 89 | 92 | (3) |
| Earnings (loss) from continuing operations before tax | 323 | 462 | (139) | 947 | 1,336 | (389) |
| Earnings (loss) from continuing operations | 270 | 408 | (138) | 820 | 1,120 | (300) |
| Earnings (loss) from discontinued operations | (5) | (6) | 1 | (7) | (8) | 1 |
| Net earnings (loss) | 265 | 402 | (137) | 813 | 1,112 | (299) |
| Net earnings (loss) attributable to Celanese Corporation | 263 | 401 | (138) | 809 | 1,108 | (299) |
| **Other Data** | | | | | | |
| Depreciation and amortization | 94 | 90 | 4 | 261 | 255 | 6 |
| SG&A expenses as a percentage of Net sales | 7.6% | 7.3% | | 7.4% | 7.5% | |
| Operating margin[(1)] | 16.4% | 21.1% | | 15.7% | 19.7% | |
| Other (charges) gains, net | | | | | | |
| Restructuring | (6) | (1) | (5) | (20) | (4) | (16) |
| Asset impairments | — | — | — | (83) | — | (83) |
| Plant/office closures | (1) | 13 | (14) | (2) | 13 | (15) |
| Commercial disputes | — | — | — | 4 | — | 4 |
| Total Other (charges) gains, net | (7) | 12 | (19) | (101) | 9 | (110) |

(1) Defined as Operating profit (loss) divided by Net sales.

| | As of September 30, 2019 | As of December 31, 2018 |
|---|---|---|
| | (unaudited) | |
| | (In $ millions) | |
| **Balance Sheet Data** | | |
| Cash and cash equivalents | 497 | 439 |
| | | |
| Short-term borrowings and current installments of long-term debt - third party and affiliates | 368 | 561 |
| Long-term debt, net of unamortized deferred financing costs | 3,359 | 2,970 |
| Total debt | 3,727 | 3,531 |

**Factors Affecting Business Segment Net Sales**

The percentage increase (decrease) in Net sales attributable to each of the factors indicated for each of our business segments is as follows:

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

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

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

| | Volume | Price | Currency | Other | Total |
|---|---|---|---|---|---|
| | | | (unaudited) | | |
| | | | (In percentages) | | |
| Engineered Materials | (5) | 2 | (3) | — | (6) |
| Acetate Tow | — | — | — | — | — |
| Acetyl Chain | — | (13) | (3) | — | (16) |
| Total Company | (2) | (6) | (3) | — | (11) |

**Consolidated Results**

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

Net sales decreased $185 million, or 10%, for the three months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower pricing in our Acetyl Chain and Engineered Materials segments;
- an unfavorable currency impact in our Acetyl Chain and Engineered Materials segments; and
- lower volume in our Engineered Materials segment, primarily due to slower global economic conditions and customer destocking;

partially offset by:

- higher volume in our Acetyl Chain segment, primarily for VAM due to expansion in the western hemisphere.

Operating profit decreased $114 million, or 30%, for the three months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower Net sales in our Acetyl Chain and Engineered Materials segments; and
- an unfavorable impact to Other (charges) gains. During the three months ended September 30, 2018, we received a $13 million non-income tax receivable refund from Nanjing, China, which did not recur in the current year. See Note 14 - Other (Charges) Gains, Net in the accompanying unaudited interim consolidated financial statements for further information;

partially offset by:

- lower raw material costs within our Acetyl Chain and Engineered Materials segments.

On September 21, 2019, a localized fire occurred at our Clear Lake, Texas facility, resulting in damage to the carbon monoxide production unit, for which we recorded accelerated depreciation expense and clean-up costs of approximately $6 million during the three months ended September 30, 2019. We expect the financial impact on operating profit during the fourth quarter of 2019, excluding lost sales opportunities, to be approximately $35 million to $45 million, primarily related to certain fixed overhead, clean-up and repair costs.

Equity in net earnings (loss) of affiliates decreased $21 million for the three months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- a decrease in equity investment in earnings of $21 million from our Ibn Sina strategic affiliate, primarily as a result of plant turnaround activity.

Our effective income tax rate for the three months ended September 30, 2019 was 16% compared to 12% for the same period in 2018. The higher effective income tax rate for the three months ended September 30, 2019 compared to the same period in 2018 was primarily due to the impact of functional currency differences in offshore jurisdictions, partially offset by the release of the valuation allowance on foreign tax credit carryforwards due to a change in the sourcing of US earnings between domestic and foreign sources.

See Note 15 - Income Taxes in the accompanying unaudited interim consolidated financial statements for further information.

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

Net sales decreased $601 million, or 11%, for the nine months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower pricing in our Acetyl Chain segment;
- lower volume in our Engineered Materials segment, primarily due to slower global economic conditions and customer destocking; and
- an unfavorable currency impact within our Acetyl Chain and Engineered Materials segments;

partially offset by:

- higher pricing in our Engineered Materials segment.

Operating profit decreased $309 million, or 29%, for the nine months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower Net sales in our Acetyl Chain and Engineered Materials segments; and
- an unfavorable impact to Other (charges) gains, net. During the nine months ended September 30, 2019, we recorded an $83 million long-lived asset impairment loss in our Acetate Tow segment related to the closure of our acetate flake manufacturing operations in Ocotlán, Mexico and $20 million in employee termination benefits, primarily related to business optimization projects. See Note 14 - Other (Charges) Gains, Net in the accompanying unaudited interim consolidated financial statements for further information;

partially offset by:

- lower raw material costs within our Acetyl Chain segment; and
- lower incentive compensation costs and project spending within Other Activities.

Equity in net earnings (loss) of affiliates decreased $46 million for the nine months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- a decrease in equity investment in earnings of $32 million from our Ibn Sina strategic affiliate, primarily as a result of plant turnaround activity; and
- a decrease in equity investment in earnings of $13 million from our Polyplastics Co., Ltd. ("Polyplastics") strategic affiliate as a result of softer market conditions in China.

Our effective income tax rate for the nine months ended September 30, 2019 was 13% compared to 16% for the same period in 2018. The lower effective income tax rate for the nine months ended September 30, 2019 compared to the same period in 2018 was primarily due to 2019 reductions in the valuation allowance on foreign tax credits that resulted from greater forecasted utilization of credits prior to the expiration of their carryforward period.

**Business Segments**

***Engineered Materials***

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2019 | 2018 | Change | % Change | 2019 | 2018 | Change | % Change |
| | (unaudited) (In $ millions, except percentages) | | | | | | | |
| Net sales | 591 | 642 | (51) | (7.9)% | 1,847 | 1,971 | (124) | (6.3)% |
| **Net Sales Variance** | | | | | | | | |
| *Volume* | (4)% | | | | (5)% | | | |
| *Price* | (2)% | | | | 2 % | | | |
| *Currency* | (2)% | | | | (3)% | | | |
| *Other* | — % | | | | — % | | | |
| Other (charges) gains, net | (1) | — | (1) | (100.0)% | 6 | — | 6 | 100.0 % |
| Operating profit (loss) | 111 | 124 | (13) | (10.5)% | 358 | 365 | (7) | (1.9)% |
| Operating margin | 18.8 % | 19.3% | | | 19.4 % | 18.5% | | |
| Equity in net earnings (loss) of affiliates | 41 | 62 | (21) | (33.9)% | 123 | 169 | (46) | (27.2)% |
| Depreciation and amortization | 33 | 31 | 2 | 6.5 % | 96 | 96 | — | — % |

Our Engineered Materials segment includes our engineered materials business, our food ingredients business and certain strategic affiliates. Our engineered materials business develops, produces and supplies a broad portfolio of high performance specialty polymers for automotive and medical applications, as well as industrial products and consumer electronics. Together with our strategic affiliates, our engineered materials business is a leading participant in the global specialty polymers industry. Our food ingredients business is a leading global supplier of acesulfame potassium for the food and beverage industry and is a leading producer of food protection ingredients, such as potassium sorbate and sorbic acid.

The pricing of products within the Engineered Materials segment is primarily based on the value of the material we produce and is generally independent of changes in the cost of raw materials. Therefore, in general, margins may expand or contract in response to changes in raw material costs.

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

Net sales decreased for the three months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower volume within our base business driven by slower global economic conditions and customer destocking;
- lower pricing for most of our products, primarily due to reduced customer demand in Asia, as well as product mix; and
- an unfavorable currency impact resulting from a weaker Euro relative to the US dollar.

Operating profit decreased for the three months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower Net sales;

partially offset by:

- lower raw material costs, primarily for methanol.

Equity in net earnings (loss) of affiliates decreased for the three months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- a decrease in equity investment in earnings of $21 million from our Ibn Sina strategic affiliate, primarily as a result of plant turnaround activity.

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

Net sales decreased for the nine months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower volume within our base business driven by slower global economic conditions and customer destocking; and
- an unfavorable currency impact resulting from a weaker Euro relative to the US dollar;

partially offset by:

- higher pricing for certain products, primarily due to pricing efforts to align with rising raw material and distribution costs, as well as product mix.

Operating profit decreased for the nine months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- an unfavorable volume and currency impact within Net sales; and
- higher raw material costs, primarily for polymers;

largely offset by:

- a favorable pricing impact within Net sales;
- lower energy costs of $13 million, primarily for steam; and
- a favorable impact of $6 million to Other (charges) gains, net. During the nine months ended September 30, 2019, we recorded a $15 million gain related to a settlement of a commercial dispute from a previous acquisition, partially offset by $9 million in employee termination benefits, primarily related to business optimization projects. See Note 14 - Other (Charges) Gains, Net in the accompanying unaudited interim consolidated financial statements for further information.

Equity in net earnings (loss) of affiliates decreased for the nine months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- a decrease in equity investment in earnings of $32 million from our Ibn Sina strategic affiliate, primarily as a result of plant turnaround activity; and
- a decrease in equity investment in earnings of $13 million from our Polyplastics strategic affiliate as a result of softer market conditions in China.

***Acetate Tow***

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | 2019 | 2018 | Change | % Change | 2019 | 2018 | Change | % Change |
| | (unaudited) (In $ millions, except percentages) | | | | | | | |
| Net sales | 158 | 158 | — | — % | 488 | 488 | — | — % |
| **Net Sales Variance** | | | | | | | | |
| *Volume* | —% | | | | —% | | | |
| *Price* | —% | | | | —% | | | |
| *Currency* | —% | | | | —% | | | |
| *Other* | —% | | | | —% | | | |
| Other (charges) gains, net | (3) | (1) | (2) | (200.0)% | (87) | (2) | (85) | (4,250.0)% |
| Operating profit (loss) | 34 | 26 | 8 | 30.8 % | 30 | 111 | (81) | (73.0)% |
| Operating margin | 21.5% | 16.5% | | | 6.1% | 22.7% | | |
| Dividend income - equity investments | 27 | 26 | 1 | 3.8 % | 88 | 91 | (3) | (3.3)% |
| Depreciation and amortization | 14 | 21 | (7) | (33.3)% | 35 | 44 | (9) | (20.5)% |

Our Acetate Tow segment serves consumer-driven applications. We are a leading global producer and supplier of acetate tow and acetate flake, primarily used in filter products applications.

The pricing of products within the Acetate Tow segment is sensitive to demand and is primarily based on the value of the material we produce. Many sales in this business are conducted under contracts with pricing for one or more years. As a result, margins may expand or contract in response to changes in raw material costs over these similar periods, and we may be unable to adjust pricing also due to other factors, such as the intense level of competition in the industry.

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

Net sales remained flat for the three months ended September 30, 2019 compared to the same period in 2018.

Operating profit increased for the three months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- higher accelerated depreciation and amortization expense of $7 million in 2018 related to the closure of our acetate tow manufacturing unit in Ocotlán, Mexico; and
- lower energy costs of $6 million, primarily related to natural gas prices.

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

Net sales remained flat for the nine months ended September 30, 2019 compared to the same period in 2018.

Operating profit decreased for the nine months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- an unfavorable impact of $85 million to Other (charges) gains, net. During the nine months ended September 30, 2019, we recorded an $83 million long-lived asset impairment loss related to the closure of our acetate flake manufacturing operations in Ocotlán, Mexico. We expect to incur additional exit and shutdown costs related to Ocotlán, Mexico of approximately $12 million through the first quarter of 2020. See Note 3 - Acquisitions, Dispositions and Plant Closures in the accompanying unaudited interim consolidated financial statements for further information;

partially offset by:

- higher accelerated depreciation and amortization expense of $8 million in 2018 related to the closure of our acetate tow manufacturing unit in Ocotlán, Mexico; and

- lower energy costs of $8 million, primarily related to natural gas prices.

***Acetyl Chain***

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | **2019** | **2018** | **Change** | **% Change** | **2019** | **2018** | **Change** | **% Change** |
| | | | | **(unaudited)** | | | | |
| | | | | **(In $ millions, except percentages)** | | | | |
| Net sales | 867 | 1,006 | (139) | (13.8)% | 2,621 | 3,106 | (485) | (15.6)% |
| **Net Sales Variance** | | | | | | | | |
| *Volume* | 6 % | | | | — % | | | |
| *Price* | (18)% | | | | (13)% | | | |
| *Currency* | (2)% | | | | (3)% | | | |
| *Other* | — % | | | | — % | | | |
| Other (charges) gains, net | — | 12 | (12) | (100.0)% | (1) | 10 | (11) | (110.0)% |
| Operating profit (loss) | 180 | 287 | (107) | (37.3)% | 570 | 813 | (243) | (29.9)% |
| Operating margin | 20.8 % | 28.5% | | | 21.7 % | 26.2% | | |
| Depreciation and amortization | 43 | 36 | 7 | 19.4 % | 119 | 107 | 12 | 11.2 % |

Our Acetyl Chain segment includes the integrated chain of intermediate chemistry, emulsion polymers and ethylene vinyl acetate ("EVA") polymers businesses. Our intermediate chemistry business produces and supplies acetyl products, including acetic acid, vinyl acetate monomer ("VAM"), acetic anhydride and acetate esters. These products are generally used as starting materials for colorants, paints, adhesives, coatings and pharmaceuticals. It also produces organic solvents and intermediates for pharmaceutical, agricultural and chemical products. Our emulsion polymers business is a leading global producer of vinyl acetate-based emulsions and develops products and application technologies to improve performance, create value and drive innovation in applications such as paints and coatings, adhesives, construction, glass fiber, textiles and paper. Our EVA polymers business is a leading North American manufacturer of a full range of specialty EVA resins and compounds, as well as select grades of low-density polyethylene. Our EVA polymers products are used in many applications, including flexible packaging films, lamination film products, hot melt adhesives, automotive parts and carpeting.

The pricing of products within the Acetyl Chain is influenced by industry utilization rates and changes in the cost of raw materials. Therefore, in general, there is a directional correlation between these factors and our Net sales for most Acetyl Chain products. This impact to pricing typically lags changes in raw material costs over months or quarters.

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

Net sales decreased for the three months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower pricing for most of our products, primarily due to reduced customer demand in Asia and an overall deflationary environment for raw materials; and

- an unfavorable currency impact resulting from a weaker Euro relative to the US dollar;

partially offset by:

- higher volume, primarily for VAM due to expansion in the western hemisphere, which represents substantially all of the increase in volume.

Operating profit decreased for the three months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower Net sales; and

- an unfavorable impact of $12 million to Other (charges) gains, net. During the three months ended September 30, 2018, we received a $13 million non-income tax receivable refund from Nanjing, China, which did not recur in the current year. See Note 14 - Other (Charges) Gains, Net in the accompanying unaudited interim consolidated financial statements for further information;

partially offset by:

- lower raw material costs for methanol, ethylene and acetic acid, which combined represents approximately three-fourths of the decrease.

On September 21, 2019, a localized fire occurred at our Clear Lake, Texas facility, resulting in damage to the carbon monoxide production unit, for which we recorded accelerated depreciation expense and clean-up costs of approximately $6 million during the three months ended September 30, 2019. We expect the financial impact on operating profit during the fourth quarter of 2019, excluding lost sales opportunities, to be approximately $35 million to $45 million, primarily related to certain fixed overhead, clean-up and repair costs.

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

Net sales decreased for the nine months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower pricing for most of our products, primarily due to reduced customer demand in Asia and an overall deflationary environment for raw materials; and

- an unfavorable currency impact resulting from a weaker Euro relative to the US dollar.

Volume was flat for the nine months ended September 30, 2019 compared to the same period in 2018 due to reduced customer demand for acetic acid in Asia, mostly offset by higher volume for VAM due to expansion in the western hemisphere.

Operating profit decreased for the nine months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower Net sales; and

- an unfavorable impact of $11 million to Other (charges) gains, net. During the nine months ended September 30, 2018, we received a $13 million non-income tax receivable refund from Nanjing, China, which did not recur in the current year. See Note 14 - Other (Charges) Gains, Net in the accompanying unaudited interim consolidated financial statements for further information;

partially offset by:

- lower raw material costs for methanol, ethylene and acetic acid, which combined represents approximately three-fourths of the decrease.

***Other Activities***

| | Three Months Ended September 30, | | | | Nine Months Ended September 30, | | | |
|---|---|---|---|---|---|---|---|---|
| | **2019** | **2018** | **Change** | **% Change** | **2019** | **2018** | **Change** | **% Change** |
| | (unaudited) (In $ millions, except percentages) | | | | | | | |
| Other (charges) gains, net | (3) | 1 | (4) | (400.0)% | (19) | 1 | (20) | (2,000.0)% |
| Operating profit (loss) | (65) | (63) | (2) | (3.2)% | (192) | (214) | 22 | 10.3 % |
| Equity in net earnings (loss) of affiliates | 3 | 2 | 1 | 50.0 % | 8 | 6 | 2 | 33.3 % |
| Non-operating pension and other postretirement employee benefit (expense) income | 17 | 25 | (8) | (32.0)% | 51 | 77 | (26) | (33.8)% |
| Dividend income - equity investments | — | — | — | — % | 1 | 1 | — | — % |
| Depreciation and amortization | 4 | 2 | 2 | 100.0 % | 11 | 8 | 3 | 37.5 % |

Other Activities primarily consists of corporate center costs, including administrative activities such as finance, information technology and human resource functions, interest income and expense associated with financing activities and results of our captive insurance companies. Other Activities also includes the components of net periodic benefit cost (interest cost, expected return on assets and net actuarial gains and losses) for our defined benefit pension plans and other postretirement plans not allocated to our business segments.

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

Operating loss increased for the three months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- an unfavorable impact of $4 million to Other (charges) gains, net. During the three months ended September 30, 2019 we recorded $3 million in employee termination benefits, primarily related to business optimization projects. See Note 14 - Other (Charges) Gains, Net in the accompanying unaudited interim consolidated financial statements for further information; and

- higher functional spending of $3 million;

partially offset by:

- lower incentive compensation costs.

Non-operating pension and other postretirement employee benefit income decreased for the three months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower expected return on plan assets.

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

Operating loss decreased for the nine months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower incentive compensation costs and project spending of $37 million;

partially offset by:

- an unfavorable impact of $20 million to Other (charges) gains, net. During the nine months ended September 30, 2019 we recorded an $11 million loss related to a settlement by our captive insurer with a former third-party customer. In addition, during the nine months ended September 30, 2019 we recorded $8 million in employee termination benefits, primarily related to business optimization projects. See Note 14 - Other (Charges) Gains, Net in the accompanying unaudited interim consolidated financial statements for further information.

Non-operating pension and other postretirement employee benefit income decreased for the nine months ended September 30, 2019 compared to the same period in 2018, primarily due to:

- lower expected return on plan assets.

**Liquidity and Capital Resources**

Our primary source of liquidity is cash generated from operations, available cash and cash equivalents and dividends from our portfolio of strategic investments. In addition, as of September 30, 2019, we have $1.1 billion available for borrowing under our senior unsecured revolving credit facility and $5 million available under our accounts receivable securitization facility to assist, if required, in meeting our working capital needs and other contractual obligations.

While our contractual obligations, commitments and debt service requirements over the next several years are significant, we continue to believe we will have available resources to meet our liquidity requirements, including debt service, for the next twelve months. If our cash flow from operations is insufficient to fund our debt service and other obligations, we may be required to use other means available to us such as increasing our borrowings, reducing or delaying capital expenditures, seeking additional capital or seeking to restructure or refinance our indebtedness. There can be no assurance, however, that we will continue to generate cash flows at or above current levels.

Total cash outflows for capital expenditures are expected to be in the range of $375 million to $400 million in 2019, primarily due to additional investments in growth opportunities in our Engineered Materials and Acetyl Chain segments.

On a stand-alone basis, Celanese and its immediate 100% owned subsidiary, Celanese US, have no material assets other than the stock of their subsidiaries and no independent external operations of their own. Accordingly, they generally depend on the cash flow of their subsidiaries and their ability to pay dividends and make other distributions to Celanese and Celanese US in order to meet their obligations, including their obligations under senior credit facilities and senior notes and to pay dividends on our Common stock, par value $0.0001 per share ("Common Stock").

We are subject to capital controls and exchange restrictions imposed by the local governments in certain jurisdictions where we operate, such as China, India and Indonesia. Capital controls impose limitations on our ability to exchange currencies, repatriate earnings or capital, lend via intercompany loans or create cross-border cash pooling arrangements. Our largest exposure to a country with capital controls is in China. Pursuant to applicable regulations, foreign-invested enterprises in China may pay dividends only out of their accumulated profits, if any, determined in accordance with Chinese accounting standards and regulations. In addition, the Chinese government imposes certain currency exchange controls on cash transfers out of China, puts certain limitations on duration, purpose and amount of intercompany loans, and restricts cross-border cash pooling.

***Cash Flows***

Cash and cash equivalents increased $58 million to $497 million as of September 30, 2019 compared to December 31, 2018. As of September 30, 2019, $348 million of the $497 million of cash and cash equivalents was held by our foreign subsidiaries. These funds are largely accessible, if needed in the US to fund operations. Under the TCJA, we have incurred a charge associated with the deemed repatriation of previously unremitted foreign earnings, including foreign held cash. See Note 15 - Income Taxes in the accompanying unaudited interim consolidated financial statements for further information.

- ***Net Cash Provided by (Used in) Operating Activities***

Net cash provided by operating activities decreased $67 million to $1.1 billion for the nine months ended September 30, 2019 compared to $1.2 billion for the same period in 2018. Net cash provided by operating activities for the nine months ended September 30, 2019 decreased, primarily due to:

- a decrease in net earnings;

largely offset by:

- favorable trade working capital of $257 million, primarily due to a decrease in inventory and trade receivables. Inventory decreased as a result of inventory build-up for plant turnarounds which occurred in the prior year and lower costs for raw materials in the current year. Trade receivables decreased due to timing of collections.

- ***Net Cash Provided by (Used in) Investing Activities***

Net cash used in investing activities decreased $84 million to $325 million for the nine months ended September 30, 2019 compared to $409 million for the same period in 2018, primarily due to:

- a net cash outflow of $144 million related to the acquisition of Omni Plastics, L.L.C. and its subsidiaries in February 2018, which did not recur this year; and

- higher capital expenditures during the nine months ended September 30, 2018, primarily due to plant expansions within our Acetyl Chain segment in the prior year;

partially offset by:

- a net cash outflow of $91 million, primarily related to the acquisition of Next Polymers Ltd. in January 2019.

- ***Net Cash Provided by (Used in) Financing Activities***

Net cash used in financing activities increased $97 million to $736 million for the nine months ended September 30, 2019 compared to $639 million for the same period in 2018, primarily due to:

- an increase of $513 million in share repurchases of our Common Stock during the nine months ended September 30, 2019; and

- an increase in cash dividends on our Common Stock of $16 million. During the nine months ended September 30, 2019, we increased our quarterly cash dividend rate from $0.54 to $0.62 per share;

partially offset by:

- an increase in net borrowings on short-term debt of $256 million, primarily as a result of higher borrowings under our revolving credit facility during the nine months ended September 30, 2019 related to the timing of share repurchases of our Common Stock; and

- an increase in net proceeds from long-term debt of $201 million, primarily due to the issuance of $500 million in principal amount of the 3.500% senior unsecured notes due May 8, 2024 (the "3.500% Notes"), partially offset by the redemption of the 3.250% senior unsecured notes (the "3.250% Notes") during the nine months ended September 30, 2019, as discussed below.

***Debt and Other Obligations***

On May 8, 2019, Celanese US completed an offering of $500 million in principal amount of the 3.500% Notes in a public offering registered under the Securities Act. The 3.500% Notes were issued at a discount to par at a price of 99.895%, which is being amortized to Interest expense in the unaudited interim consolidated statement of operations over the term of the 3.500% Notes. Net proceeds from the sale of the 3.500% Notes were used to redeem in full the 3.250% Notes, to repay $156 million of outstanding borrowings under the senior unsecured revolving credit facility and for general corporate purposes. In connection with the issuance of the 3.500% Notes, we entered into a cross-currency swap to effectively convert our fixed-rate US dollar denominated debt under the 3.500% Notes, including annual interest payments and the payment of principal at maturity, to fixed-rate Euro denominated debt.

On January 7, 2019, Celanese, Celanese US and certain subsidiary borrowers entered into a new senior credit agreement (the "Credit Agreement") consisting of a $1.25 billion senior unsecured revolving credit facility (with a letter of credit sublimit), maturing in 2024. The Credit Agreement is guaranteed by Celanese, Celanese US and substantially all of its domestic subsidiaries.

There have been no material changes to our debt or other obligations described in our 2018 Form 10-K other than those disclosed above and in Note 10 - Debt in the accompanying unaudited interim consolidated financial statements.

***Other Financing Arrangements***

Our US accounts receivable securitization facility was amended on July 8, 2019 to extend the maturity date to July 6, 2020.

In June 2018, we entered into a factoring agreement with a global financial institution to sell certain accounts receivable on a non-recourse basis. These transactions are treated as a sale and are accounted for as a reduction in accounts receivable because the agreement transfers effective control over and risk related to the receivables to the buyer. We have no continuing involvement in the transferred receivables, other than collection and administrative responsibilities and, once sold, the accounts receivable are no longer available to satisfy creditors in the event of bankruptcy. We de-recognized $196 million and $117 million of accounts receivable as of September 30, 2019 and December 31, 2018, respectively.

***Share Capital***

We declared a quarterly cash dividend of $0.62 per share on our Common Stock on October 16, 2019, amounting to $75 million. The cash dividend will be paid on November 7, 2019 to holders of record as of October 28, 2019.

There have been no material changes to our share capital described in our 2018 Form 10-K other than those disclosed in Note 13 - Stockholders' Equity in the accompanying unaudited interim consolidated financial statements.

***Contractual Obligations***

Except as otherwise described in this report, there have been no material revisions outside the ordinary course of business to our contractual obligations as described in our 2018 Form 10-K.

**Off-Balance Sheet Arrangements**

We have not entered into any material off-balance sheet arrangements.

**Critical Accounting Policies and Estimates**

Our unaudited interim consolidated financial statements are based on the selection and application of significant accounting policies. The preparation of unaudited interim consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the unaudited interim consolidated financial statements and the reported amounts of net sales, expenses and allocated charges during the reporting period. Actual results could differ from those estimates. However, we are not currently aware of any reasonably likely events or circumstances that would result in materially different results.

We describe our significant accounting policies in Note 2 - Summary of Accounting Policies, of the Notes to the Consolidated Financial Statements included in our 2018 Form 10-K. We discuss our critical accounting policies and estimates in MD&A in our 2018 Form 10-K.

**Recent Accounting Pronouncements**

See Note 2 - Recent Accounting Pronouncements in the accompanying unaudited interim consolidated financial statements included in this Quarterly Report for information regarding recent accounting pronouncements.

**Item 3. *Quantitative and Qualitative Disclosures about Market Risk***

Market risk for the Company has not changed materially from the foreign exchange, interest rate and commodity risks disclosed in Item 7A. Quantitative and Qualitative Disclosures about Market Risk in our 2018 Form 10-K. See also Note 17 - Derivative Financial Instruments in the accompanying unaudited interim consolidated financial statements for further discussion of our market risk management and the related impact on the Company's financial position and results of operations.

## Item 4. *Controls and Procedures*

### Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including the Chief Executive Officer and Chief Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended, as of the end of the period covered by this report. Based on that evaluation, as of September 30, 2019, the Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures are effective.

### Changes in Internal Control Over Financial Reporting

During the period covered by this report, there were no changes in our internal control over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II — OTHER INFORMATION

### Item 1. *Legal Proceedings*

The Company is involved in legal and regulatory proceedings, lawsuits, claims and investigations incidental to the normal conduct of its business, relating to such matters as product liability, land disputes, insurance coverage disputes, contracts, employment, antitrust and competition, intellectual property, personal injury and other actions in tort, workers' compensation, chemical exposure, asbestos exposure, taxes, trade compliance, acquisitions and divestitures, claims of legacy stockholders, past waste disposal practices and release of chemicals into the environment. The Company is actively defending those matters where it is named as a defendant. Due to the inherent subjectivity of assessments and unpredictability of outcomes of legal proceedings, the Company's litigation accruals and estimates of possible loss or range of possible loss may not represent the ultimate loss to the Company from legal proceedings. See Note 12 - Environmental and Note 19 - Commitments and Contingencies in the accompanying unaudited interim consolidated financial statements for a discussion of material environmental matters and material commitments and contingencies related to legal and regulatory proceedings. There have been no significant developments in the "Legal Proceedings" described in our 2018 Form 10-K other than those disclosed in Note 12 - Environmental and Note 19 - Commitments and Contingencies in the accompanying unaudited interim consolidated financial statements. See *Part I - Item 1A. Risk Factors* of our 2018 Form 10-K for certain risk factors relating to these legal proceedings.

### Item 1A. *Risk Factors*

There have been no material changes to the risk factors under Part I, Item 1A of our 2018 Form 10-K.

### Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Repurchases of our Common Stock during the three months ended September 30, 2019 are as follows:

| Period | Total Number of Shares Purchased[(1)] | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Program | Approximate Dollar Value of Shares Remaining that may be Purchased Under the Program[(2)] |
|---|---|---|---|---|
| | | | (unaudited) | |
| July 1-31, 2019 | 267,200 | $ 112.25 | 267,200 | $ 1,683,000,000 |
| August 1-31, 2019 | 1,524,662 | $ 108.22 | 1,524,662 | $ 1,518,000,000 |
| September 1-30, 2019 | 652,416 | $ 122.64 | 652,416 | $ 1,438,000,000 |
| Total | 2,444,278 | | 2,444,278 | |

(1) May include shares withheld from employees to cover their withholding requirements for personal income taxes related to the vesting of restricted stock.

(2) As of September 30, 2019, our Board of Directors has authorized the repurchase of $5.4 billion of our Common Stock since February 2008.

See Note 13 - Stockholders' Equity in the accompanying unaudited interim consolidated financial statements for further information.

### Item 3. *Defaults Upon Senior Securities*

None.

### Item 4. *Mine Safety Disclosures*

None.

### Item 5. *Other Information*

None.

**Item 6.** ***Exhibits***[(1)]

| Exhibit Number | Description |
|---|---|
| 3.1 | Second Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Quarterly Report on Form 10-Q filed with the SEC on October 18, 2016). |
| 3.1(a) | Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Celanese Corporation dated as of April 21, 2016 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on April 22, 2016). |
| 3.1(b) | Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Celanese Corporation dated as of September 17, 2018 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on September 17, 2018). |
| 3.1(c) | Certificate of Amendment to the Second Amended and Restated Certificate of Incorporation of Celanese Corporation dated April 18, 2019 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on April 23, 2019). |
| 3.2 | Sixth Amended and Restated By-laws, amended effective July 15, 2019 (incorporated by reference to Exhibit 3.1 to the Current Report on Form 8-K filed with the SEC on July 18, 2019). |
| 10.2*‡† | Offer Letter, dated April 5, 2019, between Celanese Corporation and Lori Ryerkerk. |
| 31.1* | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 31.2* | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1* | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 32.2* | Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS* | Inline XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH* | Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL* | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.DEF* | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB* | Inline XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE* | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 104 | The cover page from the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019 has been formatted in Inline XBRL. |

* Filed herewith.

‡ Indicates a management contract or compensatory plan or arrangement.

† This document was previously filed as the like-numbered exhibit to our Form 10-Q for the quarter ended June 30, 2019, filed with the SEC on July 23, 2019, and is being refiled to correct typographical errors in the version previously filed to conform to the executed version.

(1) The Company and its subsidiaries have in the past issued, and may in the future issue from time to time, long-term debt. The Company may not file with the applicable report copies of the instruments defining the rights of holders of long-term debt to the extent that the aggregate principal amount of the debt instruments of any one series of such debt instruments for which the instruments have not been filed has not exceeded or will not exceed 10% of the assets of the Company at any pertinent time. The Company hereby agrees to furnish a copy of any such instrument(s) to the SEC upon request.

**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 thereunto duly authorized.

CELANESE CORPORATION

By: /s/ LORI J. RYERKERK

Lori J. Ryerkerk

Chief Executive Officer and President

Date: October 22, 2019

By: /s/ SCOTT A. RICHARDSON

Scott A. Richardson

Senior Vice President and

Chief Financial Officer

Date: October 22, 2019

Celanese
The chemistry inside innovation™

April 5, 2019

Ms. Lori Ryerkerk

Dear Lori:

On behalf of Celanese, I am pleased to confirm our offer for the position of Chief Executive Officer and President of Celanese Corporation. You will be required to devote your full time and attention to this position, and you will be required to relinquish any other employment other than non-executive Board positions. Your position will be based in Irving, TX and is expected to commence no later than May 1, 2019.

**Base Salary** (delineated in USD)
Your base salary will be $950,000 per year and will be payable on a bi-weekly basis in accordance with the Company's normal payroll practice.

**Annual Bonus**
As the CEO, you will be eligible to participate in the Company's annual executive incentive plan. Our bonus plan uses both financial and non-financial measures and your personal performance to determine your actual bonus payout each year. For 2019, your annual bonus opportunity at target will be 100% of your eligible wages (the "Target"), with a "Stretch" opportunity for business performance of up to 200% of your eligible wages. A personal performance modifier also allows for an additional adjustment between 0% and 150% of your planned bonus payout to reflect your individual performance relative to your annual objectives. Accordingly, the absolute maximum payout for the annual bonus would be 300% of your eligible earnings.

For 2019, you will be eligible for a pro-rata bonus, based on actual Company and individual performance. You must be employed by Celanese at the time, in general, such bonus payments are made in March of the following year, to remain eligible to receive the bonus payout.

**Long-Term Incentive Awards**
Celanese currently delivers Long-Term Incentive (LTI) compensation to select employees through annual grants of equity awards. Annual LTI awards are planned to occur in the first quarter of each calendar year. Each year, the Compensation and Management Development Committee of the Board of Directors evaluates the level of awards and the mix among various stock-based vehicles. As CEO, your target LTI grant value will be $3,000,000. For the 2019 compensation cycle, you will be granted a $3,000,000 award per the current LTI plan design for Executive Officers that includes 70% Performance-Based Restricted Stock Units (Performance-Based RSUs) and 30% Time-vesting Restricted Stock Units (Time-vesting RSUs).

**Initial Equity Award**
Celanese believes that an executive's interests should be aligned with shareholder interests, in part through equity ownership in the Company. As a result, you will receive an equity award as part of your initial offer package. Your initial equity award will consist of the following:

Time-vesting Restricted Stock Units (Time-vesting RSUs): You will receive an award of Time-vesting RSUs having a grant date fair value equal to $2,000,000 that will vest 50% each year on the first two anniversaries of the grant date. Once vested, the after-tax portion of these shares will be required to be held until the CEO stock ownership guideline has been met, as described later in this document.

The Compensation Committee will approve this award, subject to your acceptance of this letter, with the grant date to be the later of your start date or May 1, 2019. The complete terms of your initial award will be included in an award agreement sent to you after the grant date. You will be required to sign an appropriate award agreement and the Celanese LTI Claw-back agreement in order to receive the award.

**Sign-on Bonuses**

You will receive a one-time Sign-on Bonus cash payment in the amount of $35,000 less applicable deductions, which is payable through our normal payroll process within thirty (30) days of your start date. Should you voluntarily end your employment with Celanese for any reason within two (2) years of your start date, Celanese reserves the right to seek full repayment of the Sign-on Bonus.

**Retirement**

You will be eligible for retirement once you have reached the age of 65 and have at least 10 years of service with the Company per company policy. Your long-term incentive award agreements will include retirement provisions that will include the following vesting provisions: (1) A prorated number of PRSUs, based on time worked and plan earnings schedule, will vest, subject to adjustment for the achievement of performance metrics, on the original grant vesting schedule. (2) A prorated number of time-vested RSUs, based on time worked, will vest on the original grant vesting schedule.

**Change in Control Agreement**

You will be eligible to receive change in control benefits as described in the Change in Control agreement that will be issued to you upon hire. Generally, the cash provision is equal to two (2) times the sum of (i) your then current annualized based salary; and (ii) the higher of (x) your Target Bonus in effect on the last day of the Fiscal Year that ended immediately prior to the year in which the Termination Date occurs, or (y) the average of the cash bonuses paid by the Company to you for the three Fiscal Years preceding the Termination Date. Your long-term incentive awards are governed by the terms and conditions of the applicable individual award agreements.

Your change in control agreement will include a “best-net” provision that states the Company will cut back change in control payments to the safe harbor limit only if you would receive a greater after-tax benefit than if the excise tax were paid by you on any excess parachute payment. You will not be entitled to any tax gross-up.

Please note that these benefits are paid only if there is a change in control and the covered executive is terminated (i.e. “double-trigger”). The protection period of the termination covers two years following a change in control or following the first public announcement of a potential change in control transaction.

**Stock Ownership Guidelines**

In order to align our executives’ interests with those of our shareholders, Celanese expects senior leaders to maintain equity ownership in the Company commensurate with their position. You will be subject to stock ownership guidelines applicable to your position as in effect from time to time. The current CEO stock ownership guideline is equal to a value of 6 times your annual base salary and you will have five (5) years to meet the guideline. In computing compliance with our stock ownership guidelines, sixty percent (60%) of the value of any unvested Restricted Stock Unit awards (time- or performance-vested) granted to you that vest during the next year, as well as one hundred percent (100%) of any Celanese stock that you beneficially own in your various Company and individual accounts, will be included.

**Employee Benefits**

During your employment, you will be entitled to participate in the Company’s employee benefit plans as in effect from time to time, on the same basis as those benefits that are generally made available to other employees of the Company. We offer medical and dental coverage, group life insurance (1 times annual base pay), and a retirement savings plan that includes company contributions of up to 11% (comprised of

401(k) matching contributions of 100% on the first 6% of the employee's contributions plus a 5% company retirement contribution), subject to IRS code restrictions.

Additionally, you will be eligible to participate in the Celanese Annual Executive Physical Program including an annual physical.

**Relocation Assistance**

Celanese will assist in your relocation to the Dallas area under the provisions of our relocation policy for new employees in effect at that time. Generally, this policy provides for the shipment of household goods, home sale and purchase assistance (for homeowners) and a lump-sum payment to assist with various miscellaneous expenses associated with your relocation. The home sale and purchase assistance can be utilized for up to one (1) year after you relocate to the Dallas area. Details of our relocation policy will be provided to you under separate cover.

Should you voluntarily end your employment with Celanese for any reason within two (2) years of your start date, Celanese will seek full repayment of any relocation assistance provided to you.

**Restrictive Covenant Agreement (RCA)**

As a condition of your employment, you will be required to execute a Restrictive Covenant Agreement (the "RCA") with the Company regarding protection and non-disclosure of confidential information and non-competition, non-solicitation and no hire. A copy of this agreement will be provided to you under separate cover.

**Background Check & Drug Screen**

This offer of employment is contingent upon the satisfactory completion of a third-party background check and pre-employment examination including tests for substance abuse. If both tests are not satisfactorily completed, the offer will be rescinded. It is noted that the background check has already been satisfactorily completed

**Employment Verification**

As required by law, we will need to verify and document your identity and eligibility for employment in the United States. You can find a complete list of acceptable documents at http://www.uscis.gov/files/form/i-9.pdf. Please bring appropriate documentation on your start date. Do not complete the form in advance; you must complete it on your first day of employment.

**Terms & Conditions of Employment**

This offer letter constitutes the full terms and conditions of your employment with the Company. It supersedes any other oral or written promises that may have been made to you.

Lori, we are most enthusiastic about your joining the team. If these provisions are agreeable to you, please sign the copy of this letter and return it to Shannon Jurecka in the self-addressed envelope no sooner than __________ , 2019.

Sincerely,

Mark Rohr<br>Chairman<br>/s/ Mark Rohr

Kathryn Hill<br>Celanese Compensation Committee Chair<br>/s/ Kathryn M Hill

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**Acknowledgment of Offer:**
*(Please check one)*

þ I accept the above described offer of employment with Celanese and understand that my employment status will be considered at-will and may be terminated at any time for any reason. Upon acceptance of this offer, I agree to keep the terms and conditions of this agreement confidential.

o I decline your offer of employment.

Signature: /s/ Lori Ryerkerk
Ms. Lori Ryerkerk

Date: 5 April 2019

Anticipated Start Date: May 1, 2019

**Exhibit 31.1**

**CERTIFICATION**
**PURSUANT TO 17 CFR 240.13a-14**
**PROMULGATED UNDER**
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Lori J. Ryerkerk, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Celanese Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ LORI J. RYERKERK

Lori J. Ryerkerk
*Chief Executive Officer and President*
October 22, 2019

**Exhibit 31.2**

**CERTIFICATION**
**PURSUANT TO 17 CFR 240.13a-14**
**PROMULGATED UNDER**
**SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Scott A. Richardson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Celanese Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ SCOTT A. RICHARDSON

Scott A. Richardson
*Senior Vice President and*
*Chief Financial Officer*
October 22, 2019

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350,**
**AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Celanese Corporation (the "Company") on Form 10-Q for the period ending September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Lori J. Ryerkerk, Chief Executive Officer and President of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ LORI J. RYERKERK

Lori J. Ryerkerk
*Chief Executive Officer and President*
October 22, 2019

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Celanese Corporation (the "Company") on Form 10-Q for the period ending September 30, 2019 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Scott A. Richardson, Senior Vice President and Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to my knowledge:

1. The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ SCOTT A. RICHARDSON

Scott A. Richardson
*Senior Vice President and*
*Chief Financial Officer*
October 22, 2019