# UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

## FORM 8-K

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

Date of Report (Date of earliest event reported): October 25, 2019

# **Huntsman Corporation**

(Exact name of registrant as specified in its charter)

**Delaware** (State or other jurisdiction of incorporation)

**001-32427** (Commission File Number)

42-1648585 (IRS Employer Identification No.)

10003 Woodloch Forest Drive The Woodlands, Texas (Address of principal executive offices)

77380 (Zip Code)

Registrant's telephone number, including area code: (281) 719-6000

#### Not applicable

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (see

General	ilistruction A.2. below).		
	Written communications pursuant to Rule 425 under the S	ecurities Act (17 CFR 230.425)	
	Soliciting material pursuant to Rule 14a-12 under the Excl	hange Act (17 CFR 240.14a-12)	
	Pre-commencement communications pursuant to Rule 14c	d-2(b) under the Exchange Act (17 CFR 240.14d-	2(b))
	Pre-commencement communications pursuant to Rule 13e	e-4(c) under the Exchange Act (17 CFR 240.13e-4	4(c))
Securiti	es 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 \$0.01 per share	HUN	New York Stock Exchange
	e by check mark whether the registrant is an emerging growt urities Exchange Act of 1934 (§240.12b-2 of this chapter).	h company as defined in Rule 405 of the Securitie	es Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of
			Emerging growth company □
	nerging growth company, indicate by check mark if the regising standards provided pursuant to Section 13(a) of the Exch		n period for complying with any new or revised financial

#### Item 2.02. Results of Operations and Financial Condition.

On October 25, 2019, we issued a press release announcing our results for the three months ended September 30, 2019. The press release is furnished herewith as Exhibit 99.1.

We will hold a conference call to discuss our third quarter 2019 financial results on Friday, October 25, 2019 at 10:00 a.m. ET.

Participant dial-in numbers:

(877) 402-8037 Domestic callers: International callers: (201) 378-4913

Webcast link: https://78449.themediaframe.com/dataconf/productusers/hun/mediaframe/32469/indexl.html

The conference call will be accompanied by presentation slides that will be accessible via the webcast link and Huntsman's investor relations website, ir.huntsman.com. Upon conclusion of the call, the webcast replay will be accessible via Huntsman's website.

Information with respect to the conference call, together with a copy of the press release furnished herewith as Exhibit 99.1, is available on the investor relations page of our website at http://ir.huntsman.com.

#### Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Number	Description of Exhibits
99.1 104	Press Release dated October 25, 2019 regarding third quarter 2019 earnings The cover page from this Current Report on Form 8-K, formatted in Inline XBRL.
	$\gamma$

### SIGNATURES

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

HUNTSMAN CORPORATION

/s/ IVAN MARCUSE

Vice President, Investor Relations

Dated: October 25, 2019





FOR IMMEDIATE RELEASE

October 25, 2019 The Woodlands, TX NYSE: HUN Media: Gary Chapman (281) 719-4324 **Investor Relations:** Ivan Marcuse (281) 719-4637

# Huntsman Announces Third Quarter 2019 Earnings; Strong Cash Flow Generation in the Quarter; Divestiture of the Chemical Intermediates and Surfactants Businesses on Track

#### Third Quarter Highlights

- Third quarter 2019 net income of \$41 million compared to a net loss of \$8 million in the prior year period; third quarter 2019 diluted earnings per share of \$0.13 compared to a loss per share of \$0.05 in the prior year period.
- · Third quarter 2019 adjusted net income of \$95 million compared to \$170 million in the prior year period; third quarter 2019 adjusted diluted earnings per share of \$0.41 compared to \$0.71 in the prior year period.
- · Third quarter 2019 adjusted EBITDA of \$215 million compared to \$308 million in the prior year period.
- Third quarter 2019 net cash provided by operating activities from continuing operations of \$257 million. Free cash flow from continuing operations of \$197 million for the quarter.
- · Balance sheet remains strong with total Company net leverage of 1.6x.
- · Third quarter 2019 share repurchases of approximately 4.1 million shares for approximately \$81 million.
- Previously announced divestiture of the Chemical Intermediates and Surfactants businesses for \$2.1 billion remains on track and is expected to close in early 2020. The businesses to be divested are now reported as discontinued operations on the income statement and held for sale on the balance sheet.

		Three mo Septen		Nine months ended September 30,				
In millions, except per share amounts		2019	2018		2019			2018
Revenues	\$	1,687	\$	1,968	\$	5,140	\$	5,783
Net income (loss)	\$	41	\$	(8)	\$	290	\$	965
Adjusted net income <sup>(1)</sup>	\$	95	\$	170	\$	288	\$	552
Diluted income (loss) per share	\$	0.13	\$	(0.05)	\$	1.12	\$	2.79
Adjusted diluted income per share <sup>(1)</sup>	\$	0.41	\$	0.71	\$	1.24	\$	2.27
Adjusted EBITDA <sup>(1)</sup>	\$	215	\$	308	\$	664	\$	954
Net cash provided by operating activities from continuing operations	\$	257	\$	248	\$	434	\$	446
Free cash flow from continuing operations <sup>(2)</sup>	\$	197	\$	191	\$	258	\$	300

See end of press release for footnote explanations and reconciliations of non-GAAP measures

THE WOODLANDS, Texas – Huntsman Corporation (NYSE: HUN) today reported third quarter 2019 results with revenues of \$1,687 million, net income of \$41 million, adjusted net income of \$95 million and adjusted EBITDA of \$215 million.

#### Peter R. Huntsman, Chairman, President and CEO, commented:

"In spite of an increasingly challenging global economic environment, I have never been more pleased about our mix of businesses and the strength of our balance sheet. We continue our strategy to move and shift our asset portfolio to more downstream, stable and resilient businesses, as well as to manage effectively our working capital and balance sheet. We are on track to close the divestiture of our Chemical Intermediates and Surfactants businesses in early 2020, yielding approximately \$1.6 billion of net proceeds upon completion. This, coupled with our ongoing strong free cash flow and investment grade balance sheet will provide us with abundant resource and flexibility in our ongoing balanced approach to capital allocation which includes organic and inorganic expansion, opportunistic share repurchases and a competitive dividend. We are very well positioned for the future."

#### Segment Analysis for 3Q19 Compared to 3Q18

#### Polyurethanes

The decrease in revenues in our Polyurethanes segment for the three months ended September 30, 2019 compared to the same period of 2018 was due to lower MDI average selling prices, partially offset by higher MDI sales volumes. MDI average selling prices decreased primarily due to a decline in component MDI selling prices in China and Europe. MDI sales volumes increased primarily due to the start-up of our new Chinese MDI facility in the third quarter of 2018. The decrease in segment adjusted EBITDA was primarily due to lower MDI margins driven by lower MDI pricing, partially offset by higher MDI sales volumes.

#### Performance Products

The decrease in revenues in our Performance Products segment for the three months ended September 30, 2019 compared to the same period of 2018 was due to lower average selling prices and lower sales volumes. Average selling prices decreased primarily due to lower raw material costs and weakened market conditions. Sales volumes decreased primarily due to weakened market conditions. The decrease in segment adjusted EBITDA was primarily due to lower sales volumes and lower margins, primarily in our ethyleneamines business, partially offset by higher margins in our specialty amines business.

#### Advanced Materials

The decrease in revenues in our Advanced Materials segment for the three months ended September 30, 2019 compared to the same period in 2018 was due to lower sales volumes and lower average selling prices. Sales volumes decreased across most markets primarily due to economic slowdown and customer destocking, particularly in our European region. Average selling prices decreased primarily due to the impact of a stronger U.S. dollar against major international currencies, partially offset by higher local currency selling prices. Segment adjusted EBITDA decreased due to lower sales volumes.

#### Textile Effects

The decrease in revenues in our Textile Effects segment for the three months ended September 30, 2019 compared to the same period of 2018 was due to lower sales volumes and lower average selling prices. Sales volumes decreased primarily due to lower demand primarily resulting from market uncertainties surrounding U.S. and China trade. Average selling prices decreased as a result of competitive market pressures and the impact of a stronger U.S. dollar against major international currencies. The decrease in segment adjusted EBITDA was primarily due to lower sales volumes and higher raw material costs, partially offset by lower fixed costs.

For the three months ended September 30, 2019, adjusted EBITDA from Corporate and other for Huntsman Corporation increased by \$9 million to a loss of \$36 million from a loss of \$45 million for the same period of 2018.

#### Liquidity, Capital Resources and Outstanding Debt

During the three months ended September 30, 2019, our free cash flow from continuing operations was \$197 million compared to \$191 million in the prior year period. As of September 30, 2019, we had \$1,707 million of combined cash and unused borrowing capacity.

During the three months ended September 30, 2019, we spent \$63 million on capital expenditures compared to \$59 million in the same period of 2018. In 2019, we expect to spend approximately \$270 million on capital expenditures for continuing operations and approximately \$70 million for the Chemical Intermediates and Surfactants businesses reported as discontinued operations.

During the three months ended September 30, 2019, we spent approximately \$81 million to repurchase approximately 4.1 million shares. As of the end of the third quarter 2019, we have approximately \$528 million remaining on our existing \$1 billion multiyear share repurchase program.

#### **Income Taxes**

During the three months ended September 30, 2019, we recorded income tax expense of \$30 million compared to \$16 million during the same period in 2018. In the third quarter 2019, our adjusted effective tax rate was 21%. We expect our forward adjusted effective tax rate will be approximately 22% - 24%.

#### **Earnings Conference Call Information**

We will hold a conference call to discuss our third quarter 2019 financial results on Friday, October 25, 2019 at 10:00 a.m. ET.

Webcast link: https://78449.themediaframe.com/dataconf/productusers/hun/mediaframe/32469/indexl.html

Participant dial-in numbers:

Domestic callers: (877) 402-8037 International callers: (201) 378-4913

The conference call will be accompanied by presentation slides that will be accessible via the webcast link and Huntsman's investor relations website, ir.huntsman.com. Upon conclusion of the call, the webcast replay will be accessible via Huntsman's website.

#### **Upcoming Conferences**

During the third quarter 2019 a member of management is expected to present at: Morgan Stanley's Global Chemicals and Agriculture Conference on November 13, 2019 Citi's Basic Materials Conference on December 3, 2019

A webcast of the presentation, if applicable, along with accompanying materials will be available atir.huntsman.com.

 $\underline{ \ \ \, Table\ 1-Results\ of\ Operations}$ 

	Three mor Septem	led	Nine months ended September 30,					
In millions, except per share amounts	 2019	2018		2019		2018		
Revenues	\$ 1,687	\$ 1,968	\$	5,140	\$	5,783		
Cost of goods sold	1,347	1,501		4,068		4,371		
Gross profit	340	467		1,072		1,412		
Operating expenses	231	238		695		711		
Restructuring, impairment and plant closing (credits) costs	(43)	5		(42)		8		
Merger costs	-	1		-		2		
Operating income	 152	 223		419		691		
Interest expense	(27)	(30)		(86)		(86)		
Equity in income of investment in unconsolidated affiliates	19	14		41		45		
Fair value adjustments to Venator investment	(148)	-		(90)		-		
Loss on early extinguishment of debt	-	-		(23)		(3)		
Other income, net	7	6		16		22		
Income from continuing operations before income taxes	3	213		277		669		
Income tax expense	 (30)	(16)		(113)		(41)		
(Loss) income from continuing operations	(27)	197		164		628		
Income (loss) from discontinued operations, net of tax <sup>(3)</sup>	68	(205)		126		337		
Net income (loss)	 41	 (8)		290		965		
Net income attributable to noncontrolling interests, net of tax	(11)	(3)		(31)		(288)		
Net income (loss) attributable to Huntsman Corporation	\$ 30	\$ (11)	\$	259	\$	677		
	<del></del>	 						
Adjusted EBITDA <sup>(1)</sup>	\$ 215	\$ 308	\$	664	\$	954		
Adjusted net income <sup>(1)</sup>	\$ 95	\$ 170	\$	288	\$	552		
Basic income (loss) per share	\$ 0.13	\$ (0.05)	\$	1.12	\$	2.83		
Diluted income (loss) per share	\$ 0.13	\$ (0.05)	\$	1.12	\$	2.79		
Adjusted diluted income per share <sup>(1)</sup>	\$ 0.41	\$ 0.71	\$	1.24	\$	2.27		
Common share information:								
Basic weighted average shares	227	238		230		239		
Diluted weighted average shares	227	241		230		243		
Diluted weighted average shares	221	271		232		273		

See end of press release for footnote explanations

Table 2 – Results of Operations by Segment

		Three mor			Better /		Nine mon Septem		Better /	
In millions		2019		2018	(Worse)	2019		2018		(Worse)
Segment Revenues:										
Polyurethanes	\$	993	\$	1,126	(12%)	\$	2,931	\$	3,268	(10%)
Performance Products		281		329	(15%)		880		991	(11%)
Advanced Materials		256		279	(8%)		803		850	(6%)
Textile Effects		179		204	(12%)		583		631	(8%)
Corporate and Eliminations		(22)		30	n/m		(57)		43	n/m
Total	\$	1,687	\$	1,968	(14%)	\$	5,140	\$	5,783	(11%)
Segment Adjusted EBITDA <sup>(1)</sup> :										
Polyurethanes	\$	146	\$	218	(33%)	\$	426	\$	668	(36%)
Performance Products		38		54	(30%)		125		158	(21%)
Advanced Materials		51		56	(9%)		159		177	(10%)
Textile Effects		16		25	(36%)		66		80	(18%)
Corporate, LIFO and other		(36)		(45)	20%		(112)		(129)	13%
Total	\$	215	\$	308	(30%)	\$	664	\$	954	(30%)

 $n/m = not \ meaningful$ 

See end of press release for footnote explanations

Three i	non	ths	ende	ed
September	30.	201	9 vs.	2018

	September 30, 2019 vs. 2016								
	Average Sellin	ig Price <sup>(a)</sup>							
	Local	Exchange	Sales Mix	Sales					
	Currency	Rate	& Other	Volume <sup>(b)</sup>	Total				
Polyurethanes	(13%)	(2%)	2%	1%	(12%)				
Performance Products	(5%)	(2%)	3%	(11%)	(15%)				
Advanced Materials	1%	(2%)	4%	(11%)	(8%)				
Textile Effects	(2%)	(1%)	(2%)	(7%)	(12%)				
Total Company	(15%)	(2%)	7%	(4%)	(14%)				

# Nine months ended September 30, 2019 vs. 2018

	September 30, 2019 vs. 2018											
	Average Sellin	ng Price <sup>(a)</sup>										
	Local	Exchange	Sales Mix	Sales								
	Currency	Rate	& Other	Volume <sup>(b)</sup>	Total							
Polyurethanes	(13%)	(3%)	1%	5%	(10%)							
Performance Products	(1%)	(3%)	2%	(9%)	(11%)							
Advanced Materials	2%	(4%)	2%	(6%)	(6%)							
Textile Effects	7%	(3%)	(2%)	(10%)	(8%)							
Total Company	0%	(3%)	(7%)	(1%)	(11%)							

<sup>(</sup>a) Excludes sales from tolling arrangements, by-products and raw materials. (b) Excludes sales from by-products and raw materials.

<u>Table 4 – Reconciliation of U.S. GAAP to Non-GAAP Measures</u>

				Incom	e Tax						Diluted	Incom	ie
		TDA	_	(Expense				Net In			Per S		
		nths ended		Three months ended					ths end	led	Three mon		
		iber 30,			September 30,			Septem			Septem		
In millions, except per share amounts	2019	2018	_	2019		2018 20			2018		2019		2018
Net income (loss)	\$ 41	\$ (8)					\$	41	\$	(8)	\$ 0.18	\$	(0.03)
Net income attributable to noncontrolling interests	(11)	(3)						(11)		(3)	(0.05)		(0.01)
Net income (loss) attributable to Huntsman Corporation	30	(11)						30		(11)	0.13		(0.05)
Interest expense from continuing operations	27	30						30		(11)	0.13		(0.03)
Interest expense from discontinued operations <sup>(3)</sup>	-	10											
Income tax expense from continuing operations	30	16	\$	(30)	\$	(16)							
Income tax expense (benefit) from discontinued	50	10	Ψ	(30)	Ψ	(10)							
operations <sup>(3)</sup>	25	(41)											
Depreciation and amortization from continuing	23	(11)											
operations	65	62											
Depreciation and amortization from discontinued													
operations <sup>(3)</sup>	13	23											
Business acquisition and integration expenses	3	2		(1)		-		2		2	0.01		0.01
EBITDA / (Income) loss from discontinued													
operations, net of tax <sup>(3)</sup>	(106)	213		n/a		n/a		(68)		205	(0.30)		0.85
Noncontrolling interest of discontinued operations(1)													
(3)	-	(21)		-		-		-		(21)	-		(0.09)
Release of significant income tax valuation													
allowances <sup>(a)</sup>	-	-		-		(24)		-		(24)	-		(0.10)
Merger costs, net of tax	-	1		-		-		-		1	-		0.00
Fair value adjustments to Venator Investment <sup>(b)</sup>	148	-		-		-		148		-	0.65		-
Certain legal settlements and related expenses	1	1		-		(1)		1		-	0.00		-
Certain non-recurring information technology project	_												
implementation costs  Amortization of pension and postretirement actuarial	I	-		-		-		1		-	0.00		-
losses	16	18		(5)		(4)		11		14	0.05		0.06
Restructuring, impairment and plant closing and	10	10		(3)		(4)		11		14	0.03		0.00
transition (credits) costs	(42)	_		0		(1)		(2.1)			(0.15)		0.02
Net plant incident costs	(43)	5		9		(1)		(34)		4	(0.15)		0.02
•		_ <del></del> _	_	(1)	_			_		<u>-</u>	0.02		<del></del> -
Adjusted <sup>(1)</sup>	\$ 215	\$ 308	\$	(28)	\$	(46)	\$	95	\$	170	\$ 0.41	\$	0.71
40													
Adjusted income tax expense <sup>(1)</sup>							\$	28	\$	46			
Net income attributable to noncontrolling interests, net													
of tax								11		3			
Noncontrolling interest of discontinued operations <sup>(1)(3)</sup>										21			
Adjusted pre-tax income <sup>(1)</sup>							\$	134	\$	240			
Adjusted effective tax rate <sup>(4)</sup>								21%		19%			
Effective tax rate								n/m		8%			

	EBITDA  Nine months ended  September 30,				Income Tax (Expense) Benefit  Nine months ended September 30,			Net Income Nine months ended September 30,					Diluted Income Per Share Nine months ended September 30,			
In millions, except per share amounts	2019		2018		2019		2018	2	019		2018		2019		2018	
Net income	\$ 290	\$	965					\$	290	\$	965	\$	1.25	\$	3.97	
Net income attributable to noncontrolling interests	(31)		(288)						(31)		(288)		(0.13)		(1.19)	
Net income attributable to Huntsman Corporation	259		677						259		677		1.12		2.79	
Interest expense from continuing operations	86		86													
Interest expense from discontinued operations <sup>(3)</sup>	-		30													
Income tax expense from continuing operations	113		41	\$	(113)	\$	(41)									
Income tax expense from discontinued operations <sup>(3)</sup>	44		95													
Depreciation and amortization from continuing																
operations	201		187													
Depreciation and amortization from discontinued																
operations <sup>(3)</sup>	59		63													
Business acquisition and integration expenses	4		10		(1)		(2)		3		8		0.01		0.03	
EBITDA / (Income) loss from discontinued																
operations, net of tax <sup>(3)</sup>	(229)		(525)		n/a		n/a		(126)		(337)		(0.54)		(1.39)	
Noncontrolling interest of discontinued operations(1)																
(3)	-		222		-		-		-		222		-		0.91	
U.S. tax reform impact on tax expense	-		-		3		49		3		49		0.01		0.20	
Release of significant income tax valuation																
allowances(a)	-		-		-		(119)		-		(119)		-		(0.49)	
Impact of Switzerland income tax rate change	-		-		32		-		32		-		0.14		-	
Merger costs, net of tax	-		2		-		-		-		2		-		0.01	
Fair value adjustments to Venator Investment(b)	90		-		-		-		90		-		0.39		-	
Loss on early extinguishment of debt	23		3		(5)		(1)		18		2		0.08		0.01	
Certain legal settlements and related expenses	1		4		-		(1)		1		3		0.00		0.01	
Certain non-recurring information technology project																
implementation costs	1		-		-		-		1		-		0.00		-	
Amortization of pension and postretirement actuarial	49		50		(12)		(12)		26		20		0.16		0.16	
losses Restructuring, impairment and plant closing and	49		50		(13)		(12)		36		38		0.16		0.16	
transition (credits) costs	(42)		9		9		(2)		(33)		7		(0.14)		0.03	
Net plant incident costs	5		-		(1)		(2)		(33)		_		0.02		0.03	
Adjusted <sup>(1)</sup>		_		_		_	(105)			_		_		_	2.25	
Aujusteu	\$ 664	\$	954	\$	(89)	\$	(129)	\$	288	\$	552	\$	1.24	\$	2.27	

Adjusted income tax expense <sup>(1)</sup>	\$	89	\$ 129	
Net income attributable to noncontrolling interests, net of tax		31	288	
Noncontrolling interest of discontinued operations <sup>(1)(3)</sup>		-	(222)	
Adjusted pre-tax income <sup>(1)</sup>	\$	408	\$ 747	
	_			
Adjusted effective tax rate <sup>(4)</sup>		22%	17%	
Effective tax rate		41%	6%	

- (a) During the nine months ended September 30, 2018, we released \$119 million of valuation allowances in Switzerland, the U.K., and Luxembourg. We eliminated the effect of this significant change in tax valuation allowances from our presentation of adjusted net income to allow investors to better compare our ongoing financial performance from period to period.
  - We do not adjust for insignificant changes in tax valuation allowances because we do not believe this provides more meaningful information than is provided under GAAP.
- (b) Represents the changes in market value in Huntsman's remaining interesting in Venator.

n/m = not meaningful; n/a = not applicable See end of press release for footnote explanations

<u>Table 5 – Selected Balance Sheet Items</u>

In millions	September 30, 2019		December 31, 2018
Cash		18 \$	
Accounts and notes receivable, net	1,0		1,183
Inventories		61	1,000
Other current assets	1	52	203
Current assets held for sale	1,1	08	232
Property, plant and equipment, net	2,3	24	2,353
Other noncurrent assets	2,0	62	1,765
Noncurrent assets held for sale		-	877
	·		
Total assets	\$ 8,1	15 <b>\$</b>	7,953
	· · · · · · · · ·	_ =	
Accounts payable	\$ 7-	44 \$	793
Other current liabilities	4	43	497
Current portion of debt	1:	32	96
Current liabilities held for sale	5	86	225
Long-term debt	2,2	04	2,224
Other noncurrent liabilities	1,3	68	1,086
Noncurrent liabilities held for sale		-	283
Huntsman Corporation stockholders' equity	2,4	82	2,520
Noncontrolling interests in subsidiaries	1.	56	229
			,
Total liabilities and equity	\$ 8,1	15 \$	7,953

**Table 6 – Outstanding Debt** 

In millions	September 30, 2019	December 31, 2018		
Debt:				
Revolving credit facility	\$ -	\$ 50		
Accounts receivable programs	197	252		
Term loan	101	-		
Senior notes	1,947	1,892		
Variable interest entities	72	86		
Other debt		40		
Total debt - excluding affiliates	2,336	2,320		
Total cash	418	340		
Net debt - excluding affiliates <sup>(5)</sup>	\$ 1,918	\$ 1,980		

See end of press release for footnote explanations

Table 7 - Summarized Statement of Cash Flows

In millions	Three months ended September 30,				Nine months ended September 30,			
	2	019		2018		2019		2018
Total cash at beginning of period <sup>(a)</sup>	\$	449	\$	763	\$	340	\$	719
Net cash provided by operating activities - continuing operations		257		248		434		446
Net cash provided by operating activities - discontinued operations <sup>(3)</sup>		126		46		222		488
Net cash used in investing activities - continuing operations		(11)		(54)		(111)		(514)
Net cash used in investing activities - discontinued operations <sup>(3)</sup>		(13)		(116)		(31)		(297)
Net cash used in financing activities		(383)		(181)		(431)		(117)
Effect of exchange rate changes on cash		(7)		(9)		(5)		(28)
Total cash at end of period <sup>(a)</sup>	\$	418	\$	697	\$	418	\$	697
Supplemental cash flow information - continuing operations:								
Cash paid for interest	\$	(12)	\$	(14)	\$	(65)	\$	(73)
Cash paid for income taxes		(26)	·	(39)	·	(88)	•	(115)
Cash paid for capital expenditures		(63)		(59)		(181)		(148)
Depreciation and amortization		65		62		201		187
Changes in primary working capital:								
Accounts and notes receivable		116		(30)		69		(135)
Inventories		(5)		(69)		19		(158)
Accounts payable		(4)		32		(16)		53
Total cash received from (used in) primary working capital	\$	107	\$	(67)	\$	72	\$	(240)
Free cash flow - continuing operations <sup>(2)</sup> :								
Net cash provided by operating activities	\$	257	\$	248	\$	434	\$	446
Capital expenditures		(63)		(59)		(181)		(148)
All other investing activities, excluding acquisition and disposition activities <sup>(b)</sup>		3		1		5		-
Non-recurring merger costs <sup>(c)</sup>		-		1		_		2
Free cash flow - continuing operations	\$	197	\$	191	\$	258	\$	300
	<u> </u>		<u> </u>		_		<u> </u>	
Adjusted EBITDA	\$	215	\$	308	\$	664	\$	954
Capital expenditures		(63)		(59)		(181)		(148)
Capital reimbursements		2		1		9		4
Interest		(12)		(14)		(65)		(73)
Income taxes		(26)		(39)		(88)		(115)
Primary working capital change		107		(67)		72		(240)
Restructuring		(3)		(2)		(14)		(7)
Pensions		(37)		(36)		(91)		(94)
Maintenance & other		14		99		(48)		19
Free cash flow - continuing operations <sup>(2)</sup>	\$	197	\$	191	\$	258	\$	300

 <sup>(</sup>a) Includes restricted cash and cash held in discontinued operations until the Deconsolidation of Venator.
 (b) Represents "Acquisition of business, net of cash acquired", "Cash received from purchase price adjustment for business acquired", and "Proceeds from sale of the control of the control

<sup>(</sup>c) Represents payments associated with one-time costs of the terminated merger of equals with Clariant.

#### **Footnotes**

(1) We use adjusted EBITDA to measure the operating performance of our business and for planning and evaluating the performance of our business segments. We provide adjusted net income because we feel it provides meaningful insight for the investment community into the performance of our business. We believe that net income (loss) is the performance measure calculated and presented in accordance with generally accepted accounting principles in the U.S. ("GAAP") that is most directly comparable to adjusted EBITDA and adjusted net income (loss). Additional information with respect to our use of each of these financial measures follows:

Adjusted EBITDA, adjusted net income (loss) and adjusted diluted income (loss) per share, as used herein, are not necessarily comparable to other similarly titled measures of other companies.

Adjusted EBITDA is computed by eliminating the following from net income (loss): (a) net income attributable to noncontrolling interests, net of tax; (b) interest; (c) income taxes; (d) depreciation and amortization (e) amortization of pension and postretirement actuarial losses (gains); (f) restructuring, impairment and plant closing costs (credits); and further adjusted for certain other items set forth in reconciliation of adjusted EBITDA to net income (loss) in Table 4 above.

Adjusted net income (loss) and adjusted diluted income (loss) per share are computed by eliminating the after tax impact of the following items from net income (loss): (a) net income attributable to noncontrolling interest; (b) amortization of pension and postretirement actuarial losses (gains); (c) restructuring, impairment and plant closing costs (credits); and further adjusted for certain other items set forth in reconciliation of adjusted EBITDA to net income (loss) in Table 4 above. The income tax impacts, if any, of each adjusting item represent a ratable allocation of the total difference between the unadjusted tax expense and the total adjusted tax expense, computed without consideration of any adjusting items using a with and without approach.

We do not provide reconciliations for adjusted EBITDA, adjusted net income (loss) or adjusted diluted income (loss) per share on a forward-looking basis because we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amount of certain items, such as, but not limited to, (a) business acquisition and integration expenses and purchase accounting adjustments, (b) merger costs, and (c) certain legal and other settlements and related costs. Each of such adjustments has not yet occurred, are out of our control and/or cannot be reasonably predicted. For the same reasons, we are unable to address the probable significance of the unavailable information.

- (2) Management internally uses a free cash flow measure: (a) to evaluate the Company's liquidity, (b) to evaluate strategic investments, (c) to plan stock buyback and dividend levels and (d) to evaluate the Company's ability to incur and service debt. Free cash flow is not a defined term under U.S. GAAP, and it should not be inferred that the entire free cash flow amount is available for discretionary expenditures. The Company defines free cash flow as cash flow provided by operating activities less cash flow used in investing activities, excluding acquisition/disposition activities and non-recurring separation costs. Free cash flow is typically derived directly from the Company's condensed consolidated statement of cash flows; however, it may be adjusted for items that affect comparability between periods.
- (3) During the third quarter 2019, we entered into an agreement to sell our Chemical Intermediates and Surfactants businesses, which are now reported as held for sale. In the third quarter of 2017 we separated our Pigments and Additives division through an Initial Public Offering of Venator Materials PLC. Additionally, during the first quarter 2010 we closed our Australian styrenics operations. Results from these associated businesses are treated as discontinued operations.
- (4) We believe adjusted effective tax rate provides improved comparability between periods through the exclusion of certain items that management believes are not indicative of the businesses' operational profitability and that may obscure underlying business results and trends. In our view, effective tax rate is the performance measure calculated and presented in accordance with U.S. GAAP that is most directly comparable to adjusted effective tax rate.
  - The reconciliation of historical adjusted effective tax rate and effective tax rate is set forth in Table 4 above. We do not provide reconciliations for adjusted effective tax rate on a forward-looking basis because we are unable to provide a meaningful or accurate calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing and amount of certain items, such as, but not limited to, (a) business acquisition and integration expenses, (b) merger costs, and (c) certain legal and other settlements and related costs. Each of such adjustments has not yet occurred, are out of our control and/or cannot be reasonably predicted. For the same reasons, we are unable to address the probable significance of the unavailable information.
- (5) Net debt is a measure we use to monitor how much debt we have after taking into account our total cash. We use it as an indicator of our overall financial position, and calculate it by taking our total debt, including the current portion, and subtracting total cash.

#### **About Huntsman:**

Huntsman Corporation is a publicly traded global manufacturer and marketer of differentiated and specialty chemicals with 2018 revenues more than \$9\$ billion. Our chemical products number in the thousands and are sold worldwide to manufacturers serving a broad and diverse range of consumer and industrial end markets. We operate more than 75 manufacturing, R&D and operations facilities in approximately 30 countries and employ approximately 10,000 associates within our four distinct business divisions. For more information about Huntsman, please visit the company's website at <a href="https://www.huntsman.com">www.huntsman.com</a>.

#### Social Media:

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#### Forward-Looking Statements:

Certain information in this release constitutes forward-looking statements within the meaning of Section 27A of the Securities Act of 1934 and Section 21E of the Securities Exchange Act of 1934. These statements are based on management's current beliefs and expectations. The forward-looking statements in this release are subject to uncertainty and changes in circumstances and involve risks and uncertainties that may affect the company's operations, markets, products, services, prices and other factors as discussed under the caption "Risk Factors" in the Huntsman companies' filings with the U.S. Securities and Exchange Commission. Significant risks and uncertainties may relate to, but are not limited to, volatile global economic conditions, cyclical and volatile product markets, disruptions in production at manufacturing facilities, reorganization or restructuring of Huntsman's operations, including any delay of, or other negative developments affecting the ability to implement cost reductions, timing of proposed transactions, and manufacturing optimization improvements in Huntsman businesses and realize anticipated cost savings, and other financial, economic, competitive, environmental, political, legal, regulatory and technological factors. The company assumes no obligation to provide revisions to any forward-looking statements should circumstances change, except as otherwise required by applicable laws.